

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

**RESPONSES OF THE ATTORNEY GENERAL AND KIUC TO DATA REQUESTS
FROM THE COMPANIES**

Comes now the Attorney General of the Commonwealth of Kentucky, by his Office of Rate Intervention (“Attorney General”) and Kentucky Industrial Utility Customers (“KIUC”), and submit these Data Requests Responses to Kentucky Utilities Company and Louisville Gas and Electric Company (hereinafter “KU”, “LG&E,” or collectively “KU/LG&E” or “Companies”) related to Data Requests filed by the Companies on June 23, 2025.

Respectfully submitted,

RUSSELL COLEMAN
ATTORNEY GENERAL



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Certificate of Service and Filing

Pursuant to the Commission's Orders and in accord with all other applicable law, Counsel certifies that the foregoing electronic filing was transmitted to the Commission on July 3, 2025, and there are currently no parties that the Commission has excused from participation by electronic means in this proceeding.

This 3rd day of July, 2025

A handwritten signature in blue ink, appearing to read "Thomas J. Johnson".

Assistant Attorney General

ELECTRONIC APPLICATION OF KENTUCKY UTILITIES COMPANY AND
LOUISVILLE GAS AND ELECTRIC COMPANY FOR CERTIFICATES OF PUBLIC
CONVENIENCE AND NECESSITY AND SITE COMPATIBLY CERTIFICATES

Case No. 2025-00045

Attorney General and KIUC's Response to Data Requests of Companies

1. In Excel spreadsheet or other format, with all formulas, columns and rows unprotected and fully accessible, please provide all workpapers and source documents not previously provided.

Response (prepared by Leah Wellborn):

Workpapers supporting Ms. Wellborn's direct testimony are attached as follows:

- WP_LJW_Table2_12-PSC_DR2_LGE_KU_Attach_to_Q17(g)_Updated_KIUC_DR1-33(a)_Project_Tracking_05.12.25.xlsx
- WP_LJW_Table3_20250129 Resource Assessment RM Need Tables_0336_D02.CONF.xlsx
- WP_LJW_Table4_Fig1_DRR_compare_CostperkWyr.CONF.xlsx
- WP_LJW_Table6_NGCC CR BESS Dispatch and Energy Value.CONF.xlsx
- WP_LJW_Table7_Table8_EHLF.xlsx

Response (prepared by Lane Kollen):

Mr. Kollen has no Excel spreadsheets or source documents not previously provided or that were not provided by KU and LG&E in their filings and in responses to discovery.

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2. Please refer to Mr. Kollen's testimony at page 14, lines 3-5: "I recommend the GCRR allocation and rate design follow the Group 1/Group 2 methodology previously authorized for the Companies' environmental surcharges and Retired Asset Recovery Riders." Please explain the substantive rationale for this position, and please provide citations to relevant Commission orders supporting that substantive rationale.

Response (prepared by Lane Kollen):

The Group 1/Group 2 methodology is used in the Companies' Environmental Cost Recovery (ECR) Surcharge. The ECR recovers environmental compliance costs on coal generation not included in existing rates. This includes rate base, a rate of return including debt and equity, federal and state income taxes, operation and maintenance expenses, property taxes, and depreciation less proceeds from by-product and allowance sales. This environmental revenue requirement is allocated to Group 1 (residential) and Group 2 (non-residential) customers on the basis of total revenue. The Group 1 environmental revenue requirement is then recovered as percentage charge on each customer's monthly base revenue. The Group 2 environmental revenue requirement is recovered as a percentage charge on each customer's non-fuel monthly base revenue. As discussed on pages 12-13 of my testimony, the non-fuel revenue requirement for Mill Creek 6 that would be recovered in the Generation Cost Recovery Rider (GCRR) would be similar to the environmental revenue requirement recovered in the ECR. Both would include rate base, a rate of return including debt and equity, federal and state taxes, operation and maintenance expenses, property taxes and depreciation.

The initial allocation of the GCRR revenue requirement to Group 1 based on total revenue maintains the existing residential subsidy built into base rates. KU's cost of service study in Case No. 2025-00113 shows that residential customers are currently providing a rate of return of only 1.92% compared to a total company return of 5.45% (Exhibit TSL-2). LG&E's cost of service study in Case No. 2025-00114 shows that residential customers are currently providing a rate of return of only 2.50% compared to a total company return of 6.00% (Exhibit TSL-2). If the Commission reduces the residential class subsidy over time, then their relative payment of Mill Creek 6 non-fuel costs would likewise increase over time.

Recovery of the GCRR revenue requirement from Group 2 as a percentage charge on non-fuel revenue reflects the fact only non-fuel Mill Creek 6 costs would be recovered in the GCRR. The inclusion of fuel costs in the GCRR monthly percentage charge on non-residential customers would not reflect proper matching and would be biased against high load factor industrial and commercial customers.

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The Commission has approved the Group 1/ Group 2 methodology in the following ECR cases: 2023-00375 and 00376, 2020-00170 and 00171, 2020-00060 and 00061, 2019-00205 and 00206, 2019-00014 and 00015, 2018-00257 and 00258, and 2018-00051 and 00052.

