**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 JOINT SUPPLEMENTAL DATA REQUESTS OF THE ATTORNEY GENERAL AND KENTUCKY INDUSTRIAL UTILITY CUSTOMERS'**

**DATED JULY 31, 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

**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.

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, **Chad E. Clements**, being duly sworn, deposes and says that he is the Director – Regulated Utility Tax for PPL Services Corporation and currently provides tax related 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 a witness, and that the answers contained therein are true and correct to the best of his information, knowledge, and belief.

Chad Clements

**Chad E. Clements**

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 6th day of August 2025.

Brittany Elise Meyer
NOTARY PUBLIC
Commonwealth of Kentucky
Commission Number KYNP87702
My Commission Expires
April 22, 2028

Notary Public

Notary Public ID No. KYNP87702

My Commission Expires:

April 22, 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.

Robt M. Conroy
**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.

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, **John R. Crockett III**, being duly sworn, deposes and says that he is President of LG&E and KU Energy and Chief Development Officer of 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.

John R. Crockett III

**John R. Crockett III**

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

JENNIFER STARR MATTINGLY
My Commission Expires 10-28-2025
NOTARY PUBLIC
Notary ID # KYNP39496
STATE AT LARGE, KENTUCKY

Jennifer Starr Mattingly

Notary Public

Notary Public ID No. KYNP 39496

My Commission Expires:

October 28, 2025

**VERIFICATION**

| | |
|---|---|
| **COMMONWEALTH OF KENTUCKY** | ) |
| | ) |
| **COUNTY OF JEFFERSON** | ) |

The undersigned, **Andrea M. Fackler**, being duly sworn, deposes and says that she is Manager - Revenue Requirement/Cost of Service for 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.

Andrea M. Fackler
**Andrea M. Fackler**

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, **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

**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.

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, **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.

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, **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.

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 L. Montgomery**

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 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.

Sharon L. Fazio
Notary Public

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

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

**KENTUCKY UTILITIES COMPANY**

**Response to the Joint Supplemental Data Requests of the Attorney General and Kentucky Industrial Utility Customers'**
**Dated July 31, 2025**

**Case No. 2025-00113**

**Question No. 1**

**Responding Witness: John R. Crockett III**

Q-1. Explain if there have been any changes in the composition of the PPL Board of Directors since 2024. If so, please identify all such changes.

A-1. No changes in the composition of the PPL Board of Directors have occurred since 2024.

**KENTUCKY UTILITIES COMPANY**

**Response to the Joint Supplemental Data Requests of the Attorney General and Kentucky Industrial Utility Customers'**
**Dated July 31, 2025**

**Case No. 2025-00113**

**Question No. 2**

**Responding Witness: Lonnie E. Bellar**

Q-2. On July 15, 2025, PPL Corporation issued a press release[1] bearing the caption, "PPL Corporation and Blackstone Infrastructure create joint venture to build natural gas generation in Pennsylvania in support of data center development." Explain what impacts, if any, are expected for LG&E-KU. Even if no impacts from this particular joint venture are expected for LG&E-KU, include in your response a discussion of whether LG&E-KU are considering separate partnerships with private equity firms for the purpose of building new power capacity to meet data center load.

A-2. There are no impacts to the Companies of the joint venture and the Companies are not considering partnerships with private equity firms related to new generation development.

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[1] Accessible at: PPL Corporation and Blackstone Infrastructure create joint venture to build natural gas generation in Pennsylvania in support of data center development - Jul 15, 2025

**KENTUCKY UTILITIES COMPANY**

**Response to the Joint Supplemental Data Requests of the Attorney General and Kentucky Industrial Utility Customers'**
**Dated July 31, 2025**

**Case No. 2025-00113**

**Question No. 3**

**Responding Witness: Charles R. Schram**

Q-3. Provide an update on the Companies' efforts to sell coal combustion residual materials (CCR) for beneficial reuse. Include in your response: (i) a confirmation that all such sale proceeds are for ratepayer benefit; (ii) whether the Commonwealth of Kentucky has any requirements mandating the use of CCR in the construction of roads and bridges; and (iii) whether the Companies have had any success in marketing coal ash for the extraction of rare earth elements, and/or heavy metals.

A-3. As the markets for CCR have evolved, the Companies have aggressively marketed them to maximize the benefits. The motto of the beneficial use program is "Every Pound Counts." The program coordinates the sale of by-product materials to third-party companies for their production processes. The resulting external sales:

- generate revenue, **with all net benefits returned to customers** as a credit through the environmental surcharge on monthly bills
- extend the life of the company's existing landfills by diverting materials that would otherwise be stored
- eliminate or delay the need for future landfills
- reduce O&M costs at the coal plants
- help the purchasers lower environmental impact and production costs

Over the past ten years (2015 to 2024) these efforts have yielded tremendous results. During this period combined system CCR revenues have been approximately $139 million, growing from under $1 million dollars annually to a record $52 million in 2024. CCR revenues are on a pace to exceed $60 million in 2025. Utilization of CCR has more than doubled during this period (from 30% to 70%), resulting in over 17 million tons of CCR being beneficially utilized while preserving valuable landfill space.

Even though there have been millions of tons of CCR used over the years in the construction of Kentucky's transportation infrastructure system, the Commonwealth of Kentucky does not have any requirements mandating the use of CCR in the construction of roads and bridges at this time. Adoption is driven primarily by construction process and cost benefits.

The Companies have explored the extraction of rare earth elements, and/or heavy metals from fly ash. Through a partnership with the University of Kentucky Center for Applied Energy Research, CCR samples were collected from our sites and assessed. However, no economically viable methods have been identified to date.

The Companies continually search for additional uses/opportunities for our CCR and are active members of the American Coal Ash Association ("ACAA") the leading organization on the beneficial use of CCR.

