

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC JOINT APPLICATION OF)	
KENTUCKY UTILITIES COMPANY AND)	CASE NO.
LOUISVILLE GAS AND ELECTRIC COMPANY)	2023-00016
FOR A DECLARATORY ORDER)	

VERIFIED JOINT APPLICATION

Kentucky Utilities Company (“KU”) and Louisville Gas and Electric Company (“LG&E”) (collectively “Companies”), respectfully petition the Kentucky Public Service Commission (“Commission”) pursuant to KRS Chapter 278 and applicable sections of 807 KAR Chapter 5, including 807 KAR 5:001 Section 19 to issue an order by **February 1, 2023**, declaring the orders in Case Nos. 2022-00007¹ and 2022-00008² continue to provide LG&E and KU the regulatory authority to each issue up to the aggregate principal amounts of long-term or intermediate debt, i.e., \$700 million by LG&E and \$550 million by KU. The proceeds of which will be used to refinance two existing term loans of \$300 million, with the balance of the authority for each entity available for any of the purposes specified in the initial applications.

In support of this Joint Application, the Companies respectfully state:

1. Addresses: Applicant LG&E’s full name and post office address is: Louisville Gas and Electric Company, 220 West Main Street, Post Office Box 32010, Louisville, Kentucky 40202.

¹ *Electronic Application of Louisville Gas and Electric Company for an Order Authorizing the Issuance of Indebtedness*, Case No. 2022-00007, Orders (Ky. PSC Apr. 14 & 27, 2022).

² *Electronic Application of Kentucky Utilities Company for an Order Authorizing the Issuance of Indebtedness*, Case No. 2022-00008, Orders (April 14 & 27, 2022).

2. Applicant KU's full name and business address is: Kentucky Utilities Company, One Quality Street, Lexington, Kentucky 40507. KU's mailing address is Kentucky Utilities Company c/o Louisville Gas and Electric Company, 220 West Main Street, Post Office Box 32010, Louisville, Kentucky 40202.

3. LG&E is incorporated in the Commonwealth of Kentucky, and attests it is in good corporate standing. LG&E was incorporated in Kentucky on July 2, 1913.

4. KU is incorporated in the Commonwealth of Kentucky and the Commonwealth of Virginia, and attests it is in good corporate standing in both states. KU was incorporated in Kentucky on August 17, 1912, and in Virginia on November 26, 1991.

5. LG&E is a public utility, as defined in KRS 278.010(3)(a), engaged in the electric and gas business. LG&E generates and purchases electricity and distributes and sells electricity at retail in Jefferson County and portions of Bullitt, Hardin, Henry, Meade, Oldham, Shelby, Spencer, and Trimble Counties. LG&E also purchases, stores, and transports natural gas, and distributes and sells natural gas at retail in Jefferson County and portions of Barren, Bullitt, Green, Hardin, Hart, Henry, Larue, Marion, Meade, Metcalfe, Nelson, Oldham, Shelby, Spencer, Trimble, and Washington Counties.

6. KU is a public utility, as defined in KRS 278.010(3)(a), engaged in the electric business. KU generates and purchases electricity, and distributes and sells electricity at retail in the following counties in Central, Northern, Southeastern, and Western Kentucky:

Adair	Edmonson	Jessamine	Ohio
Anderson	Estill	Knox	Oldham
Ballard	Fayette	Larue	Owen
Barren	Fleming	Laurel	Pendleton
Bath	Franklin	Lee	Pulaski
Bell	Fulton	Lincoln	Robertson
Bourbon	Gallatin	Livingston	Rockcastle
Boyle	Garrard	Lyon	Rowan
Bracken	Grant	Madison	Russell

Bullitt	Grayson	Marion	Scott
Caldwell	Green	Mason	Shelby
Campbell	Hardin	McCracken	Spencer
Carlisle	Harlan	McCreary	Taylor
Carroll	Harrison	McLean	Trimble
Casey	Hart	Mercer	Union
Christian	Henderson	Montgomery	Washington
Clark	Henry	Muhlenberg	Webster
Clay	Hickman	Nelson	Whitley
Crittenden	Hopkins	Nicholas	Woodford
Daviess			

