COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY UTILITIES COMPANY FOR AN ADJUSTMENT OF ITS ELECTRIC RATES AND APPROVAL OF CERTAIN REGULATORY AND ACCOUNTING TREATMENTS	**)**	**CASE NO. 2025-00113**

RESPONSE OF KENTUCKY UTILITIES COMPANY TO THE COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION

DATED JULY 30, 2025

FILED: AUGUST 12, 2025

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Lonnie E. Bellar**, being duly sworn, deposes and says that he is Executive Vice President of Engineering, Construction and Generation for PPL Services Corporation and he provides services to Louisville Gas and Electric Company and Kentucky Utilities Company, that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

Lonnie E. Bellar

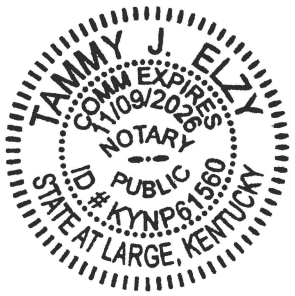
Subscribed and sworn to before me, a Notary Public in and before said County and State, this 8th day of August 2025.

Notary Public

Notary Public ID No. KYNP61560

My Commission Expires:

November 9, 2026



VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **John Bevington**, being duly sworn, deposes and says that he is Senior Director – Business and Economic Development for PPL Services Corporation and he provides services to Louisville Gas and Electric Company and Kentucky Utilities Company, that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge, and belief.

John Bevington

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 7th day of August 2025.

Notary Public

Notary Public ID No. KYNP4577

My Commission Expires:

April 1, 2028

VENITA MICHELLE DEFREEZE
NOTARY PUBLIC
Commonwealth of Kentucky
Commission # KYNP4577
My Commission Expires 4/1/2028

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
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, that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge, and belief.

Robert M. Conroy

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 11th day of August 2025.

Notary Public

Notary Public ID No. KYNP61560

My Commission Expires:

November 9, 2026

TAMMY J. ELZY
COMM EXPIRES 11/09/2026
NOTARY PUBLIC
ID # KYNP61560
STATE AT LARGE, KENTUCKY

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Christopher M. Garrett**, being duly sworn, deposes and says that he is Vice President – Financial Strategy & Chief Risk Officer for PPL Services Corporation and he provides services to Kentucky Utilities Company and Louisville Gas and Electric Company, that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge, and belief.

Christopher M. Garrett

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 11th day of August 2025.

Notary Public

Notary Public ID No. KYNP61560

My Commission Expires:

November 9, 2026

TAMMY J. ELZY
COMM EXPIRES 11/09/2026
NOTARY PUBLIC
ID # KYNP61560
STATE AT LARGE, KENTUCKY

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Michael E. Hornung**, being duly sworn, deposes and says that he is Manager of Pricing/Tariffs for LG&E and KU Services Company, that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge, and belief.

Michael E. Hornung

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 11th day of August 2025.

Tammy J. Elzy
Notary Public

Notary Public ID No. KYNP61560

My Commission Expires:

November 9, 2026

TAMMY J. ELZY
COMM EXPIRES
11/09/2026
NOTARY
PUBLIC
ID # KYNP61560
STATE AT LARGE, KENTUCKY

VERIFICATION

STATE OF NEW YORK)
)
COUNTY OF Albany)

The undersigned, **Daniel J. Johnson**, being duly sworn, deposes and says that he is Senior Vice President and Chief Information Officer for PPL Services Corporation and he provides services to Louisville Gas and Electric Company and Kentucky Utilities Company, and that he has personal knowledge of the matters set forth in the foregoing responses, and that the answers contained therein are true and correct to the best of his information, knowledge, and belief.

Daniel J. Johnson

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 11th day of August, 2025.

Danielle Balzan
Notary Public

Notary Public, ID No. 01BA6363644
(SEAL)

My Commission Expires: 8/21/2025

DANIELLE BALZAN
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01BA6363644
Qualified in Albany County
Commission Expires August 21,2025

VERIFICATION

STATE OF VERMONT)
)
COUNTY OF CHITTENDEN)

The undersigned, **Timothy S. Lyons**, being duly sworn, deposes and says that he is a Partner with ScottMadden Inc., that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

Timothy S. Lyons

Timothy S. Lyons

On this 11 day of August, 2025, before me, the undersigned notary public, personally appeared **Timothy S. Lyons**, proved to me through satisfactory evidence of identification, which were Drivers license to be the person whose name is signed on the preceding or attached document in my presence.

(seal)

SARA GOEWEY
Notary Public, State of Vermont
Commission No. 157.0016588
My Commission Expires 01/31/2027

Sara Goewey

Notary Public Signature

VERIFICATION

COMMONWEALTH OF KENTUCKY)

COUNTY OF JEFFERSON)

The undersigned, **Drew T. McCombs**, being duly sworn, deposes and says that he is Director - Regulatory Accounting for PPL Services Corporation and he provides services to Kentucky Utilities Company and Louisville Gas and Electric Company, that he has personal knowledge of the matters set forth in the responses, and that the answers contained therein are true and correct to the best of his information, knowledge, and belief.

Drew T. McCombs

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 11th day of August 2025.

Notary Public

Notary Public ID No. KYNP61560

My Commission Expires:

November 9, 2026

TAMMY J. ELZY
COMM EXPIRES 11/09/2026
NOTARY PUBLIC
ID # KYNP61560
STATE AT LARGE, KENTUCKY

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Elizabeth J. McFarland**, being duly sworn, deposes and says that she is Vice President, Transmission for Kentucky Utilities Company and Louisville Gas and Electric Company and an employee of LG&E and KU Services Company, that she has personal knowledge of the matters set forth in the responses for which she is identified as the witness, and the answers contained therein are true and correct to the best of her information, knowledge, and belief.

Elizabeth J. McFarland

Elizabeth J. McFarland

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 11th day of August 2025.

Tammy J. Elzy

Notary Public

Notary Public ID No. KYNP61560

My Commission Expires:

November 9, 2026

TAMMY J. ELZY
COMM EXPIRES 11/09/2026
NOTARY PUBLIC
ID # KYNP61560
STATE AT LARGE, KENTUCKY

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Heather D. Metts**, being duly sworn, deposes and says that she is Director – Financial Planning and Budgeting for Kentucky Utilities Company and Louisville Gas and Electric Company and an employee of LG&E and KU Services Company, that she has personal knowledge of the matters set forth in the responses for which she is identified as the witness, and the answers contained therein are true and correct to the best of her information, knowledge and belief.

Heather D. Metts

Heather D. Metts

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 11th day of August 2025.

Tammy J. Elzy
Notary Public

Notary Public, ID No. KYNP61560

My Commission Expires:

November 9, 2026

TAMMY J. ELZY
COMM EXPIRES
11/09/2026
NOTARY
PUBLIC
ID # KYNP61560
STATE AT LARGE, KENTUCKY

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Shannon L. Montgomery**, being duly sworn, deposes and says she is the Vice President, Customer Services for Kentucky Utilities Company and Louisville Gas and Electric Company and an employee of LG&E and KU Services Company, that she has personal knowledge of the matters set forth in the responses for which she is identified as the witness, and the answers contained therein are true and correct to the best of her information, knowledge, and belief.

Shannon Montgomery
Shannon L. Montgomery

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 11th day of August 2025.

Tammy J. Elzy
Notary Public

Notary Public ID No. KYNP61560

My Commission Expires:

November 9, 2026

VERIFICATION

COMMONWEALTH OF PENNSYLVANIA)
)
COUNTY OF LEHIGH)

The undersigned, **Vincent T. Poplaski**, being duly sworn, deposes and says that he is Vice President Total Rewards for PPL Services Corporation and he provides services to Louisville Gas and Electric Company and Kentucky Utilities Company, that he has personal knowledge of the matters set forth in the foregoing response, and that the answers contained therein are true and correct to the best of his information, knowledge, and belief.

Vincent T. Poplaski
Vincent T. Poplaski (Aug 7, 2025 16:16:24 EDT)
Vincent T. Poplaski

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 8th day of August, 2025.

Commonwealth of Pennsylvania - Notary Seal
Sharon L. Fazio, Notary Public
Bucks County
My commission expires January 31, 2027
Commission number 1343431
Member, Pennsylvania Association of Notaries

Sharon L. Fazio
Notary Public

Notary Public, ID No. 1343431
(SEAL)

My Commission Expires: 1/31/27

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Charles R. Schram**, being duly sworn, deposes and says that he is Vice President –Energy Supply and Analysis for Kentucky Utilities Company and Louisville Gas and Electric Company and is an employee of LG&E and KU Services Company, that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge, and belief.

Charles R. Schram

Charles R. Schram

Subscribed and sworn to before me, a Notary Public in and before said County and State this 8th day of August 2025.

Jennifer Lynn Vincent

Notary Public

Notary Public ID No. KYNP32193

My Commission Expires:

06-25-2029

JENNIFER LYNN VINCENT
NOTARY PUBLIC
Commonwealth of Kentucky
Commission # KYNP32193
My Commission Expires 6/25/2029

VERIFICATION

COMMONWEALTH OF PENNSYLVANIA)
)
COUNTY OF CUMBERLAND)

The undersigned, **John J. Spanos**, being duly sworn, deposes and says that he is the President for Gannett Fleming Valuation and Rate Consultants, LLC, that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

John J. Spanos

John J. Spanos

Subscribed and sworn to before me, a Notary Public in and before said County and Commonwealth, this 7th day of August, 2025.

Notary Public

Notary Public ID No. 1143028

My Commission Expires:

February 20, 2027

Commonwealth of Pennsylvania - Notary Seal
Cheryl Ann Rutter, Notary Public
Cumberland County
My commission expires February 20, 2027
Commission number 1143028
Member, Pennsylvania Association of Notaries

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Peter W. Waldrab**, being duly sworn, deposes and says that he is Vice President, Electric Distribution, for Kentucky Utilities Company and Louisville Gas and Electric Company and an employee of LG&E and KU Services Company, that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge, and belief.

Peter W. Waldrab

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 11th day of August 2025.