**KENTUCKY UTILITIES COMPANY**

**Response to the Joint Supplemental Data Requests of the Attorney General and Kentucky Industrial Utility Customers'**
**Dated July 31, 2025**

**Case No. 2025-00113**

**Question No. 4**

**Responding Witness: Michael E. Hornung / Counsel**

Q-4. Reference the responses to AG-KIUC 1-1, and Staff 2-28. The response did not respond to the request to provide all factual and legal justification ". . . for the Companies' proposal to limit their liability to only gross negligence or willful conduct, in circumstances other than liability resulting from service interruptions." Please answer the question.

A-4. The Company objects to this request insofar as it seeks legal arguments and conclusions. Without waiving that objection, the Company states it provided its full support for its proposed tariff revisions at issue in its responses to the cited requests.

## KENTUCKY UTILITIES COMPANY

**Response to the Joint Supplemental Data Requests of the Attorney General and Kentucky Industrial Utility Customers'**
**Dated July 31, 2025**

**Case No. 2025-00113**

**Question No. 5**

**Responding Witness: Christopher M. Garrett / Drew T. McCombs**

Q-5. Reference the response to AG-KIUC 1-3.

a. Regarding EEI, referenced in subpart (g):

(i) Confirm that the $77,827 excluded for recovery represents solely EEI's lobbying activities.

(ii) Confirm that the EEI dues invoices filed simultaneously with the Companies' responses indicate that the entire $77,827 was used exclusively for lobbying.

(iii) Provide a complete breakdown of how much of the remaining EEI dues KU seeks to recover, in terms of amounts and percentages, is devoted to each of the following: legislative advocacy; regulatory advocacy; public relations; advertising; marketing; legislative policy research; and regulatory policy research.

b. Regarding Utility Solid Waste Activities Group (USWAG), referenced in subpart (n):

(i) Confirm that the 1% of USWAG dues ($401) represents solely USWAG lobbying activities.

(ii) Provide a complete breakdown of how much of the remaining USWAG dues KU seeks to recover, in terms of amounts and percentages, is devoted to each of the following: legislative advocacy; regulatory advocacy; public relations; advertising; marketing; legislative policy research; and regulatory policy research.

c. Regarding Utilities Technology Council (UTC) referenced in subpart (o):

(i) Confirm that that the 5% of UTC dues ($532) represents solely UTC lobbying activities.

(ii) Confirm that the UTC dues invoices filed simultaneously with the Companies' responses indicate that the entire 5% was used exclusively for "non-deductible lobbying activities."

(iii) Provide a complete breakdown of how much of the remaining UTC dues KU seeks to recover, in terms of amounts and percentages, is devoted to each of the following: legislative advocacy; regulatory advocacy; public relations; advertising; marketing; legislative policy research; and regulatory policy research.

d. Regarding Waterways Council (WC) referenced in subpart (q):

(i) Confirm that that the 46% of WC dues ($2,864) represents solely WC lobbying activities.

(ii) Confirm that the WC dues invoices filed simultaneously with the Companies' responses state that ". . . the portion that is allocable to lobbying - is 46 percent."

(iii) Provide a complete breakdown of how much of the remaining WC dues KU seeks to recover, in terms of amounts and percentages, is devoted to each of the following: legislative advocacy; regulatory advocacy; public relations; advertising; marketing; legislative policy research; and regulatory policy research.

A-5.

a.

(i) Confirmed.

(ii) Confirmed.

(iii) EEI's invoice does not include a breakdown as requested in the question. EEI's calculation of the percentages that are considered "influencing legislation" are based upon the Lobbying Disclosure Act ("LDA") Lobbying Report. In calculating the lobbying percentages EEI applies a definition that is consistent with Section 162(e) of the Internal Revenue Code, which covers any attempt to influence any legislation through communication with any member or employee of a legislative body, or with any government official or employee who may participate in the formulation of legislation.

b.

(i) Confirmed.

(ii) USWAG's invoice does not include a breakdown as requested in the question. USWAG's calculation of the percentages that are considered "influencing legislation" are based upon the LDA Lobbying Report. In calculating the lobbying percentages EEI applies a definition that is consistent with Section 162(e) of the Internal Revenue Code, which covers any attempt to influence any legislation through communication with any member or employee of a legislative body, or with any government official or employee who may participate in the formulation of legislation.

c.

(i) Confirmed.

(ii) Confirmed.

(iii) UTC's invoice does not include a breakdown as requested in the question. UTC's calculation of the percentages that are considered "lobbying activities" are based upon the LDA Lobbying Report.

d.

(i) Confirmed.

(ii) Confirmed.

(iii). WC's invoice does not include a breakdown as requested in the question. WC's calculation of the percentages that are considered "lobbying activities" are based upon the LDA Lobbying Report.

**KENTUCKY UTILITIES COMPANY**

**Response to the Joint Supplemental Data Requests of the Attorney General and Kentucky Industrial Utility Customers'**
**Dated July 31, 2025**

**Case No. 2025-00113**

**Question No. 6**

**Responding Witness: Shannon L. Montgomery**

Q-6. Reference the response to AG-KIUC 1-48. Describe all steps required for a customer to change from paper billing to paperless, and vice versa. Describe also the steps required for customers who choose to opt-out of paperless billing, if any different.

A-6. Customers with an email address on their account will be notified and automatically enrolled in paperless billing. Once a customer is enrolled in paperless billing, they can utilize My Account or the Mobile App to update their billing preference.

To utilize My Account, a customer will log in, select "Billing Options" and from the dropdown menu, select their Billing Preference, "Paperless" or "Paper" and click submit.

To utilize Mobile App, a customer will log in, tap on "Paperless Billing" from the bill screen and select "Cancel Paperless Billing" or "Sign Up for Paperless Billing".

Customers can also contact the contact center for assistance.