7. Pursuant to 807 KAR 5:001 Section 8, on January 9, 2023, the Companies filed with the Commission notice of their intent to use electronic filing procedures in this proceeding. The Companies may be reached by electronic mail at the electronic mail addresses of their counsel set forth below. Copies of all orders, pleadings and other communications related to this proceeding should be directed to:

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8. On March 2, 2022, LG&E and KU filed separate applications with the Commission pursuant to KRS 278.300 requesting the regulatory authority to issue additional debt. LG&E requested in part the authority to “incur additional debt not to exceed the aggregate amount of \$700 million in the form of First Mortgage Bonds, intermediate term financings or a combination thereof, during 2022 or 2023.”³ LG&E’s application stated that “[t]he proceeds of the indebtedness will be used to repay existing short-term debt, to potentially complete an advanced refinancing of an existing First Mortgage Bond series, in whole or in part, up to \$300 million plus any applicable make-whole costs, and for general corporate purposes.”⁴ KU requested in part the authority to “incur additional debt not to exceed the aggregate amount of \$550 million in the form of First Mortgage Bonds, intermediate term financings or a combination thereof, during 2022 or 2023.”⁵ KU’s application stated that “[t]he proceeds of the indebtedness will be used to repay existing short-term debt, to potentially complete an advanced refinancing of an existing First Mortgage Bond series, in whole or in part, up to \$250 million plus any applicable make-whole costs, and for general corporate purposes.”⁶

9. The Commission docketed the applications as Case Nos. 2022-00007⁷ and 2022-00008⁸ and processed the cases accordingly. No persons sought intervention in either case.

10. On April 14th and 27th, 2022, the Commission issued orders in each proceeding. The April 14th Order in Case No. 2022-00007 authorized LG&E “to issue long

³ *Electronic Application of Louisville Gas and Electric Company for an Order Authorizing the Issuance of Indebtedness*, Case No. 2022-00007, Application at 1 (Ky. PSC filed Mar. 2, 2022).

⁴ *Id.* at 4 (emphasis added).

⁵ *Electronic Application of Kentucky Utilities Company for an Order Authorizing the Issuance of Indebtedness*, Case No. 2022-00008, Application at 1 (Ky. PSC filed Mar. 2, 2022).

⁶ *Id.* at 8 (emphasis added).

⁷ *Electronic Application of Louisville Gas and Electric Company for an Order Authorizing the Issuance of Indebtedness*, Case No. 2022-00007 (Ky. PSC filed Mar. 2, 2022).

⁸ *Electronic Application of Kentucky Utilities Company for an Order Authorizing the Issuance of Indebtedness*, Case No. 2022-00008 (Ky. PSC filed Mar. 2, 2022).

term debt in the form of First Mortgage Bonds, Intermediate Term Financings, or a combination of both, in an aggregate principal amount not to exceed \$700 million from the date that his Order is entered through December 31, 2022.”⁹ The April 14th Order in Case No. 2022-00008 authorized KU “to issue long term debt in the form of First Mortgage Bonds, Intermediate Term Financings, or a combination of both, in an aggregate principal amount not to exceed \$550 million from the date that his Order is entered through December 31, 2022.”¹⁰ On April 27, 2022, the Commission issued orders, *nunc pro tunc*, correcting the reference to “2022” to “2023” in ordering paragraph 1 in both April 14, 2022 orders.¹¹ In both orders, the Commission noted that its approval was “based on statements made by [LG&E or KU] in its application and past precedent” and further noted “that its approval is conditioned on [LG&E or KU] acting in a manner consistent with the representations made in this matter, including those discussed above.”¹²

11. In late July 2022, LG&E and KU each entered into separate \$300 million variable-rate loan agreements (“\$300M Term Loans”). Each has a term of exactly two years. The \$300M Terms Loans were entered into during a time of volatility in the debt markets, essentially as bridge financing to provide temporary liquidity until longer term financing could be secured. LG&E and KU now desire to refinance the \$300M Term Loans, with the balance of the authority for each entity available for any of the purposes specified in the initial applications.