Notary Public

Notary Public ID No. KYNP61560

My Commission Expires:

November 9, 2026

TAMMY J. ELZY
COMM EXPIRES
11/09/2026
NOTARY
PUBLIC
ID # KYNP61560
STATE AT LARGE, KENTUCKY

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 1

Responding Witness: Michael E. Hornung / Shannon L. Montgomery

Q-1. Refer to the Commission's June 30, 2021 Order in Case No. 2020-00349,[2] in which the Commission ordered KU to file with its next base rate case a detailed plan for reducing the frequency and amounts of its tariffed non-recurring charges resulting from its advanced metering infrastructure (AMI) systems.

a. Explain whether KU has developed a detailed plan to reduce the frequency and amounts of its tariffed non-recurring charges resulting from its AMI systems.

b. If so, explain why the plan was not included in this application and provide a copy of the plan.

c. If not, explain why not.

A-1.

a. In Case No. 2020-00349 it was determined that customers who have AMI meters capable of "remote disconnection and reconnection" will no longer be charged the disconnect/reconnect service charge. Residential and general service Customers may request and be granted temporary suspension of electric service and will not be charged a disconnect/reconnect service charge. Customers who have AMI meters capable of "remote disconnection and reconnection" will not be charged a disconnect/reconnect service charge. Such provision is reflected in Sheet No. 45, Special Charges, of the Company's tariff and has been implemented for these meters since June 2023.

b. - c. There were no other plans necessary.

[2] Case No. 2020-00349, *Electronic Application of Kentucky Utilities Company for an Adjustment of its Electric Rates, A Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and Establishment of a OneYear Surcredit* (Ky. PSC June 30, 2021), Order at 64

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 2

Responding Witness: Michael E. Hornung / Shannon L. Montgomery

Q-2. Refer to the Application, Tab 4, page 183 of 205, Pre-pay Program Terms and Conditions.

a. Confirm that if an existing customer with a deposit signs up for the Pre-Pay Program, the deposit, plus any accrued interest, will either be used to fund the customer's Pre-Pay account or will be refunded to the customer.

b. Explain whether Pre-Pay customers will be subject to any special non-recurring charges included in the tariff.

c. Provide a copy of the Pre-Pay Program Service Agreement if one has been developed.

d. List the predetermined triggers that will be set to notify customers of a low balance.

A-2.

a. Yes, the customer's deposit and accrued interest will be used to fund the pre-pay account or will be refunded to the customer.

b. Residential customers taking service under the Pre-Pay Program will continue to be held to the tariffed Special Charges terms and conditions as appropriate.

c. This has not yet been developed.

d. This has not yet been developed.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 3

Responding Witness: Shannon L. Montgomery

Q-3. Refer to the Direct Testimony of Shannon L. Montgomery, page 26, lines 19–22. Explain how the daily balance will be provided to a Prepay customer.

A-3. This has not yet been developed.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 4

Responding Witness: John Bevington / Michael E. Hornung

Q-4. Refer to KU's response to Commission Staff's Second Request For Information (Staff's Second Request), Item 7.

a. When a EHLF developer signs a contract(s) with KU, explain what the developer is contracting for and what contractual obligations the developer is agreeing to.

b. Explain whether any of the terms of the EHLF contract(s) remains with the developer once an EHLF end use customer signs a contract with the developer. In the response, differentiate between the situations where the end use customer purchases the entire development and where the end use customer is a tenant of the EHLF developer.

c. Explain whether these EHLF developer contracts are standardized contract terms.

d. If available, provide a copy of the contract(s) that the EHLF developer will be required to sign.

A-4.

a. The Company assumes the term "EHLF developer" refers to the developer of a large data center project. Rate EHLF would not apply to construction power required to build data centers; presumably a data center developer would be the Company's customer for construction power.

Any party that signs an Electric Service Agreement under Rate EHLF would be subject to all Rate EHLF rates, terms, and conditions. The Companies do not anticipate entering into Rate EHLF Electric Service Agreements with data center developers, but rather with data center owner-operators or tenants.

b. See the response to (a). The end user would be the Company's Rate EHLF customer and have the Rate EHLF Electric Service Agreement with the Company. Before the end user for a particular Rate EHLF-eligible data center could change, the Company would have to approve any assignment

or transfer of the existing Rate EHLF Electric Service Agreement; under the Company's tariff, all assignments or transfers of orders for service, agreements, or contracts for service require Company approval.

c. The Company does not intend to create an "EHLF developer contract." The Company does intend to develop a standard Electric Service Agreement for service under Rate EHLF, but it has not done so yet.

d. See the response to (c).

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 5

Responding Witness: Robert M. Conroy / Charles R. Schram

Q-5. When an EHLF developer contracts with KU for 600 MW or some other large amount of power, explain how KU accommodates the developer. For example, explain whether the Company reserves 600 MW dedicated to the developer that all else being equal, would not be used by other customers or whether the Company simply ensures that it has 600 MW available to serve the new load and that if the developer does not require 600 MW at any given time, the capacity would be available to serve other customers or for an off system sale.

A-5. The Companies would ensure they have enough total capacity to collectively serve all native load customers reliably, including both existing and new customers, before connecting a new load to the system. The Companies have not contemplated a situation where resources would be set aside as generation dedicated to serving specific customers. Currently, during periods when system and market conditions are conducive to making off-system sales, the Companies transact for the benefit of all customers.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 6

Responding Witness: Michael E. Hornung

Q-6. Refer to KU's response to Commission Staff's First Request for Information (Staff's First Request), Item 54, Exhibit MEH-1 – PSA Rate Support, Worksheet Combined OH. Explain the reasoning for calculating the wireless facility attachment charge based on five times the weighted pole rate.

A-6. The wireless facility attachment charge was last updated in the 2016 Rate Case.[3] As part of the Second Stipulation Agreement, the Companies, AT&T, and KCTA agreed to modify the proposed charge based upon a wireless facility attached to the top of a pole using five feet of the pole – one foot for antenna and four feet of clearance above the power space to maintain a safe working distance between the electric facilities on the pole and the pole top antenna.

[3] *Application of Kentucky Utilities Company for an Adjustment of Its Electric Rates and for Certificates of Public Convenience and Necessity*, Case No. 2016-00370, Order at 22-24 and Appendix A, Second Stipulation and Recommendation Sec. 1.2 (Ky. PSC June 22, 2017), available at https://psc.ky.gov/pscscf/2016%20Cases/2016-00370//20170622_PSC_ORDER.pdf.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 7

Responding Witness: Vincent Poplaski

Q-7. Refer to KU's response to Staff's First Request, Item 41. Confirm that employees hired on or after January 1, 2006, receive both 100 percent of the first 3 percent of the employee's eligible compensation plus 50 percent of the next 3 percent, subject to IRS limits, and between 3 percent and 7 percent of eligible pay based upon years of service.

A-7. Confirmed. To clarify, employees only receive the employer match portion if they contribute to the plan.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 8

Responding Witness: Michael E. Hornung / Shannon L. Montgomery

Q-8. Refer to KU's response to Staff's First Request, Item 54, 2025 PSC DR1 KU LGE Attach to Q54 – Exhibit MEH-4 – AMI Opt-Out Support, Worksheet KU-E AMI Opt Out. Also refer to KU's response to Commission Staff's First Request for Information in Case No. 2020-00349,[4] Item 56, 2020_Att_KU_LGE_PSC_1–56_Exhibit_WSS19_AMI_Opt_Out_Calculation, Worksheet KU-E AMI Opt Out. Provide a detailed explanation and support for the increases to One-Time Fee, Field Services, and OneTime and Recurring Capital Costs, Enrollment, Billing and Reporting.

A-8. One-Time Fee, Field Services: Increases were driven by two primary factors. First, the original calculation did not include full burdens on field service labor, so the costs were understated. Second, the opt-out percentage is lower than anticipated, spreading the costs over fewer customers.

One-Time and Recurring Capital Costs, Enrollment, Billing and Reporting: Increases were driven by two primary factors. First, the original cost to implement these features was estimated at $81,000. The actual cost to implement was $163,000, so the costs were understated. Second, the opt-out percentage is lower than anticipated, spreading the costs over fewer customers.

[4] Case No. 2020-00349, (filed Dec. 15, 2020), KU's Responses to Commission Staff's First Request for Information.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 9

Responding Witness: Michael E. Hornung

Q-9. Refer to KU's response to Staff's Second Request, Item 1, Attachment, Electric Tariff, page 139 of 238. Explain why KU's current tariff limited the availability of the One-Time Solar Capacity Charge to subscriptions on Solar Share Facilities that had not begun construction.

A-9. The intent was to ensure operational sections of the array remained completely subscribed and encourage full subscription on subsequent sections of the array. Understanding customer de-enrollment patterns (longevity/tenure), it is now in the best interest of those wanting to participate to utilize available shares from customers who have exited the program versus waiting to fully subscribe a subsequent section of the array.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 10

Responding Witness: Michael E. Hornung / Shannon L. Montgomery

Q-10. Refer to KU's response to Staff's Second Request, Item 1, Attachment, Electric Tariff, page 140 of 238. Explain why KU's current tariff limited the subscription capacity of a subscribing customer to an aggregate of 500 kW DC and no more than 250 kW DC in any single Solar Share Facility.

A-10. The intent was to avoid a single customer purchasing the capacity of the entire array when others had expressed interest. Customers wanting large capacity benefits were encouraged to participate in our Green Tariff opportunities.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 11

Responding Witness: Michael E. Hornung

Q-11. Refer to KU's response to Staff's Second Request, Item 1, Attachment, page 156 of 238. Explain why the actual incentive amounts were removed under from the Residential Online Audit program.

A-11. Incentive amounts were removed from the Residential Online Audit program to be consistent with the Non-Residential (Business) Rebates program in the tariff.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 12

Responding Witness: Michael E. Hornung / Peter W. Waldrab

Q-12. Refer to KU's response to Staff's Second Request, Item 1, Attachment, page 225 of 238. Provide a copy of KU's Interconnection Requirements for Customer-Sited Distributed Generation.

A-12. See attachment being provided in a separate file.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 13

Responding Witness: Michael E. Hornung / Shannon L. Montgomery

Q-13. Refer to KU's response to Staff's Second Request, Item 8. Explain the reasonableness of KU being able to use a residential customer's deposit on their residential account to satisfy an obligation of a non-residential account owned by that same customer when the non-residential account is in the name of the business instead of the individual.