**KENTUCKY UTILITIES COMPANY**

**Response to the Joint Supplemental Data Requests of the Attorney General and Kentucky Industrial Utility Customers'**
**Dated July 31, 2025**

**Case No. 2025-00113**

**Question No. 7**

**Responding Witness: Heather D. Metts / Vincent Poplaski**

Q-7. Refer to the attachment response to AG-KIUC 1-46 and the amounts listed and footnoted related to long term incentive expense amounts for KU employees and expenses allocated to it from PPLS.

a. Confirm that the $27,342 in non-executive awards for KU was included in the test year revenue requirement. If not confirmed, explain why not.

b. Confirm that the $1,989,814 in test year allocated expenses from PPLS was included in the test year revenue requirement. If not confirmed, explain why not.

c. Confirm that the test year expenses only included the $27,342 in non-executive awards for KU and the $1,989,814 in test year allocated expenses from PPLS. If not confirmed, explain why not.

A-7.

a. Confirmed.

b. Not confirmed. As explained in the last footnote in the attachment to AG-KIUC 1-46, due to a budgeting issue, an allocated amount of $1,989,814 was inadvertently not included in the forecasted test period. It should have been included and the Company will make an errata filing to correct it. This amount reflects allocated costs from both LKS and PPLS.

c. See the responses to parts (a) and (b).

**KENTUCKY UTILITIES COMPANY**

**Response to the Joint Supplemental Data Requests of the Attorney General and Kentucky Industrial Utility Customers'**
**Dated July 31, 2025**

**Case No. 2025-00113**

**Question No. 8**

**Responding Witness: Chad E. Clements**

Q-8. Refer to the attachment response to AG-KIUC DR-1-64 and to the tab X KU that shows plant and other data values and property tax calculations for 2024, 2025, and 2026.

a. Confirm that the plant and other valuation data presented for each of the years 2024, 2025, and 2026, represents the data as of December 31 of each year. If not confirmed, explain why not.

b. Confirm that the property tax valuation date for 2026 property tax expenses to be recorded in 2026 is January 1, 2026. If not confirmed, explain why not.

c. Confirm that the property tax expenses calculated for 2026 on tab X KU are based on the plant and other valuation data as of December 31, 2026. If not confirmed, explain why not.

d. Describe all reasons why the property tax expense amount in the 2026 calendar year test year should not be based on the 2025 calculation of expenses since those expenses are based on plant and other valuation data as of December 31, 2025, the same as January 1, 2026.

A-8.

a. Confirmed.

b. Confirmed. To clarify, the property tax valuation date for 2026 property tax expenses to be recorded in 2026 is December 31, 2025. KRS 136.120(3)(b) provides that "All of the property assessed by the department pursuant to this section shall be assessed as of December 31 each year for the following year's taxes, and the lien on the property shall attach as of the assessment date."

c. Not confirmed. Property tax expenses to be recorded in 2026 calendar year are based on the plant and other valuation data as of December 31, 2025. Sections labeled "Prior Year (to match the expense year)" in the attachment to response to AG-KIUC 1-64 are used to move the expense calculation from prior year valuation data to the year of expense (i.e., 2025 valuation data is used to calculate 2026 property tax expense).

d. See the response to part (c).

**KENTUCKY UTILITIES COMPANY**

**Response to the Joint Supplemental Data Requests of the Attorney General and Kentucky Industrial Utility Customers'**
**Dated July 31, 2025**

**Case No. 2025-00113**

**Question No. 9**

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

Q-9. Provide the actual and projected capital expenditures for KU in total for all plant for each of the years 2021 through 2028.

A-9. See attachment being provided in a separate file.

**KENTUCKY UTILITIES COMPANY**

**Response to the Joint Supplemental Data Requests of the Attorney General and Kentucky Industrial Utility Customers'**
**Dated July 31, 2025**

**Case No. 2025-00113**

**Question No. 10**

**Responding Witness: Drew T. McCombs**

Q-10. Provide the total payroll dollars and the amount of payroll dollars expensed as O&M for each month in 2025 thus far with available data. In addition, provide the ratio of O&M payroll dollars to total payroll dollars.

A-10. The table below provides total payroll dollars, payroll dollars expensed as O&M and the ratio of O&M payroll dollars to total payroll dollars for each month in 2025.

| Month | Jan-25 | Feb-25 | Mar-25 | Apr-25 | May-25 | Jun-25 |
|---|---|---|---|---|---|---|
| O&M | 14,367,198.52 | 12,562,561.06 | 14,257,235.71 | 13,232,745.57 | 12,702,819.91 | 10,837,112.30 |
| Total | 22,448,561.44 | 20,627,104.61 | 24,386,926.75 | 22,347,592.90 | 21,974,245.51 | 21,013,599.66 |
| Ratio of O&M to Total | 64.00% | 60.90% | 58.46% | 59.21% | 57.81% | 51.57% |

**KENTUCKY UTILITIES COMPANY**

**Response to the Joint Supplemental Data Requests of the Attorney General and Kentucky Industrial Utility Customers'**
**Dated July 31, 2025**

**Case No. 2025-00113**

**Question No. 11**

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

Q-11. Refer to the response to AG-KIUC 1-69 that provides the KU contingent (contract) worker labor expense from 2021 through the test year.

a. Provide the contingent (contract) worker labor expense for each month in 2024 and in 2025 thus far with available data.

b. Explain all reasons why the contingent (contract) worker labor expense has increased from an average of $10.255 million per month in 2024 to an average of $11.076 million per month through May 2025.

c. Explain all reasons why the contingent (contract) worker labor expense is expected to increase from $123.062 million in 2024 to $130.415 million in the test year, which is an increase of $7.354 million or 6.0%, especially given the increase in employees projected over the same period.

A-11.

a. See attachment being provided in a separate file.

b. Contingent (contract) worker labor expense for KU has increased due to the transfer of IT support to a third-party vendor in 2025.

c. The primary driver related to the increase in contingent (contract) worker labor expense from 2024 to the test year as reflected in AG-KIUC DR 1-69 is due to scheduled generation outage work, supplemental labor related to generation projects and DSM programs, partially offset by reductions related to the completion of the AMI project.

