

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matters of:

**ELECTRONIC APPLICATION OF KENTUCKY)
UTILITIES COMPANY FOR AN ADJUSTMENT) CASE NO. 2018-00294
OF ITS ELECTRIC RATES)**

**ELECTRONIC APPLICATION OF LOUISVILLE GAS)
AND ELECTRIC COMPANY FOR AN ADJUSTMENT) CASE NO. 2018-00295
OF ITS ELECTRIC AND GAS RATES)**

**MOTION OF LOUISVILLE GAS AND ELECTRIC COMPANY
AND KENTUCKY UTILITIES COMPANY
FOR RELIEF FROM REPORTING REQUIREMENT**

On August 8, 2018, Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities Company (“KU”) (collectively, the “Companies”) submitted an internal study related to the potential legal merger of LG&E and KU pursuant to the April 4, 2018 Order of the Kentucky Public Service Commission (“Commission”) in Case No. 2017-00415.¹ Following the submission of that study, the Commission issued Orders on April 30, 2019 in the Companies’ 2018 base rate proceedings that ordered the Companies to file annual updates to this study.² The Companies submitted internal legal merger studies to the Commission on March 31, 2020 and March 31, 2021.

¹ *In the Matter of: Joint Application of PPL Corporation, PPL Subsidiary Holdings, LLC, PPL Energy Holdings, LLC, LG&E and KU Energy LLC, Louisville Gas and Electric Company and Kentucky Utilities Company for Approval of an Indirect Change of Control of Louisville Gas and Electric Company and Kentucky Utilities Company*, Case No. 2017-00415, Order, p. 8 (April 4, 2018)

² *In the Matter of: Electronic Application of Kentucky Utilities for an Adjustment of its Electric Rates*, Case No. 2018-00294, Order, p. 31 (April 30, 2019); *In the Matter of: Electronic Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Rates*, Case No. 2018-00295, Order, p. 34 (April 30, 2019)

In each of the three reviews conducted by the Companies, it was confirmed that LG&E and KU already operate as an integrated company in virtually all operational areas.

Following the issuance of an Order on June 30, 2021 in Case Nos. 2020-00349 and 2020-00350 which was critical of the prior studies,³ the Companies issued a request for proposals to six independent consultants to perform a study of the potential legal merger of LG&E and KU. In October 2021, the Companies received bids from three consultants and subsequently selected PricewaterhouseCoopers Advisory Services LLC (“PwC”) as the recommended consultant to perform the study. On March 31, 2022, the Companies submitted the LG&E/KU Legal Merger Assessment prepared by PwC.

Today, the Companies are filing an update to prior studies, and have again concluded that the costs to achieve a legal merger of LG&E and KU continue to exceed the benefits of such a merger. Given the associated risks and costs to achieve and because the Companies are currently in a rate case stay-out and a legal merger would require a rate case filing to harmonize rates, LG&E and KU are now requesting relief from filing future updates to this study as required in Ordering Paragraph No. 7 of the Orders dated April 30, 2019 in Case Nos. 2018-00294 and 2018-00295. However, the Companies will continue to look for opportunities to operate more efficiently, including whether a legal merger of the two utilities may become economic in the future.

³ In the Matter of Electronic Application of Kentucky Utilities Company for an Adjustment of Its Electric Rates, Case No. 2020-00349, Order, pp. 58-60 (June 30, 2021); In the Matter of Electronic Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Rates, Case No. 2020-00350, Order, pp. 63-64 (June 30, 2021).

WHEREFORE, Louisville Gas and Electric Company and Kentucky Utilities Company respectfully request the Commission for relief from the requirement to file annual updates to the legal merger study.

Dated: March 31, 2023

Respectfully submitted,



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Counsel for Louisville Gas and Electric
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CERTIFICATE OF SERVICE

In accordance with the Commission's Order of July 22, 2021 in Case No. 2020-00085 (Electronic Emergency Docket Related to the Novel Coronavirus COVID-19), this is to certify that the electronic filing has been transmitted to the Commission on March 31, 2023, and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means.

A handwritten signature in blue ink that reads "Allyson K Sturgeon". The signature is written in a cursive style and is positioned above a horizontal line.

Counsel for Louisville Gas and Electric
Company and Kentucky Utilities Company