A-13. The Company did not intend to suggest that cross-collateralization would occur across a residential account in an individual's name and a separate non-residential account established by the Company to be solely in the name of a legal business entity for which the individual is not a responsible party. In such a case, the individual and the business entity would be two separate and distinct customers; the proposed cross-collateralization provision would apply only across accounts for which a given customer is responsible.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 14

Responding Witness: Michael E. Hornung / Peter W. Waldrab

Q-14. Refer to KU's response to Staff's Second Request, Item 10.

a. Explain what would cause KU to require communication during the interconnection review process between the customer's distributed generation equipment and KU's control systems.

b. Explain why Application Fees were added for Level 1 Interconnections.

A-14.

a. Communications between customer DER equipment and Company control systems are required for all generators over 1 MW in capacity. This is required so that operators can ensure safe and reliable grid operations.

Communications would only be required for generators smaller than 1 MW in rare instances where the generator could impact grid safety or reliability. A generator with islanding capability, for example, would be required to have communications to ensure synchronization.

b. Fees were previously introduced for Level 2 interconnections to cover the cost of engineering reviews. While Level 1 interconnections do not require the same level of engineering review, the volume of these requests has increased significantly. Therefore, the fee was extended to Level 1 applications.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 15

Responding Witness: Michael E. Hornung / Peter W. Waldrab

Q-15. Refer to KU's response to Staff's Second Request, Item 11(a). Explain what would cause monitoring or management to be required.

A-15. See the response to Question No. 14, part a, for discussion of monitoring.

The need for management is triggered based off a combination of distribution system characteristics, specifications of the interconnection, and any situations where the interconnection can negatively impact the safety or reliability of the electric distribution system. This is rare and identified during the interconnection review process.

Examples of scenarios requiring management would be:

- Limiting overvoltage conditions with managed reactive power controls in place of costly system upgrades.
- Remote tripping of larger generators during abnormal system conditions such as faults or equipment failures where safety or reliability become a concern.

While extremely rare, other examples where monitoring or management may be required include systems designed to island from the utility such as microgrids, instances where mis-synchronization of customer-owned equipment with the utility grid is possible, or non-standard interconnections such as interconnections on secondary area or spot networks; however, none of these situations apply to existing interconnections.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 16

Responding Witness: Peter W. Waldrab

Q-16. Refer to KU's response to Staff's Second Request, Item 11(b). Explain under what circumstances KU would require communications equipment allowing the utility SCADA system to monitor generation and possibly remotely disconnect a DER site in the event of an emergency for larger distributed generation sites, 1 MW or larger in capacity.

A-16. For larger DER interconnections of 1 MW or higher in capacity, SCADA communications, remote disconnecting means, i.e. recloser or similar, or some combination thereof is required for all interconnections unless other means to monitor and isolate a generator already exist or agreed-upon protections are put in place to prevent generator connection to the utility system, i.e. transfer switches, reverse power relays or similar. Visibility of such generators is critical to maintain the safety and reliability of the power distribution system and safety of the Company's line workers. The remote disconnecting means is required on larger generators to prevent potential negative impacts resulting from a generator operating during abnormal system conditions such as system faults and potential islanding during switching operations.

It is important to note that remote disconnection of a generator is not a common practice and only occurs in rare scenarios such as emergency situations. Typically, larger generators have dedicated protection in place to isolate during these grid disturbances and emergencies to prevent damage, however there are instances that the Company has experienced where the generator protection has failed to respond appropriately and remote isolation is required.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 17

Responding Witness: Michael E. Hornung

Q-17. Refer to KU's response to Staff's Second Request, Item 12(a). Confirm that replacement of currently installed modules with modules having slightly higher capacity due to the unavailability of identical modules would not result in the loss of NMS-1 legacy status. If not confirmed, explain why not.

A-17. It is unclear how "slightly higher capacity" is defined within the context of this question. Nonetheless, the Companies' will work with the customers and will honor the grandfathering of the NMS-1 should the individual situation produce a reasonable solution.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 18

Responding Witness: Michael E. Hornung

Q-18. Refer to KU's response to Staff's Second Request, Item 13. Explain why the conversion fee was not proposed to be revised in this case seeing as it was last revised in 2021 and recognizing that the average remaining book value of all current working non-LED fixtures has likely decreased since 2021.

A-18. The conversion fee reflects the net book value of the remaining Restricted Lighting Service assets. During the preparation of the updated rate for this case, it was identified that the Company had not included the remaining inventory of replacement equipment that had not yet been placed in service. As this inventory has been used, its value has been incorporated into the net book value of the Restricted Lighting Service assets. The ongoing efforts to reduce this inventory by repairing and replacing Restricted Lighting Service lights in the field would have resulted in an increase in the conversion fee. Customers who transitioned to LED lights in recent years did not have inventory values included in the calculations. Consequently, the Companies chose to maintain the fee at its current level until the net book value aligns with the fee.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 19

Responding Witness: Michael E. Hornung

Q-19. Refer to KU's response to Staff's Second Request, Item 16. Explain why the Curtailable Billing Demand for customers served under the Curtailable Service Riders is calculated based off of just weekdays during the applicable time periods.

A-19. The calculation is based on just weekdays as this is the time period when the Companies expected peak demands and when the highest likelihood of a call for a reduction would occur. In addition, the rate is based on the projected need and output of a simple cycle combustion turbine. These units are utilized at peak times and typically economically run on weekdays.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 20

Responding Witness: Daniel Johnson / Shannon L. Montgomery

Q-20. Refer to KU's response to Staff's Second Request, Item 19. Provide a detailed explanation, including estimated costs, of what modifications would need to be made to the legacy Customer Information System in order for KU to be able to offer the Prepay Program once this proceeding concludes.

A-20. The Company estimates the implementation timeline is 12 to 18 months. The required system modifications are projected to cost $8 to $14 million. If these changes were made to the legacy Customer Information System, a similar investment would be necessary to replicate them in the new system. The modifications include:

Account Management

- Prepayment enrollment
- Account Set up
- Contact Preferences
- Prepayment De-enrollment

Usage and Billing

- Request usage data
- Receive daily usage data
- Perform daily billing and invoicing

Balance Determination

- Calculate daily balance
- Remaining days/hours
- Projected disconnection date
- Initiate and send alerts

Payments and Collections

- Receipt of payments
- Manage disconnects and reconnects

- Debt recovery
- Update balance

Customer Inquiries

- Account inquiry – self serve / contact center
- Prepayment balance inquiry – self serve / contact center

Customer Alerts

- Daily usage alerts
- Disconnect warning alerts
- Payment receipt alerts
- Disconnect and reconnect alert

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
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Case No. 2025-00113

Question No. 21

Responding Witness: Michael E. Hornung

Q-21. Refer to KU's response to Staff's Second Request, Item 27. Explain why KU desired to remove the hourly charge from Rate EVC-L2 and replace it with the per kWh charge of the EVC-Fast tariff.

A-21. EVC-L2 and EVC-Fast rates are based on energy equivalent to a gallon of gasoline. As the EV markets have developed, billing has shifted to kWh charges, which better reflect actual charging usage and standardize costs regardless of charger type.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
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Case No. 2025-00113

Question No. 22

Responding Witness: Timothy S. Lyons

Q-22. Refer to the Direct Testimony of Tim S. Lyons (Lyons Direct Testimony), Exhibit TSL-4, page 7. Explain the differences between the "Fully-Loaded Customer Costs" and "Basic Customer Costs."

A-22. Basic customer costs are direct costs that vary with changes in the number of customers. Direct costs include meter, service, and customer-related distribution plant and related O&M expenses as well as customer account and customer service expenses.

Fully loaded customer costs are direct and indirect costs that vary with changes in the number of customers. Indirect costs include general plant and A&G expenses.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
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Case No. 2025-00113

Question No. 23

Responding Witness: Timothy S. Lyons

Q-23. Refer to the Lyons Direct Testimony, Exhibit TSL-4, page 7. Refer also to the Full Notice, generally. Provide an explanation of the following:

a. KU's request of a Rate RS basic service charge of approximately $19.47 per month[5] when the COSS supported a basic service charge of $31.39 per month.

b. KU's request of a Rate GS basic service charge of approximately $46.84 per month[6] when the COSS supported a basic service charge of $40.89 per month.

c. KU's request of a Rate AES single phase basic service charge of approximately $96.12 per month[7] when the COSS supported a basic service charge of $92.87 per month.

d. KU's request of a Rate PS-Sec basic service charge of approximately $103.42 per month[8] when the COSS supported a basic service charge of $79.64 per month.

e. KU's request of a Rate TOD-Pri basic service charge of approximately $406.06 per month[9] when the COSS supported a basic service charge of $386.81 per month.

f. KU's request of a Rate RTS basic service charge of approximately $2,252.05 per month[10] when the COSS supported a basic service charge of $2,092.64 per month.

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[5] $19.47= ($0.64 x 365)/12.

[6] $46.84= ($1.54 x 365/12.

[7] $96.12= ($3.16 x 365)/12.

[8] $103.42= ($3.40 x 365)/12.

[9] $406.06= ($13.35 x 365)/12.

[10] $2,252.05= ($74.04 x 365)/12.

g. KU's request of a Rate FLS Transmission Service basic service charge of approximately $2,259.35 per month[11] when the COSS supports a basic service charge of $2,029.27 per month.

h. KU's request of a Rate OSL Secondary basic service charge of approximately $103.42 per month[12] when the COSS supported a basic service charge of $87.85 per month.

A-23. See Lyons Direct Testimony, Exhibit TSL-4, pages 5-6. The fully loaded customer costs in Lyons Direct Testimony, Exhibit TSL-4, pages 7-8 were adjusted on pages 5-6 to reflect the relative difference between the calculated revenue requirement for each rate class and the target revenues for each rate class. The adjustment ensures the difference between the calculated revenue requirement and the target revenues are proportionately recovered in each rate element.

For purposes of this response, the current and proposed daily customer charges were approximated to current and proposed monthly customer charges by multiplying the daily customer charges by (365/12).