**KENTUCKY UTILITIES COMPANY**

**Response to the Joint Supplemental Data Requests of the Attorney General and Kentucky Industrial Utility Customers'**
**Dated July 31, 2025**

**Case No. 2025-00113**

**Question No. 12**

**Responding Witness: John J. Spanos**

Q-12. Refer to Exhibit JJS-KU-1 at VI-4 through VI-11 and to Exhibit JJS-LG&E-1 (provided in 25-2025_PSC_DR1_LGE_Attach_to_Q32_-_LGE_Depreciation_Study) at pages VI-4 through VI-14. Refer also to the electronic attachments provided in response to AG-KIUC 1-102(a), which represented a version of the same schedules without terminal net salvage on the production plant accounts. Provide a version of these schedules without terminal net salvage and without interim retirements and interim net salvage on the production plant accounts. Provide these schedules in an Excel workbook in live format and with all formulas intact.

A-12. The removal of terminal net salvage as well as interim retirements and interim net salvage is not consistent with the requirements of depreciation and recovery of utility plant in service as prescribed by the Uniform System of Accounts (USoA). The concept of depreciation is the systematic and rational recovery of the full service value of utility assets which includes the net salvage component over the time the assets are in service. This request violates this concept. This request will create intergeneration inequity by requiring the recovery of assets after they are retired completely which creates stranded asset recovery.

With the qualifying statements above, the version of the schedule that excludes terminal net salvage for production plant was provided in response to PSC 3-62. See attachment being provided in a separate file. The attached schedule to this response removes terminal net salvage and interim retirements and interim net salvage for production plant. As can be seen by the negative future accruals, this request has already created over recovery for some facilities and intergenerational inequity.

**KENTUCKY UTILITIES COMPANY**

**Response to the Joint Supplemental Data Requests of the Attorney General and Kentucky Industrial Utility Customers'**
**Dated July 31, 2025**

**Case No. 2025-00113**

**Question No. 13**

**Responding Witness: Heather D. Metts / Vincent Poplaski**

Q-13. Provide the amount of Supplemental Executive Retirement Plan ("SERP") expense in the test year and the amount included in the revenue requirement. Provide the SERP expense directly incurred by the Companies (KU and LG&E Electric and Gas) and the SERP expense charged to the Companies from each other affiliate.

A-13. SERP expense is not included in the Company's revenue requirement.

**KENTUCKY UTILITIES COMPANY**

**Response to the Joint Supplemental Data Requests of the Attorney General and Kentucky Industrial Utility Customers'**
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**Case No. 2025-00113**

**Question No. 14**

**Responding Witness: Christopher M. Garrett / Drew T. McCombs / Heather D. Metts**

Q-14. Refer to the comparison of KU's jurisdictional O&M expenses by FERC account provided in the response to AG-KIUC 1-52.

a. The amount for Miscellaneous Steam Power Expenses in account 506 increases from $27.045 million in the base year to $31.220 million in the test year. Explain all reasons why an increase of 15.4% is projected for this account in the test year. Provide a copy of all support relied on for the amount in the test year and the increase over the base year.

b. The amount for Transmission Overhead Lines Expense in account 563 increases from $0.842 million in the base year to $0.961 million in the test year. Explain all reasons why an increase of 14.1% is projected for this account in the test year. Provide a copy of all support relied on for the amount in the test year and the increase over the base year.

c. The amount for Transmission of Electricity by Others in account 565 increases from $4.132 million in the base year to $4.967 million in the test year. Explain all reasons why an increase of 20.2% is projected for this account in the test year. Provide a copy of all support relied on for the amount in the test year and the increase over the base year.

d. The amount for Miscellaneous Transmission Expense in account 566 increases from $32.524 million in the base year to $36.151 million in the test year. Explain all reasons why an increase of 11.2% is projected for this account in the test year. Provide a copy of all support relied on for the amount in the test year and the increase over the base year.

e. The amount for Transmission Maintenance of Overhead Lines in account 571 increases from $6.525 million in the base year to $8.294 million in the test year. Explain all reasons why an increase of 27.1% is projected for this account in the test year. Provide a copy of all support relied on for the amount in the test year and the increase over the base year.

f. The amount for Property Insurance in account 924 increases from $10.571 million in the base year to $12.606 million in the test year. Explain all reasons why an increase of 19.2% is projected for this account in the test year. Provide a copy of all support relied on for the amount in the test year and the increase over the base year.

g. The amount for Injuries and Damages in account 925 increases from $4.023 million in the base year to $5.871 million in the test year. Explain all reasons why an increase of 45.9% is projected for this account in the test year. Provide a copy of all support relied on for the amount in the test year and the increase over the base year.

A-14.

a. The $4.175 million projected increase in FERC 506 in the test year is due primarily to the following:

- $2.967 million is due to higher environmental reagent spend due to pricing increases (NOX Reduction Reagent and Mercury Emissions Control Reagents).
- $0.843 million due to higher fees and permits in the test period driven by higher estimated Environmental Title V fees.
- $0.361 million due to higher supplemental contractor spend in the test period driven by projected wage increase escalation.

b. The 14.1% ($0.119 million) projected increase in FERC 563 in the test year is due primarily to the following:

- $0.087 million is due to an increase in the number of mandatory Pole Inspections occurring in the test year than in the base year.
- $0.052 million fewer aerial patrol trouble flights were needed in September through December of the base year.

c. The 20.2% ($0.835 million) projected increase in FERC 565 in the test year is due primarily to the following:

- $0.684 million increase in intercompany transmission expense (offset in revenues)
- $0.213 million transmission cost to serve KU customers on the EKPC electric system.

