

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the matter of: :

ELECTRONIC JOINT APPLICATION OF KENTUCKY : CASE NO. 2025-00045
UTILITIES COMPANY AND LOUISVILLE GAS AND :
ELECTRIC COMPANY FOR CERTIFICATES OF
PUBLIC CONVENIENCE AND NECESSITY AND SITE :
COMPATIBILITY CERTIFICATES
:

**KENTUCKY COAL ASSOCIATION’S SUPPLEMENTAL REQUEST
FOR INFORMATION TO KENTUCKY UTILITIES COMPANY
AND LOUISVILLE GAS & ELECTRIC COMPANY**

The Kentucky Coal Association (KCA) intervener in this action, respectfully requests the applicant, Kentucky Utilities Company and Louisville Gas & Electric Company (collectively, the “Companies”), to respond to the Supplemental Request of Information in accordance with the Order of Procedure entered herein.

Additional Instructions

A. Each request for information shall be accorded a separate answer on a separate piece of paper, and each subpart thereof shall be accorded a separate answer. Each request or subpart thereof shall be specifically admitted or denied, and information inquiries or subparts thereof should not be combined for the purpose of supplying a common answer.

B. Restate the information inquiry immediately preceding each response.

C. Identify the name, title, and business address of each person(s) providing each response and provide the data on which the response was created.

D. In answering these requests, utilize all information and documents that are available to you, including information in the possession of any of your agents, employees or attorneys, or otherwise subject to your custody or control.

E. If you object to any part of a request, answer all parts of such interrogatories or requests to which you do not object, and as to each part to which you do object, separately set forth the specific basis for the objection.

F. If you claim any form of privilege or other protection from disclosure as a ground for withholding information responsive to a request, please explain your claim with sufficient specificity to permit KCA to make a full determination as to whether your claim is valid.

G. In each instance, the request shall be construed so as to require the most inclusive answer or production.

H. Please attach written material to any answer for which written material is requested and/or available. If such written material is not available, state where it may be obtained. Please label the written material with the number of the request to which it pertains.

Definitions

As used in these Requests for Information, the following terms have the meaning as set forth below:

1. "You" or "your" means the Companies or the witness, as the context requires.
2. "List", "describe", "explain", "specify" or "state" shall mean to set forth fully, in detail, and unambiguously each and every fact of which the Companies or their officers, employees, agents or representatives, have knowledge which is relevant to the answer called for by the request.
3. The terms "document" or "documents" as used herein shall have the same meaning and scope as in Rule 34 of the Kentucky Rules of Civil Procedure and shall include, without limitation, any writings and documentary material of any kind whatsoever, both originals and copies (regardless of origin and whether or not including additional writing thereon or

attached thereto), and any and all drafts, preliminary versions, alterations, modifications, revisions, changes and written comments of and concerning such material, including but not limited to: correspondence, letters, memoranda, notes, reports, directions, studies, investigations, questionnaires and surveys, inspections, permits, citizen complaints, papers, files, books, manuals, instructions, records, pamphlets, forms, contracts, contract amendments or supplements, contract offers, tenders, acceptances, counteroffers or negotiating agreements, notices, confirmations, telegrams, communications sent or received, print-outs, diary entries, calendars, tables, compilations, tabulations, charts, graphs, maps, recommendations, ledgers, accounts, worksheets, photographs, tape recordings, movie pictures, videotapes, transcripts, logs, work papers, minutes, summaries, notations and records of any sort (printed, recorded or otherwise) of any oral communication whether sent or received or neither, and other written records or recordings, in whatever form, stored or contained in or on whatever medium including computerized or digital memory or magnetic media that:

- (a) are now or were formerly in your possession, custody or control; or
- (b) are known or believed to be responsive to these requests, regardless of who has or formerly had custody, possession or control.

4. The terms "identify" and "identity" when used with respect to an entity mean to state its full name and the address of its principal place of business.

5. The term to "state the basis" for an allegation, contention, conclusion, position or answer means (a) to identify and specify the sources therefore, and (b) to identify and specify all facts on which you rely or intend to rely in support of the allegation, contention, conclusion, position or answer, and (c) to set forth and explain the nature and application to the relevant facts of all pertinent legal theories upon which you rely for your knowledge, information and/or belief

that there are good grounds to support such allegation, contention, conclusion, position or answer.