Rate	Customer Rev. Req.	Current Charge	Proposed Charge
RS	$24.78	$16.12	$19.47
GS	$53.09	$41.06	$46.84
AES	$96.06	$85.17	$96.12
PS-Sec	$106.62	$90.03	$103.42
TOD_Pri	$406.11	$327.59	$406.06
RTS	$2,252.07	$1,498.93	$2,252.05
FLS	$7,060.17	$1,498.93	$2,252.05
OSL	$182.50	$90.03	$103.42

a. The proposed Rate RS basic service charge of approximately $19.47 per month was based on movement toward the customer revenue requirement balanced by bill continuity considerations.

b. The proposed Rate GS basic service charge of approximately $46.84 per month was based on movement toward the customer revenue requirement balanced by bill continuity considerations.

[11] $2,259.35= ($74.28 x 365)/12.

[12] $103.42= ($3.40 x 365)/12.

c. The proposed Rate AES basic service charge of $96.12 per month was set at the approximate customer revenue requirement.

d. The proposed Rate PS-Sec basic service charge of approximately $103.42 per month was set at the approximate customer revenue requirement.

e. The proposed Rate TOD-Pri basic service charge of approximately $406.06 per month was set at the approximate customer revenue requirement.

f. The proposed Rate RTS basic service charge of approximately $2,252.05 per month was set at the approximate customer revenue requirement.

g. The proposed Rate FLS Transmission Service basic service charge of approximately $2,252.05 per month was set at the same amount as Rate RTS, consistent with the current basic service charge.

h. The proposed Rate OSL Secondary basic service charge of approximately $103.42 per month was based on movement toward the customer revenue requirement balanced by bill continuity considerations

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Case No. 2025-00113

Question No. 24

Responding Witness: Timothy S. Lyons

Q-24. Refer to the Lyons Direct Testimony, Exhibit TSL-2, page 3. Refer also to the Full Notice, pages 15-16. Explain how the proposed Rate EVC rates will provide sufficient revenues to meet the proposed Rate of Return of 8.10 percent.

A-24. The proposed EVC rates were not designed to meet the proposed Rate of Return of 8.10 percent.

The proposed EVC rate design was designed to generally reflect 10.0 percent movement towards cost-of-service based rates, adjusted for market development considerations.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
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Case No. 2025-00113

Question No. 25

Responding Witness: Timothy S. Lyons

Q-25. Refer to the Lyons Direct Testimony, TSL-2, generally. For customer classes that already have a Rate of Returns higher than the overall Rate of Return, explain why KU chose to increase the basic service charges for those rate classes.

A-25. KU chose to increase the basic service charges for those rate classes that already have a ROR higher than the overall ROR to balance intraclass impacts. If, for example, the increase was placed only on the energy charges, then high use customers would experience disproportionate bill increases relative to low use customers.

KENTUCKY UTILITIES COMPANY

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Case No. 2025-00113

Question No. 26

Responding Witness: Charles R. Schram

Q-26. Refer to the Direct Testimony of Charles R. Schram (Schram Direct Testimony), page 13, lines 16 through 18. Identify and explain what makes up the rest of the increase in sales between the base period and the forecasted test period.

A-26. Referring to Exhibit CRS-1, the total increase in retail sales from the base period to the forecasted test period is 596 GWh. BOSK accounts for an increase of 488 GWh. The two new RTS loads account for an increase of 228 GWh. Those are the loads driving the increase in sales. All other rates have flat or decreasing sales between the base period and forecasted test period.

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Response to Commission Staff's Third Request for Information
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Question No. 27

Responding Witness: John Bevington / Charles R. Schram

Q-27. Refer to the Schram Direct Testimony, page 13. Further explain the reasonableness to assume BlueOval SK (BOSK) Phase 1 is in full production in 2026 when it Phase 1 was originally expected to begin in the year 2025.

A-27. As of the date of this response, information from the customer indicates that the Phase 1 load will reach the initial contract level, 140 MW, in 2026.

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Response to Commission Staff's Third Request for Information
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Case No. 2025-00113

Question No. 28

Responding Witness: Charles R. Schram

Q-28. Refer to the Schram Testimony, generally. Identify all differences between the load forecasts submitted in this proceeding and the 2024 IRP load forecast. Additionally, explain the reasonings behind these differences.

A-28. There are no differences between the load forecast from this proceeding and the 2024 IRP Mid load forecast.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
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Case No. 2025-00113

Question No. 29

Responding Witness: Charles R. Schram

Q-29. Refer to the Schram Testimony, page 41. Provide further explanation behind the reasonableness to move the RTO study filing to align with the triennially IRP filing.

A-29. As Mr. Schram discusses in his testimony, the annual RTO study is a significant undertaking with minimal value given the current state of the RTOs. Each study that the Companies have developed has demonstrated that joining an RTO would not be favorable to customers. The RTOs continue to be in a state of flux with growing reliability and cost concerns. North American Electric Reliability Corporation's ("NERC's) 2024 Long-Term Reliability Assessment identified elevated reliability risk levels for both MISO and PJM with the following summary comments.[13]

- MISO: Uncertainty around new resource additions and existing generator retirements results in resource adequacy risks. Above-normal generator outages during extreme weather can result in unserved energy or load loss.
- PJM: Resource additions are not keeping up with generator retirements and demand growth. Winter seasons replace summer as the higher-risk periods due to generator performance and fuel supply issues.

MISO's most recent auction resulted in a very high summer capacity price of $666.50/MW-day. This is a significant increase from the prior auction's price of $30/MW-day, reflecting a tightening supply demand balance.[14] MISO highlighted their summer reliability concerns in their discussion of 2025 Summer Readiness:

> At some point we find ourselves in need of every available resource to keep the power flowing across our footprint almost every summer. The continued reduction in accredited capacity

[13] https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC_Long%20Term%20Reliability%20Assessment_2024.pdf

[14] https://www.misoenergy.org/meet-miso/media-center/2025---news-releases/misos-planning-resource-auction-indicates-sufficient-resources/

> makes it much more challenging, especially during heat waves, hurricanes or other extreme weather events.[15]

PJM is also facing resource adequacy concerns due to significant load growth, slow development of new resources, and accelerated retirements, which have resulted in a sharply increased level of Energy Emergency Alerts ("EEAs") in 2025.[16] These factors drove a high capacity price of $329.17/MW-day in their most recent auction, which was at the price cap that was imposed due to the prior auction's high prices and their unfavorable impact to customers.[17] The auction also failed to procure enough capacity to meet the target Reliability Requirement, despite clearing all offered generation except 17.2 MW (annual UCAP) due to the price cap. Highlighting PJM's reliability and affordability crises, nine state governors, including Kentucky's Governor Andy Beshear, sent an open letter to PJM's Board of Managers expressing concerns about PJM's trajectory.[18] Furthermore, New Jersey lawmakers are considering legislation to explore withdrawing from PJM and working with neighboring states on alternatives to PJM's markets.[19]

Minor RTO rule changes and market construct revisions have not been sufficient to address generation retirements and the potential for rapidly increasing load growth from economic development, including data centers. Given the RTOs' long-term nature of proposals to resolve their resource adequacy concerns and the lengthy timelines for implementation when new generation is involved, the Companies believe a triennially filed RTO study is both appropriate and reasonable.

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[15] https://www.misoenergy.org/meet-miso/media-center/2025---news-releases/miso-projects-adequate-resources-are-available-to-serve-summer-demand-amid-rising-risks/#:~:text=%E2%80%9CAt%20some%20point%20we%20find%20ourselves%20in,flowing%20across%20our%20footprint%20almost%20every%20summer

[16] https://www.pjm.com/-/media/DotCom/committees-groups/committees/pc/2025/20250805/20250805-item-07---1-expansion-of-provisional-service---problem-statement.pdf

[17] https://www.pjm.com/-/media/DotCom/markets-ops/rpm/rpm-auction-info/2026-2027/2026-2027-bra-report.pdf

[18] https://www.pjm.com//-/media/DotCom/about-pjm/who-we-are/public-disclosures/2025/20250717-nine-governors-letter-regarding-board-vacancies.pdf

[19] https://www.assemblydems.com/CivicAlerts.aspx?AID=12678

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Response to Commission Staff's Third Request for Information
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Case No. 2025-00113

Question No. 30

Responding Witness: Michael E. Hornung / Heather D. Metts

Q-30. Refer to KU's response to Staff's Second Request, Item 111. Provide cost justification for each non-recurring charge, including the calculation of the charge in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

A-30. See the response to PSC 2-54, attachment labeled "2025 PSC DR1 KU Attach to Q54 - Exhibit_TSL-12_Special Charges".

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 31

Responding Witness: Lonnie E. Bellar / Vincent Poplaski / Peter W. Waldrab

Q-31. Refer to the Direct Testimony of Lonnie Bellar (Bellar Direct Testimony), page 3, lines 15 through 18. Explain how KU quantified the efficiencies gained from harmonizing human resources operations throughout PPL and developing a common storm response protocol. Provide all calculations in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

A-31. Centralizing the company's human resources operations has enhanced organizational efficiency through harmonization, collaboration, and minimizing redundancy. Though not discretely quantified, below are examples of the operational efficiencies gained within human resources.

- HR professionals are now assigned centrally to talent acquisition, organizational development, compensation, HR information systems, benefits, and employee relations, providing coordinated support and implementing standard practices throughout the company. This approach is in contrast to the prior approach where each operating company generally had its own HR sub-functions.

- Standardized HR policies and procedures have reduced ambiguity and established a consistent approach to managing employees and programs.

- The company's centralized HR team fosters knowledge sharing among all experience levels within HR, creating more strategic and consistent operational HR decisions that are aligned with the company's goals.

- Coordinated HR programs (e.g., benefits) mitigate cost increases through economies of scale and streamlined vendor relationships.

- The implementation of a shared services model transferred administrative and transactional tasks from HR Business Partners to a central group, allowing HRBPs to focus on strategic activities.

- Consolidation of the organizational development function provided a wider range of professional development offerings across the organization.

- Harmonized HR metrics provide the company's leadership with the information needed to make data driven decisions.

Regarding storm response, PPL has implemented a multi-disciplinary drill structure across all operating companies that is conducted twice annually, pooling resources and ensuring that all operating companies are following best practices. This leads to both training and response efficiencies. PPL is also engaged in negotiating labor contracts for storm response contractors jointly across all operating companies. Joint negotiations are expected to produce efficiencies from greater scale and consistency across off-system response resources.