⁹ *Electronic Application of Louisville Gas and Electric Company for an Order Authorizing the Issuance of Indebtedness*, Case No. 2022-00007, Order at 7 (Ky. PSC Apr. 14, 2022).

¹⁰ *Electronic Application of Kentucky Utilities Company for an Order Authorizing the Issuance of Indebtedness*, Case No. 2022-00008, Order at 7 (Ky. PSC Apr. 14, 2022).

¹¹ *Electronic Application of Louisville Gas and Electric Company for an Order Authorizing the Issuance of Indebtedness*, Case No. 2022-00007, Order (Ky. PSC April 27, 2022); *Electronic Application of Kentucky Utilities Company for an Order Authorizing the Issuance of Indebtedness*, Case No. 2022-00008, Order (Ky. PSC April 27, 2022)(Emphasis added).

¹² *Id.*

12. Pursuant to KRS 278.030(8), the issuance of debt that is payable at a period of not more than two years, i.e., short term debt, is not required to be approved by the Commission. Thus, the issuance by LG&E and KU of the \$300M Term Loans with a maturity period of exactly two years in July 2022 constitutes short-term debt for purposes of KRS 278.030(8) and the issuance of this short-term debt did not use any of the financing authority the Commission granted to the Companies in Case Nos. 2022-00007 and 2022-00008. For this reason, the Companies did not file with the Commission the details of the issuances as required by Ordering Paragraph No. 6 in the April 14th orders. Thus, the regulatory authority to issue long term debt in the form of First Mortgage Bonds, Intermediate Term Financings, or a combination of both, in an aggregate principal amount not to exceed \$700 million in the case of LG&E and \$550 million in the case of KU continues to fully exist through 2023.

WHEREFORE, Louisville Gas and Electric Company respectfully requests the Kentucky Public Service Commission to enter an order **on or before February 1, 2023**, declaring:

1. The full authority granted to LG&E by the Commission's orders in Case No 2022-00007 to issue long term debt in the form of First Mortgage Bonds, Intermediate Term Financings, or a combination of both, in an aggregate principal amount not to exceed \$700 million continues to exist through December 31, 2023 and, consistent with the representations in LG&E's March 2, 2022 application and herein, may be used for purposes of refinancing the \$300 million term loan, with the balance of the authority available for any of the purposes specified in the initial application.

2. The full authority granted to KU by the Commission's orders in Case No 2022-00008 to issue long term debt in the form of First Mortgage Bonds, Intermediate Term

Financings, or a combination of both, in an aggregate principal amount not to exceed \$550 million continues to exist through December 31, 2023 and, consistent with the representations in KU's March 2, 2022 application and herein, may be used for purposes of refinancing the \$300 million term loan, with the balance of the authority available for any of the purposes specified in the initial application.

Dated: January 12, 2023

Respectfully submitted,



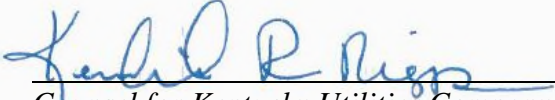
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*Counsel for Kentucky Utilities Company and
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CERTIFICATE OF COMPLIANCE

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 January 12, 2023; and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means.



*Counsel for Kentucky Utilities Company and
Louisville Gas and Electric Company*

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, Robert M. Conroy, being duly sworn, deposes and says that he is Vice President, State Regulation and Rates for Kentucky Utilities Company and Louisville Gas and Electric Company and an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the foregoing Verified Application and that the content contained therein is true and correct to the best of his information, knowledge and belief.

Robert M. Conroy

Robert M. Conroy

Subscribed and sworn to before me, a Notary Public in and for said County and State, this 12th day of January 2023.

Caroline J. Davison (Seal)
Notary Public

Notary Public ID No. KyNP 63286

