

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC JOINT APPLICATION OF BIG)	
RIVERS ELECTRIC CORPORATION AND)	CASE NO.
KENTUCKY UTILITIES COMPANY FOR)	2025-00323
AUTHORITY TO TRANSFER THE DAVIESS)	
COUNTY ASSETS PURSUANT TO KRS 278.218)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO KENTUCKY UTILITIES COMPANY

Kentucky Utilities Company (KU), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on January 30, 2026. The Commission directs KU to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

KU shall make timely amendment to any prior response if KU obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which KU fails or refuses to furnish all or part of the requested information, KU shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, KU shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Joint Application and the Daviess County Assets Agreement. KU states that the transaction will result in the release of an outstanding lien, and that BREC will purchase the assets at a price approximately \$1 million lower than the stated original book value.

a. Explain why the transaction is financially reasonable for KU and its retail ratepayers.

b. Describe how ratepayers benefit from accepting a sale price below original book value.

2. Explain why the assets were priced at approximately \$1 million below the original book value.

3. Identify the lien referenced in Section 6(B) of the Daviess County Assets Agreement. Provide the name of the lienholder, the outstanding amount, and the balance that will be retired or credited upon closing.

4. Describe whether the proposed sale affects the level of merger mitigation depancaking expenses being tracked as a regulatory asset or liability under the Stipulation filed in Case No. 2025-00113.²

a. If the level of merger mitigation depancaking expenses being tracked as a regulatory asset or liability is affected, provide the monthly impact expressed both in dollars and percentage.

b. State whether KU anticipates adjusting the regulatory asset balance recorded prior to closing.

5. Refer to KU's response to Commission Staff's First Request for Information (Staff's First Request), Item 1. State the fair market value (FMV) of the Daviess County Assets compared to their net book value. Identify the methodology or reference benchmarks supporting the estimate.

² Case No. 2025-00113, *Electronic Application of Kentucky Utilities Company for an Adjustment of Its Electric Rates and Approval of Certain Regulatory and Accounting Treatments* (filed May 30, 2025).

6. Provide a complete list of the assets included in the transaction purchase price by category (substation equipment, 345 kV transmission structures, 138 kV lines, easements, communications equipment, etc.).

7. Refer to KU's response to Staff's First Request, Item 6:

a. Reconcile KU's statement in the response that there is no current indebtedness related to the Substation Property with Agreement language stating that the assets are subject to a lien.

b. Confirm whether KU will retire or otherwise remove the lien at closing and explain the process by which the release of the lien results in a "no indebtedness" condition at transfer. Explain the response.



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DATED **JAN 15 2026**

cc: Parties of Record

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