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Question No. 32

Responding Witness: Lonnie E. Bellar / Christopher M. Garrett

Q-32. Refer to Bellar Direct Testimony, page 9, lines 9 through 11. Explain why KU would request regulatory asset treatment for the Lewis Ridge Pumped Storage Project, should the project not go through.

A-32. KU believes the associated development costs are prudent expenditures, which should be recovered from customers. These costs are both (1) extraordinary and nonrecurring given the nature of the project and (2) a result of a statutory or administrative directive; thus regulatory asset treatment would be appropriate.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
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Question No. 33

Responding Witness: Lonnie E. Bellar

Q-33. Refer to Bellar Direct Testimony, page 11, lines 16 through 17. Describe the costs associated with each of the following generation outage projects.

a. Mill Creek 3;

b. Mill Creek 4;

c. Ghent 1;

d. Ghent 2; and

e. Ghent 3.

A-33. The costs associated with generation outage projects are largely driven by maintaining unit availability, boiler reliability and environmental compliance. During the cited period, there is a diversity of projects that support continued efficient operation of the generating units. Generation outage projects can be necessitated by equipment end-of-life, regulatory considerations or environmental compliance. Each of these supports the need for capital investment.

a. For Mill Creek 3 specifically, the costs associated with the outages are primarily driven by replacements and upgrades of major boiler components and replacements of SCR catalysts.

b. For Mill Creek 4 specifically, the costs associated with the outages are primarily driven by replacements and upgrades of major boiler components, replacements of SCR catalysts, and replacement of PJFF bags.

c. For Ghent 1 specifically, the costs associated with the outages are primarily driven by replacement of major boiler components, SCR catalysts, soot blowing air compressors, and distributed controls system upgrade.

d. For Ghent 2 specifically, the costs associated with the outages are primarily driven by replacement of major boiler components, a cooling tower rebuild, and upgrades to the ID Fan VFDs (Variable Frequency Drive).

e. For Ghent 3 specifically, the costs associated with the outages are primarily driven by replacement of major boiler components, SCR catalysts, and installation of a circulating water pipe lining system.

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Question No. 34

Responding Witness: Elizabeth J. McFarland

Q-34. Refer to the Direct Testimony of Elizabeth McFarland (McFarland Direct Testimony), page 9, lines 10 through 13. Explain why the longer-term goal of making the combined Companies national quartile performance in transmission reliability has not yet been achieved through the Transmission System Improvement Project (TSIP).

A-34. TSIP was primarily designed to elevate LG&E and KU to second quartile performance within 5-10 years—which it successfully accomplished. However, reaching first quartile performance requires significantly more time and investment to address the large number of aging and end-of-life assets still present on the transmission system, which is why the TSIP's longer term goal of first quartile performance was stated as 15-20 years. To meet this need, the Companies have carefully planned and developed the Transmission System Hardening and Resiliency Plan ("TSHARP"), which like its TSIP predecessor, includes both system modernization and integrity plans (end of life asset replacements) that harden the system against disruptions, and resiliency plans that help minimize the frequency and impact of outages.

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Question No. 35

Responding Witness: Elizabeth J. McFarland

Q-35. Refer to McFarland Direct Testimony, Exhibit BJM-2, page 35 of 87. Confirm if there are any quantifiable benefits associated with the implementation of TSHARP. If confirmed, explain when those benefits will be seen by Louisville Gas and Electric Company (LG&E) and KU's (jointly LG&E/KU)'s customers.

A-35. Yes, there are quantifiable benefits associated with the implementation of TSHARP. As noted in Elizabeth McFarland's Direct Testimony (page 10), TSHARP is a continuation of the Transmission System Improvement Plan (TSIP) initiated in 2017. As a continuation of TSIP, the Companies project that TSHARP will deliver a 30%–50% improvement in SAIDI compared to 2025 performance over the expected timeframe. These reliability improvements will immediately benefit LG&E/KU customers by reducing the frequency and duration of transmission-related outages as projects are completed.

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Response to Commission Staff's Third Request for Information
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Question No. 36

Responding Witness: Vincent Poplaski / Peter W. Waldrab

Q-36. Refer to the Direct Testimony of Peter Waldrab (Waldrab Direct Testimony), page 20, lines 5 through 7. State the growth rate for labor rates for distribution line tech employees from 2020-2025.

A-36. Distribution line tech labor rates have increased on average 4.4% per year and 23.6% cumulatively between 2020-2025.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
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Case No. 2025-00113

Question No. 37

Responding Witness: Peter W. Waldrab

Q-37. Refer to Waldrab Direct Testimony, page 20, lines 11 through 15. Explain whether LG&E/KU have evaluated any alternative pad mount transformers with the recent cost increases.

A-37. Yes, in 2022 in response to transformer supply shortages and costs increases, the Companies issued a competitive Request for Quotation to domestic and international transformer manufacturers. As a result of this RFQ, the Companies added new suppliers, both domestically and internationally. The Companies further worked with transformer manufacturers to review the Companies' transformer specifications for cost savings opportunities.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
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Question No. 38

Responding Witness: Vincent Poplaski

Q-38. Refer to the Direct Testimony of Vincent Poplaski (Poplaski Direct Testimony) at 12. Provide a breakdown of the listed criteria and percentages in terms of the descriptions below. For any criteria that are not relevant to the below descriptions, provide an explanation.

a. Financial Goals;

b. Safety Goals;

c. Customer Satisfaction Goals; and

d. Individual Goals.

A-38.

a. Financial Goals (0%);

b. Safety Goals (0%);

c. Customer Satisfaction Goals (65%);

The Customer Satisfaction objective (12.5%) is directly tied to Customer Satisfaction and uses the JD Power Electric Residential Customer Satisfaction Index. The service reliability objectives are indirectly tied to customer satisfaction: electric reliability (17.5%); generation reliability EFOR (5%); generation reliability EAF (5%); gas operations gas leak response time – on hours (5%); gas operations gas leak response time – off hours (5%); and corporate strategic initiatives (15%).

d. Individual Goals (35%)

The individual achievement portion of the STI, which comprises 35% of the overall STI target, is based on management's assessment of individual achievements over the course of the plan year relative to others, including but not limited to: significant accomplishments or key projects, execution of day-to-day job responsibilities, achievements relative to individual goals set for the year and their impact on the organization, and demonstration of PPL's values and constructive behaviors.

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Response to Commission Staff's Third Request for Information
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Case No. 2025-00113

Question No. 39

Responding Witness: Vincent Poplaski

Q-39. Refer to the Poplaski Direct Testimony at 13-14. Compare the benefit structure of an employee hired before January 1, 2006, (but ineligible for the defined benefit plan) to the structure for similarly situated employees hired on or after January 1, 2006.

A-39. There are no employees hired before 1/1/2006 who are not eligible for the DB plan.

This is the 401k employer match and employer contribution structure:

401k Components	**Employees Hired Before 1/1/2006**	**Employees Hired 1/1/2006 or Later**
Employer Match (dependent on employee contributions)	• 100% of the first 3% of employee's contribution • Maximum employer match of 3% if employee contributes 3%	• 100% of the first 3% of employee's contribution • 50% of next 3% of employee's contribution • Maximum employer match of 4.5% if employee contributes 6%
Employer Contribution (percent of employee's eligible contribution based on employee service)	• Not eligible due to participation in a company sponsored pension plan.	• Employee's service (in years) at end of year: ▪ < 6 Years : 3% ▪ 6-10 Years: 4% ▪ 11-15 Years: 5% ▪ 16-20 Years: 6% ▪ 21 + Years: 7%

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Response to Commission Staff's Third Request for Information
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Case No. 2025-00113

Question No. 40

Responding Witness: Christopher M. Garrett

Q-40. Refer to the Direct Testimony of Christopher Garrett (Garrett Direct Testimony) at 9. Provide the estimated difference between the actual storm damage restoration and vegetation management costs and the respective amounts in base rates in the forecasted period. Provide also whether a regulatory asset or liability is expected to be recorded for these amounts.

A-40. At this time, there is no estimated difference between the actual storm damage restoration and vegetation management costs and the respective amounts in base rates. A difference will only exist when actual costs are incurred for the forecasted test period, calendar year 2026.

Storm damage restoration and vegetation management O&M costs are projected to be $6.4 million and $31.4 million, respectively, for the forecasted test period. To the extent actual costs are higher than those amounts, a regulatory asset will be recorded. To the extent actual costs are lower than those amounts, a regulatory liability will be recorded.

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Dated July 30, 2025

Case No. 2025-00113

Question No. 41

Responding Witness: Christopher M. Garrett

Q-41. Refer to the Garrett Direct Testimony at 11. Provide descriptions and depreciable lives of the underlying software/IT assets.

A-41. See attachment being provided in a separate file.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 42

Responding Witness: Christopher M. Garrett

Q-42. Refer to the Garrett Direct Testimony at 14. Provide support for amortizing the AMI regulatory assets over a longer period than the AMI regulatory liabilities.

A-42. The Companies are requesting AMI regulatory assets be amortized over 15 years consistent with the depreciable lives of the new AMI assets per the Companies' depreciation studies. The Companies have requested the AMI regulatory liabilities be amortized over a period of five years in an effort to reduce the rate impact by returning savings to customers over a shorter time period.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 43

Responding Witness: John J. Spanos

Q-43. Refer to the Direct Testimony of John Spanos (Spanos Direct Testimony), Exhibit JJS-KU-1, Intangible Plant. Explain specifically what items (particular software) are included in each of the following categories: cloud software; dms cloud software; cloud software-prepaids; and dms cloud software – prepaids.

A-43. The cloud software accounts contain costs associated with hosted software agreements. These are agreements in which the Company does not have possession of the software. Instead, the software application resides on hardware that is external to the Company's network and the Company accesses and uses the software on an as-needed basis. Accounting guidance for GAAP financial statement reporting requires that capitalized implementation costs incurred related to hosting agreements that are a service agreement be reported in the same financial statement line item that a prepayment of the associated hosting fees would be recorded. This is largely within "other non-current assets" for the long-term portion and "prepayments" for the current portion. The prepaid accounts include the portion of implementation costs that are to be amortized within the next 12 months. The non-current accounts include the long-term portion of the software costs. The DSM accounts contain the cloud software that are recovered through the Demand Side Management program.