d. The 11.2% ($3.627 million) projected increase in FERC 566 in the test year is due primarily to the following:

- $2.749 million higher depancaking expense in the test year due to the projected increase in the Midwest Independent System Operator (MISO) rate.
- $0.310 million higher Reliability Coordinator and Independent Transmission Operator contractual cost increases in the test year.
- $0.325 million higher substation administrative contract labor and material expenses in the test year.
- $0.109 million higher NERC fees
- $0.070 million periodic ARC Flash expense occurring every 5 years, including the forward test year.
- $0.049 million higher FAC-008 BES Walkdown expense in the test year

e. The $1.769 million projected increase in FERC 571 in the test year is due primarily to the following:

- $1.387 million increase for vegetation management. This increase is due to operational requirements and system needs that will enhance system reliability and customer satisfaction.
- $1.237 million increase is due to the regulatory asset accounting treatment for storms.
- $0.687 million decrease is due to lower storm costs in the test year.
- The test year also includes a proforma adjustment for vegetation management of $2.175 million not included in the $1.769 million variance. The proforma is additional spend required for operational requirements and system needs that will enhance system reliability and customer satisfaction.

f. Property insurance expense is projected to increase 19% driven by a 5% increase in property values, an 8% increase in premiums, and a 6% increase due to a premium credit reflected in the base period. The 5% increase in insurable values is driven by inflation as the policy provides for replacement coverage and replacement costs are trended up based on the Handy Whitman Index. Insurance premiums are forecasted to increase 8% per the attached report from Marsh. Lastly, KU recorded a premium credit of $681k for the base period as a result of the mutual provider's financial performance.

g. Damages and Injuries expense is projected to increase 45.9% between the base year and test year due primarily to increases in premium rates for Excess Liability Insurance. Excess liability insurance rates have increased more dramatically for utilities due to significant losses in the past several years from risks such as Wildfire, Auto Liability, Electric Contact Cases, and Gas Explosions. "Nuclear Verdicts" (liability claims greater than $10M) have become more prevalent for insurance carriers, particularly auto claims, increasing the "frequency of severity." A significant decrease in supply of insurance market capacity for Power & Utility risk has occurred from 2019 to present. The "unfriend coal" movement exacerbated this situation for those who have a related operational exposure such as KU. With less insurance carriers willing to offer coverages and limits, there is decreased competition for the carriers providing the insurance limits in our program. Based on this information and the state of the casualty market for Power and Utilities, the Company projected an increase of 30% in the primary layers and 20% in all other layers of coverage in 2025 and then an additional 15% increase for each policy in our Excess Liability program in the 2026 test year. D&O insurance premiums are relatively flat to single digit rate increases for 2026. The test year anticipates a modest 3% increase in both the Directors and Officers Liability and Cyber Liability insurance programs. The corporate insurance department does conduct discussions with our broker and review global insurance industry trends and data to assist in setting the future budget estimates.

**KENTUCKY UTILITIES COMPANY**

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**Case No. 2025-00113**

**Question No. 15**

**Responding Witness: Chad E. Clements**

Q-15. Refer to the recently enacted federal legislation H.R. 1 (119th Congress).

a. Provide all analyses, including that developed by the Company, its service company, and/or third parties, of the impacts of this legislation on the Company's income tax expense, both current and deferred, income tax credits, and income tax assets and liabilities for GAAP and FERC USOA accounting purposes. The Company's analysis should include, but is not limited to the effects of the following sections:

Sec. 70301. Full expensing for certain business property.

Sec. 70302. Full expensing of domestic research and experimental expenditures.

Sec. 70303. Modification of limitation on business interest.

Sec. 70304. Extension and enhancement of paid family and medical leave credit.

Sec. 70305. Exceptions from limitations on deduction for business meals.

Sec. 70306. Increased dollar limitations for expensing of certain depreciable business assets.

Sec. 70307. Special depreciation allowance for qualified production property.

Sec. 70308. Enhancement of advanced manufacturing investment credit.

Sec. 70341. Coordination of business interest limitation with interest capitalization provisions.

Sec. 70342. Definition of adjusted taxable income for business interest limitation.

Sec. 70501. Termination of previously-owned clean vehicle credit.

Sec. 70502. Termination of clean vehicle credit.

Sec. 70503. Termination of qualified commercial clean vehicles credit.

Sec. 70504. Termination of alternative fuel vehicle refueling property credit.

Sec. 70507. Termination of energy efficient commercial buildings deduction.

Sec. 70509. Termination of cost recovery for energy property.

Sec. 70510. Modifications of zero-emission nuclear power production credit

Sec. 70511. Termination of clean hydrogen production credit.

Sec. 70512. Termination and restrictions on clean electricity production credit.

Sec. 70513. Termination and restrictions on clean electricity investment credit.

Sec. 70514. Phase-out and restrictions on advanced manufacturing production credit.

Sec. 70515. Restriction on the extension of advanced energy project credit program.

Sec. 70521. Extension and modification of clean fuel production credit.

Sec. 70522. Restrictions on carbon oxide sequestration credit.

Sec. 70523. Intangible drilling and development costs taken into account for purposes of computing adjusted financial statement income.

Sec. 70524. Income from hydrogen storage, carbon capture, advanced nuclear, hydropower, and geothermal energy added to qualifying income of certain publicly traded partnerships.

Sec. 70603. Excessive employee remuneration from controlled group members and allocation of deduction.

b. Provide all proforma adjustments necessary to reflect the effects of H.R. 1 on the Company's test year revenue requirement, including the effects on the Company's requested increase. Provide all schedules, workpapers, and other electronic workbooks in live Excel workbook format and with all formulas intact and accessible.

A-15.

a. See attachment being provided in a separate file. The Company is currently reviewing the recently enacted federal legislation and does not expect material impacts to the financial statements or to this case. The attached file provides a summary of the potential impact of each section and its applicability to the Company.

b. The Company does not propose any proforma adjustments based on the Company's initial review of the provisions contained in federal legislation H.R. 1.