The Retired Asset Recovery Rider (RARR) would recover the remaining net book value of retired plant, materials and supplies that cannot be used economically at other plants, and removal costs and salvage credits net of related ADIT. The same substantive analysis as discussed for the ECR applies to the RARR. The residential subsidy is maintained and there is no bias against high load factor industrial and commercial customers. In its June 30, 2021 Order in Case No. 2020-00349 approving the RARR the Commission stated "The Commission finds that, while KU has the discretion to determine when a generation unit should be retired, it is the Commission that is vested with the authority to determine the ratemaking treatment resulting from that retirement decision. Based upon the case record, the Commission finds that the Stipulation regarding the RARR is reasonable ..." Order at 18-19.

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3. Please refer to Mr. Kollen's testimony at pages 12-15. Please explain why the proposed Generation Cost Recovery Rider would be necessary if the Companies "pre-sold" 85% of the capacity of Mill Creek 6 under Rate EHLF with the modification Mr. Kollen proposed (minimum demand charge of 90% of maximum contract capacity with no ramp).

Response (prepared by Lane Kollen):

The GCRR provides recovery of the initial capital cost of Mill Creek 6 as well as the incremental non-fuel operating costs. The EHLF tariffs provide revenues that are based on the Companies' embedded costs, which are less than the costs that will be recovered through the GCRR. In addition, the GCRR provides recovery of the Mill Creek 6 costs that follows the declining cost curve as book depreciation and tax depreciation effects accumulate and reduce rate base.

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4. Please refer to Ms. Wellborn's testimony at page 19, lines 10-13: "I recommend the Commission require the Companies make another filing in this same proceeding before they commence site construction of Mill Creek 6 to demonstrate they have met the conditions of these threshold requirements, and obtain Commission approval to proceed with site construction."

a. Please explain in detail what Ms. Wellborn proposes the Companies would have to file and demonstrate in the proposed follow-up filing.

b. Please explain why additional Commission approval would be necessary if the Companies demonstrated in a simple informational filing that they met the conditions of the initial CPCN approval.

c. Please explain what the follow-up approval proceeding would consist of and what Ms. Wellborn would expect the procedural schedule to be (both in terms of elements and timing).

Response (prepared by Leah Wellborn):

- a. The Companies should file the contracts and a contract summary with the Commission which would include details around customer, contract capacity, and contractual/anticipated service date(s).
- b. First, at this point in time, it is unclear what the ultimate resolution of the proposed EHLF tariff will be. There may be modifications proposed and accepted that change eligibility, size threshold, ramping, and/or minimum demands that could change the Commissions' interpretation of the required threshold assessment. If customers can elect into the EHLF tariff and/or the Companies wish to consider special contract customers in its load materialization showing, the Commission may require additional information to assess target threshold condition(s) are met. Building in flexibility for a thorough future Commission review is reasonable, considering present uncertainty around the tariff and future special contract terms.
- c. The ideal procedural schedule would acknowledge the natural timeline and resolutions for the rate case and follow the finalization of EHLF tariff approval. The Companies would ultimately be in control of securing contracts after approval of a tariff, and the timeline for reaching the showing threshold (proposed 548 MW) and the Companies making such filing, would be a function of the Companies' economic development efforts. If load materialization commitments cannot be secured within 1 year, the Companies would need to refile for a new CPCN. However, assuming that the Companies can file a load materialization showing within the year, the Commission could assess the need for additional discovery and/or a hearing if necessary.

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STATE OF GEORGIA)

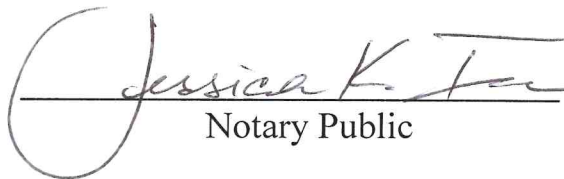
COUNTY OF FULTON)

LANE KOLLEN, being duly sworn, deposes and states: that the attached are his sworn responses and that the statements contained are true and correct to the best of his knowledge, information and belief.



Lane Kollen

Sworn to and subscribed before me on this
3rd day of July 2025.


Notary Public

Jessica K Inman
NOTARY PUBLIC
Cherokee County, GEORGIA
My Commission Expires 07/31/2027

AFFIDAVIT

STATE OF GEORGIA)

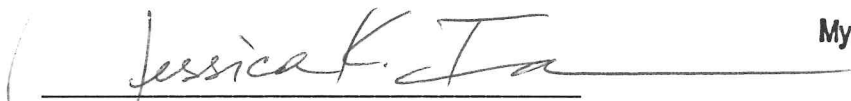
COUNTY OF FULTON)

LEAH J. WELLBORN, being duly sworn, deposes and states: that the attached are her sworn responses and that the statements contained are true and correct to the best of her knowledge, information and belief.



Leah J. Wellborn

Sworn to and subscribed before me on this
3rd day of July 2025.



Notary Public

Jessica K Inman
NOTARY PUBLIC
Cherokee County, GEORGIA
My Commission Expires 07/31/2027