The cloud software accounts include the following software:

- SAP Customer Relationship Management Solution
- Broadridge Bill Print and Mailing System
- Operator Qualifications Field Verification Software
- Smart Energy Water Revised Customer Notifications Expansion
- Electronic Data Interchange Billing Upgrade
- Microsoft Cloud Deployment
- SAP Major Accounts and Economic Development Tool
- Imagine Software Application
- Microsoft Office 365 Solutions
- Experimentation and Digital Asset Management Software
- Azure Based Machine Learning Platform

The DSM cloud software accounts include the following software:

- DSM Technology Solutions Platform Software Upgrade
- DSM Bring Your Own Device Program Software
- DSM Optimized Charging Program Software

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 44

Responding Witness: Lonnie E. Bellar / John J. Spanos

Q-44. Refer to Spanos Direct Testimony, Exhibit JJS-KU-1, Steam Production Plant, Structures and Improvements. Explain what investments were made to Trimble Unit 2 that resulted in the increase in original cost as well as book depreciation reserve since the 2020 study.

A-44. The increase in investment for Steam Production Plant, Structures and Improvements at Trimble Unit 2 is related to the structures portion only of the Coal Combustion Residuals (CCR) project. The book depreciation reserve increased from July 1, 2020 to June 30, 2024 as it should based on the result of monthly accruals of the 2.06% annual accrual rate set forth in the Order in Case No. 2020-00349.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 45

Responding Witness: Lonnie E. Bellar / John J. Spanos

Q-45. Refer to Spanos Direct Testimony, Exhibit JJS-KU-1, Steam Production Plant, Structures and Improvements. Explain what specific factors, since 2020, resulted in the increase to calculated annual accrual rate for Trimble Unit 2.

A-45. The primary factors resulting in an increase to the calculated annual accrual rate from June 30, 2020 to June 30, 2024 related to Trimble County Unit 2 in Account 311.00, Structures and Improvements, are listed below.

1. The Iowa Survivor Curve resulting from updated life analysis through June 30, 2024 produced an interim life characteristic with a 5-year shorter average service life.

2. The plant activity (additions and retirements) recorded since the prior study caused the overall original cost of the plant associated with Trimble County Unit 2 in Account 311.00, Structures and Improvements, to grow from $96.9 million to $141.2 million. This growth also changed the average age of the surviving assets from 16.4 years to 15.0 years of age.

3. The reserve to plant ratio decreased from 22.64% to 19.86%.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
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Case No. 2025-00113

Question No. 46

Responding Witness: Lonnie E. Bellar / John J. Spanos

Q-46. Refer to Spanos Direct Testimony, Exhibit JJS-KU-1, Steam Production Plant, Structures and Improvements. Explain the approximate 300 percent increase in the original cost and book depreciation reserve for System Laboratory since 2020.

A-46. Steam Production Plant, Structures and Improvements for the System Laboratory increased due to the expansion and update of the existing center being placed in service. The growth of the book depreciation expense during the period of July 1, 2020 to June 30, 2024 was the result of monthly accruals based on the 1.79% annual accrual rate set forth in the Order in Case No. 2020-00349 for the plant in service.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 47

Responding Witness: Lonnie E. Bellar / John J. Spanos

Q-47. Refer to Spanos Direct Testimony, Exhibit JJS-KU-1, Steam Production Plant, Boiler Plant Equipment.

a. Explain what facts resulted in the change in annual accrual rate and composite remaining life for the Brown Units 1-3 Scrubbers and the Ghent Unit 1 scrubber when the original book remained approximately the same.

b. Explain why the book depreciation reserve increased significantly from 2020 for the Brown Units 1-3 Scrubbers. Include in that explanation a reconciliation of that information with the accrual rate and composite remaining life as discussed in Item 47(a).

A-47.

a. It is important to recognize that although the overall original cost associated with Brown Units 1-3 Scrubber and Ghent Unit 1 Scrubber only grew nominally, there was addition and retirement activity associated with these locations recorded in recent years that changed the associated surviving age distribution.

The factors causing the increase to the associated annual accrual rates and composite remaining lives are listed below.

1. The interim life characteristic associated with these locations is 5 years shorter than it was in the prior study.

2. The proposed net salvage estimate for each location is more negative than it was in the prior study.

b. The primary driver of the increase to the book reserve associated with Brown Unit 1-3 Scrubber (which is approximately $66 million) is the result of the annual accrual rate of 4.92% approved in Case No. 2020-00349 ($336 million X 4.92% X 4 years = $66,124,800). The composite remaining life as of June 30, 2024 is a result of the depreciation calculation, not a contributor to the change in the book reserve from June 30, 2020 to June 30, 2024.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 48

Responding Witness: Lonnie E. Bellar / John J. Spanos

Q-48. Refer to Spanos Direct Testimony, Exhibit JJS-KU-1, Steam Production Plant, Boiler Plant Equipment. Explain why Brown Unit 3's annual accrual rate increased from 5.81 percent in 2020[20] to 10.22 percent in this application.

A-48. The accrual rate proposed in the depreciation study as of June 30, 2020 for Brown Unit 3 in Account 312.00, Boiler Plant Equipment, was 10.22%, not 5.81%. The annual accrual rate approved in Case No. 2020-00349 for the Brown Unit 3 location within Account 312.00, Boiler Plant Equipment, was 5.19%, not 5.81%. The annual accrual rate for Brown Unit 3 as of June 30, 2024 included in the depreciation study in this proceeding is 5.81%, not 10.22%.

The Companies are not proposing a change to depreciation rates for Brown 3 in this proceeding as discussed in the testimony of Mr. Garrett.

[20] Case No. 2020-00349, (filed Nov. 25, 2020), Direct Testimony of John Spanos, Exhibit JJS-1, Depreciation Study (2020 Study).

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 49

Responding Witness: Lonnie E. Bellar / John J. Spanos

Q-49. Refer to Spanos Direct Testimony, Exhibit JJS-KU-1, Steam Plant Production, Turbogenerator Units. Explain why Brown Unit 3's original cost remained constant from 2020,[21] and the book depreciation doubled, from approximately $10.9 million to $21.5 million.

A-49. For Steam Plant Production, Turbogenerator Units (Account 314) the original cost did not remain constant. There was nominal addition and retirement activity experienced during the July 1, 2020 to June 30, 2024 period. The book depreciation did not double from July 1, 2020 to June 30, 2024. However, the growth of the book depreciation from $10.9 million to $21.5 million during the period of July 1, 2020 to June 30, 2024 was the result of monthly accruals based on the 5.29% annual accrual rate set forth in the Order in Case No. 2020-00349 reduced by nominal retirement and cost of removal activity experienced during the period.

[21] 2020 Study.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 50

Responding Witness: Lonnie E. Bellar / John J. Spanos

Q-50. Refer to Spanos Direct Testimony, Exhibit JJS-KU-1, Turbogenerator Units, generally. Explain why the accrual rates for all of the units listed in the 2024 report increased, in different increments, except Brown 3 and include in the explanation why the accrual rates increased in different increments.

A-50. The increase to the annual accrual rates referenced in the question is primarily related to a shorter proposed interim life characteristic in the study as of June 30, 2024. The answer as to why the annual accrual rates for the referenced locations increased by different increments is the result of several factors. First and foremost, the same annual accrual rate was not approved for each location in the prior study as of June 30, 2020 in Case No. 2020-00349. Therefore, the reserve for each location has changed/grown at a different pace for each location. Second, the addition and retirement activity experienced associated with each location since the prior study was not consistent across the locations since the prior study which changes the vintage make-up of each of the locations by different increments.

It is also important to note that the depreciation rates included in the 2020 depreciation study for Brown 3 were not ultimately approved in Case No. 2020-00349. The Companies chose not to update the depreciation rates for Brown 3 as a result of the Stipulation agreement reached in the 2020 rate case.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 51

Responding Witness: Lonnie E. Bellar / John J. Spanos

Q-51. Refer to Spanos Direct Testimony, Exhibit JJS-KU-1, Other Production Plant, Land Rights. Explain with specificity why both the annual accrual rate increased as well as the composite remaining life. As part of this response, provide the current termination date for the land rights' contract listed in the account.

A-51. The Other Production Plant, Land Rights in Account 340.1, has a proposed rate that is slightly less than the current rate and a composite rate that is shorter than currently in place. The current probable retirement date is 2041 which is consistent with the current probable retirement date and consistent with the related assets at Brown.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
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Case No. 2025-00113

Question No. 52

Responding Witness: Lonnie E. Bellar / John J. Spanos

Q-52. Refer to Spanos Direct Testimony, Exhibit JJS-KU-1, Other Production Plant, Structures and Improvements. Explain why both Brown Solar and Simpsonville Solar were removed from account 341.00.

A-52. In preparation of implementation of FERC Order 898, the Solar Production was moved into a subcategory on Exhibit JJS-KU-1 and JJS-LGE-1. Brown Solar and Simpsonville Solar currently show in subcategory 341.60, and those accounts were replaced with the new 338 solar accounts as of January 1, 2025.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
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Case No. 2025-00113

Question No. 53

Responding Witness: Lonnie E. Bellar / John J. Spanos

Q-53. Refer to Spanos Direct Testimony, Exhibit JJS-KU-1, Other Production Plant, Fuel Holders, Producers and Accessories.

a. Explain with specificity why Haefling Units 1-3 had an annual accrual rate increase from 4.75 in the 2020 Depreciation Study to 6.26 in the 2024 Depreciation Study.

b. Explain with specificity why Brown CT Pipeline had an annual accrual rate increase from 4.75 in the 2020 Depreciation Study to 6.26 in the 2024 Depreciation Study.

A-53.

a. This rate increase is primarily driven by the fact this location has a shorter remaining life based on the June 30, 2025 probable retirement date. Therefore, as of the study date June 30, 2024, the service value of the assets remaining to be recovered over that 1-year period is $31,090. Hence, the proposed annual accrual rate has increased to 6.26% for the 1 year remaining.

b. The annual accrual rate proposed in the 2020 Depreciation Study for the Brown CT Pipeline in Account 342.00, Fuel Holders, Producers and Accessories, was 1.64%, not 4.75%. The annual accrual rate proposed in the 2024 Depreciation Study for the Brown CT Pipeline in Account 342.00, Fuel Holders, Producers and Accessories, is 5.14%, not 6.26%. This increase is the result of a 5-year shorter proposed interim life characteristic, more negative net salvage, and a significantly decreased reserve to plant ratio resulting from a significant increase to plant (~$20 million).