**KENTUCKY UTILITIES COMPANY**

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**Case No. 2025-00113**

**Question No. 16**

**Responding Witness: Christopher M. Garrett / Drew T. McCombs**

Q-16. For each Company, provide the regulatory liabilities for terminal net salvage for all electric production plant by generating unit at December 31, 2022 and each month thereafter for which actual information is available.

A-16. Net salvage is included in accumulated depreciation and is not a regulatory liability per the FERC Uniform System of Accounts. The Companies do not segregate accumulated depreciation between terminal net salvage and interim net salvage. A calculation has been prepared for the amount of terminal net salvage for thermal production plant recorded from January 2023 through June 2025. See attachment being provided in a separate file.

**KENTUCKY UTILITIES COMPANY**

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**Question No. 17**

**Responding Witness: Andrea M. Fackler**

Q-17. Refer to the assets described as ECR assets on the Excel spreadsheet titled 2025 PSC DR 1 KU Attach to Q55 – Att 3 Depreciation Expense Workpaper provided in response to PSC Staff 1-55. Refer also to Schedule D-2 line 150 related to the total company reduction in depreciation expense of $28,838,293 associated with the ECR mechanism in the test year. Provide a schedule showing how the sum of the annual depreciation expense for the test year for each of the ECR assets matches the amount removed in Schedule D-2 of $28,838,293. If the amounts do not reconcile, explain why. Note: The amounts were different in the previous proceeding according to the response to AG-KIUC 1-15 due to the depreciation applicable to AFUDC not being recoverable in the ECR.

A-17. See the schedule below showing how the sum of the annual depreciation expense for the test year for ECR assets reconciles to the amount removed in Schedule D-2. One difference is the AFUDC depreciation accruals on ECR assets that relate to KU's FERC wholesale municipal customers, which would not be removed as an applicable ECR cost in Schedule D-2. The other difference is for base rate asset retirements/replacements that reduce the recovery of depreciation expense for the ECR assets they relate to until such time that the base rate asset retirements are reflected in base rates.

| KU | |
|---|---|
| Total ECR Depreciation Expense per "2025 PSC DR1 KU Attach to Q55 - Att 3 Depreciation Expense Workpaper.xlsx" | 29,004,791 |
| Total ECR Depreciation Expense per Schedule D-2 of "2025 PSC DR1 KU Attach to Q54 - Sch C and D.xlsx" | (28,838,293) |
| Difference | 166,498 |
| Less AFUDC Accrued on ECR Projects for KU's FERC Wholesale Municipal Customers | (65,683) |
| Less Base Rate Asset Retirements and Replacement resulting from implementation of 2016 Plan | (100,815) |
| | 0 |

**KENTUCKY UTILITIES COMPANY**

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**Question No. 18**

**Responding Witness: Andrea M. Fackler / Christopher M. Garrett / Drew T. McCombs**

Q-18. Refer to the attachment provided in response to AG-KIUC 1-85(a) and the following two accounts: 128.11 - Other special funds - inv other IT asset and 128.6 - Other special funds - non-current.

a. Provide the full subaccount titles and descriptions.

b. Confirm the amounts in these two subaccounts were summed and reflected as the account 128 Prepaid Pension CWC (Balance Sheet Items) shown on number line 1 on Schedule B-5.2.2.2 F.

c. Reconcile the name of the full subaccount titles to the account 128 Prepaid Pension title.

d. Describe in detail the "special funds – inv" that comprise the account 128 Prepaid Pension and describe in detail how the Companies actually financed these amounts, including how the Companies finance realized and unrealized gains reflected in the pension trust fund assets and how they finance or avoid financing the interest on the pension obligation as it increases each year by the discount rate and to reflect other changes in the actuarial assumptions that affect the pension obligation.

e. Provide the pension related amounts included in each Company's OCI component of common equity per books and adjusted common equity for ratemaking purposes for each month January 2024 through December 2026. Indicate if each positive pension-related amount resulted in an increase or decrease in common equity and whether each negative pension related amount resulted in a decrease or increase in common equity. Indicate if unrealized and/or realized gains result in an increase or decrease in common equity. Indicate if unrealized and/or realized losses result in an increase or decrease in common equity.

A-18.

a. 128.11 - Other special funds - investment other IT asset includes sub account 128023 Prepaid Pension. 128.6 - Other special funds - non-current includes sub accounts 128027 Restricted Cash – Non-Current and 128029 Restricted Cash – Non-Current – Opportunity KY.

b. Confirmed.

c. 128 Prepaid Pension and Restricted Cash would be a more comprehensive title.

d. Account 128023, Prepaid Pension, comprises the funded status of the pension plan for the Companies. For both Companies, the fair value of pension assets exceeds the projected benefit obligation resulting in the recognition of a prepaid pension asset. The sum of the prepaid pension asset and the regulatory asset amounts recorded in Account 182 for FAS 158 reflects the extent to which the Companies have funded the pension plan in excess of the cumulative amount of net periodic pension cost.

e. Not applicable. The Companies have established a regulatory asset for unrecognized prior service costs and actuarial losses associated with the implementation of FAS 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans.*

# KENTUCKY UTILITIES COMPANY

## Response to the Joint Supplemental Data Requests of the Attorney General and Kentucky Industrial Utility Customers'
## Dated July 31, 2025

## Case No. 2025-00113

## Question No. 19

**Responding Witness: Christopher M. Garrett / Drew T. McCombs**

Q-19. Refer to the response to AG-KIUC 1-85 (b) and (c).

a. Provide the workpapers in Excel live format with all formulas intact used to forecast the prepaid pension amounts in account 128.

b. Confirm the Company assumed no contributions to the pension plan in 2025 and 2026. If this is not correct, then provide a corrected statement and provide the actual and estimated contributions by month from January 2025 through December 2026.

c. Confirm that the pension funding recorded in account 128 is the net of the cumulative Company contributions to the pension trust funds, realized earnings/losses and realized and unrealized gains and losses on trust fund assets, and interest on the present value pension obligation,

d. Refer to page 5 of 16 of the response to AG-KIUC 1-85(c). Indicate whether the positive $35.285 million regulatory asset for account 182313 is a deferred gain or a deferred loss.

e. Refer to Notes 1-3 on page 6 of 15 of the response to AG-KIUC 1-85(c), which state:

1. Discount rate: 5.30% beginning on December 31, 2024 and throughout the forecast period (based on economic conditions as of August 21, 2024).