6. The terms "and" and "or" have both conjunctive and disjunctive meanings as necessary to bring within the scope of the request any information or documents that might otherwise be construed to be outside their scope; "all" and "any" mean both "each" and "every".

7. The terms "relates to" or "relating to" mean referring to, concerning, responding to, containing, regarding, discussing, describing, reflecting, analyzing, constituting, disclosing, embodying, defining, stating, explaining, summarizing, or in any way pertaining to.

8. The term "including" means "including, but not limited to."

SUPPLEMENTAL REQUEST FOR INFORMATION OF KCA

2.1 In follow-up to KCA Question 1.1 of its first data requests:

- a. Please confirm that the statement that the CCGT selections in the CPCN would be the lowest cost option even if it operated with a 40 percent average capacity factor means that compliance with the GHG Rule was not assumed in the CPCN.
- b. Please provide the Companies' justification for assuming the GHG Rule would be appealed given its "Final" status rather than providing full results for two cases, one with the GHG Rule and one without.
- c. Please confirm that the Companies did not include the 2024 Effluent Limitation Guidelines (ELG) in their modeling.
- d. Please identify whether there were other regulations not included in the CPCN analysis.
- e. Did the Companies prepare a full case assuming the Final GHG Rule survived legal challenges? If so, please provide a write-up of the case with full results.
- f. Have the Companies prepared a complete analysis assuming no GHG Rules, no 2024 ELG Rule, not IRA tax credits, etc.?
- g. Did the Companies run a case that included a "must-run" requirement for existing coal plants that could be part of the Trump Administration's Executive Orders? If so, please

provide. If not, do the Companies plan to update their CPCN analysis if such a mandate is provided?

- h. If the Commission mandated that a CPCN be reassessed in light of a potential economic recession, higher than expected pricing of materials, and lower demand, what assumptions would the Companies make with respect to load growth, cost of new generation, loss of key tax credits, etc.?
- i. Did the Companies include a full case in which there was a two-year delay in the compliance schedules for GHG and MATS? If so, please provide.
- j. The Companies did not indicate they considered the impact of stagflation (high unemployment, rising inflation, and stagnant economic growth). If not, could the Companies prepare such an analysis?

2.2 In follow-up to question 1.2 of KCA's first set of data requests:

- a. What assumptions are being made regarding compliance with PPL's 2050 net zero commitment if the new CCGT's operate at a maximum 40 percent capacity factor and have a 40-year life?
- b. In the Companies' analyses, did the Companies assume the costs associated with the new CCGT investments would be depreciated over a shortened life based upon achieving the PPL commitment to net-zero emissions by 2025? If not, please provide the depreciation periods and the justification for extending the retirements beyond 2050.
- c. In performing the analyses, did the Companies consider the possibility of a future requirement to include Scope 3 emissions?

2.3 In follow-up to KCA question 1.4 of its first set of data requests:

- a. Please describe the status of the Companies' review of whether to reconsider retirement of Mill Creek 2 including the factors that are being considered, the date by which a final decision must be made, and whether the Companies intend to share the study with the Commission and stakeholders before reaching a final decision.
- b. Please confirm that the Companies will make this analysis available for review by the Commission and stakeholders.

- c. Please indicate whether the Companies have solicited coal bids as part of this effort from coal suppliers to have accurate coal price estimates for this analysis.
- 2.4 In follow-up to KCA question 1.5 of its first set of data requests, please confirm that the Companies are ultimately uncertain as to the impact of DeepSeek and other technologies on data center demand and costs.
- 2.5 In follow-up to KCA question 1.6 of its first set of data requests:
- a. Please confirm that the allocation of financial liability associated with data centers is **not** a settled matter in many jurisdictions.
 - b. Please indicate in detail how in the Companies' business model current ratepayer classes will not be exposed to costs if the "data center" fails prior to the Companies' recovery of the associated expenses including transmission upgrades.
 - c. What is the current position of the Companies as to the benefits of data centers vis-à-vis long-term good-paying jobs post construction?
 - d. If the Commission concludes it is not in ratepayer interests to include data centers as a "customer" in rates, do the Companies have a Plan B in which the data centers would be responsible for their financial obligations related to the construction of generation and transmission and the Companies would provide back-up power on a contracted basis?
- 2.6 In follow-up to KCA question 1.7 of its first set of data requests:
- a. Please explain why the Companies have not performed a substantive cost or functionality update of dual fuel options despite prior testimony of the importance of this issue.
 - b. Do the Companies agree that the increased reliance on natural gas in its plants increase the impact of a natural gas supply disruptions due to lack of on-site inventory?
- 2.7 In follow-up to KCA question 1.8 of its first set of data requests:
- a. For each case, please explain the assumptions reflected in the case titles.
 - b. Please provide the basis for the coal and gas numbers including the documentation and explanation of the correlation between the two.