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
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Case No. 2025-00113

Question No. 54

Responding Witness: Lonnie E. Bellar / John J. Spanos

Q-54. Refer to Spanos Direct Testimony, Exhibit JJS-KU-1, Other Production Plant, Account 342.30.

a. Explain why this account is included in the 2024 Depreciation Study Summary but was not included in the 2020 Depreciation Study Summary.

b. Explain why the accrual rates for the inspections are generally so much higher than other accounts.

c. Identify and explain the aspects and assets of this account that depreciate.

A-54.

a. Other Production Plant, Account 342.30, is a subaccount for Other Production Plant, Account 342. In 2020, this subaccount was not in the 2020 Depreciation Study as there were no assets that served this function with this life characteristic at that time.

b. The assets classified under this inspection process are not expected to last as long as the underlying assets in Account 342, and therefore the accrual rate is higher.

c. Other Production Plant, Account 342.30, was created to separately track Gas In-Line Inspection costs related to the inspections of gas transmission pipelines under the Pipeline and Hazardous materials Safety Administration (PHMSA). The Company has classified these inspections in accordance with Federal Energy Regulatory Commission Docket No. AI20-3-000, dated June 23, 2020.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
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Case No. 2025-00113

Question No. 55

Responding Witness: Lonnie E. Bellar / John J. Spanos

Q-55. Refer to Spanos Direct Testimony, Exhibit JJS-KU-1, Other Production Plant, Miscellaneous Power Plant Equipment. Explain why the composite remaining life increased for Cane Run CC7. Include in the explanation any projects or expenditures specific to that unit undertaken to prolong the life of the unit.

A-55. The Composite remaining life for Cane Run CC7 in Other Production Plant, Account 346, Miscellaneous Power Plant Equipment did not increase. There was some plant investment since the last case which increased slightly plant in service and depreciation expense, however, none of these projects will prolong the life of the unit.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 56

Responding Witness: John J. Spanos

Q-56. Refer to Spanos Direct Testimony, Exhibit JJS-KU-1, Transmission Plant, Account 352.20. Explain what assets are included in this account and why it was not included in the 2020 Depreciation Study.

A-56. The assets in account 352.20 are structures and improvements for the Transmission Substations.

The assets in 352.2, with a total NBV of $4.2M, were inadvertently recorded to this account instead of 352.1. Over a three-year period, this resulted in over recording depreciation expense of $22k. The assets will be reclassified to account 352.1.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 57

Responding Witness: Shannon L. Montgomery / John J. Spanos

Q-57. Refer to Spanos Direct Testimony, Exhibit JJS-KU-1, Transmission Plant, Accounts 352 .10 and 352.20.

a. Explain what assets are included in each account.

b. Explain the distinction between non-system and system control.

c. Explain why the two accounts were not listed as such in the 2020 Depreciation Study.

d. Explain why the estimated service life is estimated to be 60 years for the non-system control.

e. Explain why the service life is estimated to be 30 years for the system control. Include in this explanation why there is a decrease in the estimated service life between the 2020 depreciation study and the 2024 depreciation study.

f. Provide a list of each customer service location that KU closed or no longer utilizes since the final Order in Case No. 2020-00349; whether that space is currently being utilized by any party for any purpose; the fair market value and a timeline for the dispensation of the property.

A-57.

a. The assets in account 352.10 and 352.20 are structures and improvements for the Transmission Substations and include buildings, fences, land improvements for containment, platforms and other such items.

b. KU does not distinguish assets for structures and improvements between non-system and system control. Assets should be recorded to 352.1, but three assets were inadvertently recorded to 352.2.

c. The assets in 352.2, with a total NBV of $4.2M, were inadvertently recorded to this account instead of 352.1. Over a three-year period, this resulted in

over recording depreciation expense of $22k. The assets will be reclassified to account 352.1.

d. The service life estimate proposed for Account 352.10, Structures and Improvements – Non Sys Control/Com is 70 years, not 60 years.

e. The proposed service life estimate for Account 352.20, Structures and Improvements – Sys Control/Com, is 60 years, not 30 years. And, there were no assets recorded in Account 352.20 in the depreciation study as of June 30, 2020.

f. See attachment being provided in a separate file. Certain information requested is confidential and proprietary and is being provided under seal pursuant to a petition for confidential protection.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 58

Responding Witness: Peter W. Waldrab

Q-58. Refer to KU's response to Staff's Second Request, Item 41. Provide a list of the transformers as prioritized by the companies as "at risk" by risk ranking. Include in this list the allocated company name, the location of the transformer, the criteria used to place the transformer on the list in its respective position as well as the criteria generally by importance.

A-58. See attachment being provided in a separate file for current ranking list. The criteria used for ranking is weighted with the number of transformers removed, the number of customers impacted and the amount of load served by the transformer receiving the most weight. Circuit ties with other substations, transformer age and project costs are also considered. If multiple transformers can be addressed with a single project, their benefits are combined and ratioed with the total project cost to get their final ranking.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 59

Responding Witness: Daniel Johnson

Q-59. Refer to KU's response to Staff's Second Request, Item 56(a). The response was not responsive. Provide a list of cybersecurity programs or services provided utilized by the utility.

A-59. List of internal cybersecurity programs utilized by the utility:

- Security Operations and Monitoring
- Incident response
- Threat Intelligence
- Vulnerability Management
- Security Engineering
- Operational Technology Security
- Identity and Access Management
- Product and Application Development Security
- Cybersecurity Risk Management
- Third Party Risk Management
- Cybersecurity Compliance

List of capabilities by service providers utilized the utility:

- Security Operations Center
- Vendor Risk Questionnaire
- Threat Intelligence
- Application Security Scanning
- Penetration Testing

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 60

Responding Witness: Daniel Johnson

Q-60. Refer to KU's response to Staff's Second Request, Item 56(b). Provide the report referenced for the most recent year prior to 2022. If no report, has ever been completed, please include that in the response.

A-60. See attachment being provided in separate file which is an executive summary of a report prepared by an external consultant to the Companies in 2021. The information requested is confidential and proprietary and is being provided under seal pursuant to a petition for confidential protection. The report contains detailed information concerning cybersecurity capabilities and vulnerabilities which, if accessed by a threat actor, could subject the Companies to heightened security risks and harm.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 61

Responding Witness: Daniel Johnson

Q-61. Refer to KU's response to Staff's Second Report, Item 56(c). Provide the NIST Cybersecurity Framework utilized by KU.

A-61. See attachment being provided in separate file, which is the NIST Cybersecurity Framework 1.1. This version was in use for the report provided in response to Question No. 60. Note that the NIST Cybersecurity Framework has been updated to version 2.0 and is expected to be utilized in connection with future Company evaluations until updated again in the future and can be sourced from the NIST website: https://www.nist.gov/cyberframework.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 62

Responding Witness: Christopher M. Garrett / John J. Spanos

Q-62. Refer to the KU's response to the Attorney General's First Request for Information, Item 101(a), Attachment. Provide all seven versions of the depreciation study referenced in the emails.

A-62. See attachments being provided in separate files that set forth the seven preliminary depreciation calculations that were referenced in response to the AG-KIUC 101(a) attachment. Additionally, a document explaining the brief differences from one version to another is included. See attachments provided.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 63

Responding Witness: Daniel Johnson

Q-63. Refer to KU's response to Staff's Second Request, Item 64 and Item 66.

a. Using the chart/table provided in the response to Item 64, provide approximate dates, month and year, for each milestone provided in the chart for all items.

b. Provide the in-service date for each software upgrade listed in the response to Item 64.

c. Provide the full cost of each item, using the milestones listed to delineate expenditures, including the amount contained in the forecasted test year if different than the total provided by item listed in the response to Item 64.

A-63.

a. KU is continuing to refine our project milestones and planned deliverable dates for these initiatives. See attachment being provided in a separate file for the latest updated list of project milestones and expected completion dates for those milestones along with a revised GANTT view in the Chart tab that aligns with the spreadsheet.

b. See the response to part (a).

c. The referenced projects were not budgeted at the milestone level, so we are unable to provide budgeted cost estimates at the milestone level. Budgets are created at the initiative or project level. See attachment provided in response to part (a).

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 64

Responding Witness: Drew T. McCombs

Q-64. Refer to KU's response to Staff's Second Request, Item 81(c). Confirm that the actual response isn't storm costs were lower but that storm costs were booked as a regulatory asset. If not confirmed, explain the response.

A-64. Storm costs were lower in the base year (9/1/2024 – 8/31/2025) compared to 2024 (1/1/2024 – 12/31/2024). Additionally, the timing of when regulatory assets are recorded (recorded quarterly) also contributed to a variance. In July 2024, additional storm costs related to May 2024 storms were recognized in expense (i.e. debit to expense) and were subsequently deferred in September (i.e. credit to expense). This resulted in the related expense and off-setting regulatory asset treatment to be reflected in the full-year 2024 financials, while only the associated regulatory asset (i.e. credit of expense) was reflected in the base period.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 65

Responding Witness: Lonnie E. Bellar

Q-65. Refer to Trimble 2 generally. Several responses were provided discussing the expense related to the ongoing operation of the unit. Based on the current condition of the unit, provide the expected costs of the operating and maintenance, including any of the repairs discussed, for the years 2025 through 2030 in comparison to the benefit of Trimble 2's generation production for the years 2020 to 2025 to date. Also include the response whether KU expects the useful life of Trimble 2 to be extended by any of these repairs.

A-65.

Business Plan Costs
($M's) (Net)(1)

	2025	2026	2027	2028	2029
Trimble 2 Capital	$ 63.1	$ 68.9	$ 63.3	$ 69.2	$ 42.5
Trimble 2 O&M	$ 19.7	$ 26.2	$ 24.6	$ 27.0	$ 25.8
Trimble 2 Cost of Sales	$ 9.0	$ 8.1	$ 9.0	$ 10.2	$ 18.3

(1) These costs are net (IMEA and IMPA's portion has been removed)

(2) 2030 was outside the five-year business planning window.

Projected O&M spending for Trimble Unit 2 from 2025 to 2030 aligns with normal lifecycle expectations and is necessary to support the unit through its planned operational life.