2. Expected return on assets assumption for calculating annual NPPC: 8.25% in 2025 and 7.25% throughout the rest of the forecast period.

3. Projected asset return assumption: The fair value of assets are based on actual return through August 21, 2024 (as provided by PPL), 8.25% per annum return for the remainder of 2024 and 2025, and 7.25% return in subsequent years.

i. Provide all support, including copies and all source documents and/or other references for the reduction in the expected return on assets assumption and explain why the Companies assumed a reduction of 1.0% in this return, but no reduction in the discount rate when both rates are typically considered correlated and subject to the same micro and macro economic conditions.

ii. Confirm that the higher the discount rate, the lesser the PBO and therefore, the greater the forecast amount in account 128, all else equal.

iii. Confirm that the higher the return on assets, the greater the trust fund valuation and therefore, the lesser the forecast amount in account 128, all else equal.

A-19.

a. See attachment being provided in a separate file.

b. Confirmed.

c. Confirmed.

d. This is a deferred loss. This represents the difference in actuarial gains/losses calculated under the double-corridor approach and the approved regulatory approach of 15-year amortization.

e.

i. The Expected Return on Asset (EROA) Assumption and the Discount Rate (DR) assumption are set in different ways, as required by the accounting standards. The discount rate is calculated using the AA bond universe as of a specific measurement date, while the EROA is a long-term expectation of return on the trust assets. The approaches for setting these assumptions are different, and as such the assumptions are not expected to move in tandem.

The Companies' annual assumption setting process is intended to assess the various economic and actuarial assumptions to account for changing market conditions, expectations for future economic outlook and demographic experience, amongst other data points.

For the mid-year forecast incorporated into the 2025 Business Plan, we considered the following to develop the DR:

- Consistent with former practice, we used our actuary's bond matching model as of April 30, 2025. See attachment being provided in a separate file.
- The bond matching model matches the plan's cash flows to coupons and expected maturity values of individually selected bonds. Individual bonds are theoretically purchased to settle the plan's expected future benefit payments (bonds that match the timing of the plan's cash flows). The discount rate is the single rate that provides the same present value of discounted cashflows.
- This approach reflects approximation of the process of settlement of obligations as required by the Financial Accounting Standards Board.

For the mid-year forecast incorporated into the 2025 Business Plan, we updated EROA based on management's assessment of evolving market conditions and expectations for future economic outlook as provided by our investment consultant. The capital market projections at that time indicated the expectation of lower future asset returns, stating the global economy faced downside risks and US growth was expected to trend downward toward 1% by the end of 2025. See attachment being provided in a separate file. The information requested is confidential and proprietary and is being provided under seal pursuant to a petition for confidential protection.

ii. Not confirmed. If a discount rate change is viewed in isolation, a higher discount rate would result in a lower PBO. However, a higher discount rate may not always result in lower expense because the discount rate impacts the components of total expense differently.

iii. Confirmed, a higher EROA percentage, all else held constant, would result in lower total benefit cost.

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**Question No. 20**

**Responding Witness: Christopher M. Garrett / Drew T. McCombs**

Q-20. Refer to the response to AG-KIUC 1-85(d) re: the Regulatory Asset – FAS 158 Pension in account 182 and the statement the account "represents accumulated unamortized prior service costs and net actuarial losses of the plan." Describe in detail how the Companies actually financed these amounts, including when the Companies paid the unamortized prior service costs and how they financed those costs and when the Companies paid the net actuarial losses of the plan and how the Companies financed those costs.

A-20. The amounts recognized in account 182 as a result of the implementation of FAS 158 represents prior service costs and actuarial losses which have not yet been included in net periodic pension cost. These amounts are not financed by the Companies with the exception discussed below but are included in both rate base and capitalization as the corresponding prepaid pension asset and post-retirement liability are also included in rate base and capitalization.

The Companies agreed to amortize actuarial losses over a period of 15 years as a result of the stipulation agreement reached in the 2014 rate cases[2] which reduced the amount of pension expense being recovered from customers in rates and thus a portion of this balance is being financed by the Companies.

Exclusion of this account from rate base and capitalization would result in asymmetrical rate treatment.

[2] Case No. 2014-00371, *Application of Kentucky Utilities Company for an Adjustment of Its Electric Rates*. (Ky. PSC Jun. 30, 2015), Order at 5.

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**Question No. 21**

**Responding Witness: Andrea M. Fackler / Christopher M. Garrett / Drew T. McCombs**

Q-21. Refer to the response to AG-KIUC 1-85(k).

a. Provide all calculation support by historic month and year for the amounts recorded in account 182 *Regulatory Asset – FAS 158* in live Excel format and with all formulas intact.

b. Identify where in the Excel workbook calculations provided in response to part (a) of this question, the Company calculated the regulatory asset based on expense only, not on cost (expense plus capital).

c. Describe in detail how the Companies actually financed these amounts, including when the Companies paid the deferred costs and how the Companies financed those costs. Provide a copy of all support relied on for your response.

d. Provide all journal entries for one actual historic month for the debit recorded to account 182 *Regulatory Asset – FAS 158* showing the credit side of the journal entry and all other related journal entries, including, but not limited to, cash, payables, debt, equity, ADIT, and others.