- c. Please provide the Companies' analyses of the demand for natural gas by sector by year for the forecast period. The sectors should be industrial, commercial, residential, power, and export markets.
 - d. Please confirm in the formulation of the correlations, the Companies did not reflect in the current year coal price the diversified contract portfolio that is used by the Companies in the procurement of coal. If not confirmed, please provide the calculations reflecting the average price that the Companies would pay under the standard diversified portfolio.
 - e. For each forecast case, please confirm these numbers are third party and/or government forecasts.
 - f. For each case, please provide the basis for the natural gas prices assumed in the case including the annual demand by sector for natural gas, i.e., residential, industrial, commercial, power, and exports.
 - g. Even if historically there was a connection between coal and natural gas prices (which KCA does not believe to be the case), please explain the rationale for not evaluating a scenario where coal and gas prices undergo decoupling as a result of the increase in natural gas demand by the other sectors.
 - h. For each forecast case, please provide the shape of the curve of the natural gas price assumed in each year.
 - i. Please provide the latest bids received for coal either under RFP's conducted by the Companies or unsolicited bids.
 - j. If third party sources for the coal prices are used, please provide documentation that the third parties provided and to the extent appropriate whether the third party also assumed a correlation between coal and natural gas prices.
 - k. For each case, please add columns identifying: \$/Ton FOB Mine, \$/Ton Transportation Costs, and Btu/lb for each month, year, and power plant.
 - l. For each case, please provide the delivered natural gas prices for each month and plant.
- 2.8 In Commission Staff question 1-14, Staff asked the Companies about their strategy for ensuring adequate natural gas supply. The Companies response did not mention concerns about supply or growth in demand from other sectors, industry procurement practices, volatile prices, and operating without on-site inventory. Gas transactions are typically priced at market and to the extent that they are hedged require significant credit support.

The Companies acknowledge this in the 2024 PPL Annual Report the “natural gas supply arrangements include pricing provisions that are market-responsive”. Please expand upon the response on to include how the Companies will manage the price risk of volatile gas pricing and the credit risk associated with a hedging program. Please also provide the costs included in the CPCN related to a hedging program and credit concerns and any corporate restrictions related to hedging.¹

- 2.9 Please explain the justification for the Cane Run BESS provided in the testimony of Company Witness Bellar justifying the Brown BESS when it was proposed was to learn whether the BESS technology was a good and cost-effective option for peak power. Given the Brown BESS is not expected to go into commercial operation until at least July 2026, what is the basis to support another BESS at Cane Run is timely.
- 2.10 Please provide the net government support realized or expected to be realized for the Brown BESS.
- 2.11 Please provide the Companies’ estimated government support for the Cane Run BESS.
- 2.12 Please provide all assumptions supporting the represented annual cost to operate the Cane Run BESS.
- 2.13 Please provide a status report on the load reduction program through DSM-EF that was approved in the prior CPCN. Specifically, how many MW’s have been reduced thus far and what is the expectation that the represented load reduction will be realized?
- 2.14 Please provide the assumed production tax credits in the capacity expansion modeling.

Respectfully submitted,

/s/Matt Malone

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¹ <https://www.wsj.com/articles/SB90167516738651000>

CERTIFICATE OF SERVICE

I hereby certify that KCA's May 2, 2025 electronic filing is a true and accurate copy of KCA's pleading and Read 1st Document to be filed in paper medium; that the electronic filing has been transmitted to the Commission on May 2, 2025; that an original and one copy of the filing will not be mailed to the Commission given the pandemic orders; that there are currently no parties excused from participation by electronic service; and that, on May 2, 2025, electronic mail notification of the electronic filing is provided to all parties of record.

/s/Matt Malone

Attorney for Kentucky Coal Association, Inc.