Major reliability work during this period includes a stack liner replacement to ensure structural integrity and environmental compliance. Additional scope includes upgrades to boiler and turbine components, selective catalytic reduction ("SCR") catalyst replacements, a distributed controls system ("DCS") upgrade, pulse-jet fabric filter bag and cage replacements, coal handling improvements, and high-energy piping repairs.

While the planned repairs are intended to support the unit through its planned operational life, KU does not currently expect these repairs to extend the unit's useful life beyond that timeline.

Trimble County 2 is a beneficial unit that has generally operated at a low operating cost relative to other baseload units as shown in the following table.

KU Base Load Generator Production Expenses 2020-2025

	2020	2021	2022	2023	2024	2025 (As of June 2025)
KU Generators	**¢/kWh**	**¢/kWh**	**¢/kWh**	**¢/kWh**	**¢/kWh**	**¢/kWh**
Brown 3	6.010	6.441	5.951	5.874	5.183	6.254
Cane Run 7	2.034	2.658	3.925	2.749	2.694	2.895
Ghent 1	2.648	2.950	3.561	3.234	3.181	2.956
Ghent 2	2.878	3.061	3.474	3.306	3.213	2.908
Ghent 3	2.800	2.850	3.281	3.343	3.076	2.938
Ghent 4	3.330	3.049	3.503	3.233	3.329	2.899
Trimble County 2	2.610	2.512	2.984	3.119	2.976	2.882

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 66

Responding Witness: Heather D. Metts

Q-66. Refer to KU's response to Staff's Second Request, Item 78. Explain how the lower capitalization threshold range of $200-$500 for office furniture was reflected in rate base for the forecasted test period.

A-66. Below is a list of the capital projects incorporated into the forecasted test period for tools and equipment based on the lower capitalization threshold range.

Project	Project Description	Test Year
172376 KU	CR7 Tools & Equip 2026 KU	$ 19,500
173409KU	TC TOOLS & EQUIP OFFICE^^^^	$ 55,333
173463KU	TC CT TOOLS & EQUIP OFFICE	$ 23,653
173508	BR3 Tools Equip Office 2026	$ 78,030
173519	BR CT Tools Equip Office 2026	$ 26,010
GEDTLS26K	GE Tools Equip Office 2026-KU	$ 10,946
26SMTL205	Small Tools - SC AND M DANVILLE	$ 16,025
26SMTL304	Small Tools - SC AND M EARLINGTON	$ 16,000
26SMTL494	Small Tools - SC AND M LEXINGTON	$ 16,000
26SMTL109	Small Tools - SC AND M PINEVILLE	$ 16,000
26SMTL256	Small Tools - SHELBYVILLE OPERATIONS CENTER	$ 15,438
26SMTL236	Small Tools - RICHMOND OPERATIONS CENTER	$ 15,005
26SMTL766	Small Tools - NORTON OPERATIONS CENTER	$ 15,002
26SMTL246	Small Tools - ELIZABETHTOWN OPERATIONS CENTER	$ 15,001
26SMTL416	Small Tools - PINEVILLE OPERATIONS CENTER	$ 15,001
26SMTL426	Small Tools - LONDON OPERATIONS CENTER	$ 15,001
26SMTL156	Small Tools - EARLINGTON OPERATIONS CENTER	$ 14,999
26SMTL366	Small Tools - MAYSVILLE OPERATIONS CENTER	$ 14,978
26SMTL216	Small Tools - DANVILLE OPERATIONS CENTER	$ 14,886
26SMTL315	Small Tools - LEXINGTON OPERATIONS CENTER	$ 14,751
26SMT1356	Small Tools - SUBSTATION RELAY, PROTECTION & CONTROL - KU	$ 11,095
24SMTLTTK	24 Small Tools Tech Train KU	$ 150,000
	Total	$ 588,653

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 67

Responding Witness: Peter W. Waldrab

Q-67. Refer to KU's response to Staff's Second Request, Item 46. Explain why in 2024, 2022, and 2020 KU did not reach its target miles.

A-67. The Companies' goal was to maintain an average trim cycle of five years or less. This approach supported flexibility in scheduling, such that if the system's overall average cycle remained within the five-year threshold, specific portions of the target —the 3,572 miles of the total 17,862 miles—may not have been trimmed in a given year. This approach enabled the Companies to align vegetation work more closely with reliability goals, resource availability, and system risk profiles, thereby maximizing the value of each dollar invested in vegetation management. The Companies' plan is to maintain a proactive trim cycle while balancing the reactive needs of worst performing circuits.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 68

Responding Witness: Drew T. McCombs / Heather D. Metts

Q-68. Refer to Application, Schedule F-3.

a. Provide a breakdown of all expenditures related to employee recognition included in the base period.

b. Explain how KU forecasted employee recognition its test period. Include in this explanation why the forecasted test period is less than the base period.

A-68.

a. The Company does not separately track employee recognition expenses in such a way to provide a meaningful breakdown of charges. Some examples of employee recognition expenses are retirement and service anniversary awards, year-end recognition, and holiday events. Employee recognition expenses are considered a below-the-line expense and are not included in the Company's revenue requirement.

b. Employee recognition is forecasted in the test year using a baseline dollar amount per employee adjusted as appropriate by each line of business. The decrease in the forecasted test period is primarily due to revised employee expense policies.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 69

Responding Witness: Drew T. McCombs

Q-69. Refer to KU's response to Staff's Second Request, Item 79 Attachment.

a. Provide the number of company credit cards along with the position of authorized users.

b. Provide any written policies related to the usage of company credit cards.

c. Explain what controls are in the place to ensure proper credit card use.

A-69.

a. See attachments being provided in separate files. Please note the Companies have provided a list of the names of authorized users. The position of each employee is not available and would require manual mapping to HR system(s).

b. See attachments being provided in separate files.

c. See attachment being provided in a separate file.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 70

Responding Witness: John Bevington / Michael E. Hornung

Q-70. Refer to the Direct Testimony of Michael Hornung (Hornung Direct Testimony), page 4.

a. Explain whether any prospective Data Center (DC) customer(s) is aware of or has reviewed and/or commented on the proposed Extremely High Load Factor (EHLF) Tariff.

b. Explain the reasoning behind using an 85 percent load factor.

c. Explain why more than 100 MVA load size was chosen as the minimum load for EHLF tariff eligibility.

A-70.

a. The Companies have shared the proposed EHLF rate schedule with several projects' representatives. The Companies have mentioned the EHLF rate schedule to multiple other projects' representatives, as well. It is also possible that projects' representatives have researched and read the terms of the proposed tariff on their own without the knowledge of the Companies. The Companies do not have feedback at this point as to prospects' opinions of the proposed tariff.

b. The 85% load factor was chosen based on industry research for large data centers. While data centers aim for a 99% load factor, backup generation reduces what utilities observe. Setting the load factor at 85% ensures data centers meet the EHLF tariff requirements and protects other customers.

c. The 100 MVA load size was chosen based on the combination of understanding the Companies' resource needs to serve large loads and peer industry review. Loads lower than 100 MVA do not require the same level of investment to serve and would fall under the traditional Retail Transmission Service (RTS) tariff.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 71

Responding Witness: Charles R. Schram

Q-71. Refer to Schram Direct Testimony, pages 34-36 and the Commission's August 30, 2024 Order in Case No. 2023-00404.[22]

a. Explain why KU did not utilize a NGCC for capacity values and costs.

b. Provide specific evidence demonstrating that KU is not currently avoiding costs in light of Case No. 2022-00402.[23]

A-71.

a. Based on the Companies' resource planning, the Companies consider battery energy storage systems ("BESS") to be the most appropriate avoidable resource for QF PPAs. The Companies used PLEXOS to evaluate each QF technology's contribution to the timing and size of the Companies' future need for capacity. Only the 80 MW QF PPA for "other technologies," which was assumed to be fully dispatchable, resulted in a change to the Companies' optimal resource plan in PLEXOS. Specifically, the addition of the 80 MW PPA for fully dispatchable "other" generation resulted in an optimal resource plan with a decreased amount of Cane Run BESS capacity. Therefore, the Companies recommended an avoided capacity cost for "other" technologies only, based on Cane Run BESS costs.

b. See the response to part (a). As the PLEXOS evaluation demonstrates, 80 MW QF PPAs for single-axis tracking solar, fixed tilt solar, and wind have no impact on the Companies' optimal resource plan. As discussed in Mr. Schram's referenced testimony, the Companies demonstrated that a QF facility would only result in capacity avoidance (i.e., changes to the optimal

[22] Case No. 2023-00404, *Electronic Tariff Filings of Louisville Gas and Electric Company and Kentucky Utilities Company to Revise Purchase Rates for Small Capacity and Large Capacity Cogeneration and Power Production Qualifying Facilities and Net Metering Service-2 Credit Rates* (Ky. PSC Aug. 30, 2024), Order at 21 and footnote 91.

[23] Case No. 2022-00402, *Electronic Joint Application of Kentucky Utilities Company and Louisville Gas and Electric Company for Certificates of Public Convenience and Necessity and Site Compatibility Certificates and Approval of a Demand Side Management Plan and Approval of Fossil Fuel-Fired Generating Unit Retirements*.

resource plan) for fully dispatchable technologies and have proposed a corresponding avoided capacity cost.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Third Request for Information
Dated July 30, 2025

Case No. 2025-00113

Question No. 72

Responding Witness: Lonnie E. Bellar

Q-72. Refer to Staff's Second Request, Item 33. Explain how the companies determined the allocation of costs between LG&E and KU for the Lewis Ridge Pumped Storage Project.

A-72. Actuals to date for the Lewis Ridge Pumped Storage Project have been allocated through the Generation Ratio for LGE-KU. This ratio is updated annually. In 2024 the allocation was 42% to LGE and 58% to KU. In 2025 the allocation is 40% to LGE and 60% to KU.

In the Business Plan, the ownership was set to match that of Mercer County and Marion Solar (37% LGE / 63% KU), which is based on the energy split between LGE/KU. The Companies will update the ownership allocation considering load and resource plans at the time of requesting a CPCN for Lewis Ridge Pumped Storage.

The ownership allocation was incorrectly inverted in the Test Year (63% LGE / 37% KU) and will be corrected in the Errata Filing along with actuals to date.