A-21.

a. See attachment being provided in a separate file for a rollforward of 2024 activity in account 182 *Regulatory Asset – FAS 158*. This shows activity for this account during the year and demonstrates how amounts are consistent with the actuarial disclosures.

b. The regulatory asset represents unamortized prior service costs and actuarial losses which have not yet been included in net periodic pension cost as evidenced in the rollforward to the Excel workbook. These costs are then amortized over 15 years. A portion of these costs are recognized as O&M expenses and a portion are recognized as capital costs.

c. See the response to Question No. 20.

d. The regulatory asset is recorded (i.e. debit) to reflect the recognition of current year actuarial losses. The offset to this impact (i.e. credit) is to the prepaid pension amounts recorded in Account 128.

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**Question No. 22**

**Responding Witness: Christopher M. Garrett / Drew T. McCombs**

Q-22. Refer to the Company's response to AG-KIUC 1-85(d) related to account 182 Regulatory Asset – FAS.

a. Confirm that the unamortized prior service costs is the portion of the pension liability that has not yet been recorded in pension cost. Confirm that the pension cost calculation includes no return or interest on the prior service cost, but it does include interest on the entire pension liability. If either of these statements are incorrect, then provide corrected statements and all support for the corrected statements.

b. Confirm that the net actuarial losses of the plan are reflected in the trust fund assets used to determine the net funding of the pension plan. Confirm that the pension cost calculation includes a return on the trust fund assets and that if there have been losses they are reflected in a lower return on the trust fund assets and thus, a higher pension cost. If either of these statements is incorrect, then provide corrected statements and all support for the corrected statements.

A-22.

a. Confirmed.

b. Confirmed.

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**Question No. 23**

**Responding Witness: Chad E. Clements / Christopher M. Garrett / Charles R. Schram**

Q-23. Refer to the response to AG-KIUC 1-93.

a. Explain why the Companies elected ITC instead of PTC on the Brown wind facility.

b. Provide all analyses used to evaluate the election between the ITC and PTC on the Brown wind facility.

c. Provide a copy of all correspondence addressing the election between the ITC and PTC on the Brown wind facility.

d. Provide the deferred ITC subtracted from rate base and the ITC amortization included in the test year related to the Brown wind facility.

e. Provide the generation from the Brown wind facility for each month in the test year.

f. Provide the Companies' estimate of the PTC rate per kWh as escalated for the test year for wind resources used in developing the Companies' IRP and for other planning purposes. Provide all workpapers in live Excel format with all formulas intact showing the starting PTC rate and the escalation of the rate for each year.

A-23.

a. The Brown wind facility was constructed as part of an R&D initiative to collect data to evaluate the viability of wind generation in the state of Kentucky. Uncertainty around actual kWh generation compared to expected kWh generation and the unit's capacity factor are core data points for this R&D initiative. Therefore, the Companies elected ITC on the capital investment due to the higher degree of certainty versus PTC. See attachment being provided in a separate file. In the file, the Companies performed a calculation of PTC based on actual generation output of the facility life-to-date and projected generation output over the 10-year credit period. The total

PTC generated during the 10-year credit period is estimated to be $29 thousand assuming inflationary adjustments to PTC rates and no degradation to generation output. In comparison, the ITC claimed on the Brown wind facility was $317 thousand (KU - $203 thousand, LGE - $114 thousand).

b. See the response to part (a).

c. See the response to part (a).

d. See the response to AG-KIUC 1-93(d).

e. The table below shows the monthly forecast for Brown Wind based on historical normal weather.

| Month | Generation (kWh) |
|---|---|
| 1 | 8,864 |
| 2 | 9,176 |
| 3 | 10,399 |
| 4 | 10,853 |
| 5 | 5,109 |
| 6 | 4,083 |
| 7 | 3,832 |
| 8 | 2,418 |
| 9 | 4,238 |
| 10 | 5,620 |
| 11 | 7,750 |
| 12 | 9,434 |

f. The Companies have not estimated the PTC rate for wind resources in the test year in the IRP or for other planning purposes because no wind resource additions have been contemplated for the test year. See the attachment in response to part (a) for the escalated PTC rate per kWh used to estimate PTC on the Brown wind facility.

**KENTUCKY UTILITIES COMPANY**

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**Case No. 2025-00113**

**Question No. 24**

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

Q-24. Refer to the response to AG-KIUC 1-98.

a. Provide a copy of all tech specs, comparisons of the tech specs, and all other analyses, studies, other reference materials, and/or all other information relied on by the Companies and Witness Spanos to conclude the Brown and Simpsonville solar facilities will have 25-year service lives and the Mercer and Marion solar facilities will have 30-year service lives.

b. Confirm the service lives are estimates and are not known and measurable.

c. Confirm the Companies presently have no definitive plans to retire the Brown and Simpsonville solar facilities 25 years after each solar "array" entered commercial operation in 2016, 2019, and 2021 (see Exhibit JJS-1 at III-9). If this is not correct and the Companies have definitive plans to retire the Brown and Simpsonville solar facilities immediately upon achieving 25 years in service, then provide a corrected statement and a copy of all support relied on for your response.

d. Confirm that Witness Spanos is not a registered engineer, that he does not have a degree in engineering, and is not an expert on solar panel and equipment design and engineering. If this is not correct, then provide a corrected statement and a copy of all support relied on for your response.

A-24.

a. The design specifications supporting the 30-year life related to Mercer and Marion solar facilities were provided to Witness Spanos by the Company in an email dated January 21, 2025 which has been provided within attachment "2025 AG-KIUC DR1 KU Attach to 101(a) - Communications with Mr. Spanos.pdf" provided in response to AG-KIUC 1-101. Witness Spanos's informed judgment resulting from the performance of numerous depreciation studies reflecting solar assets includes knowledge of other solar facilities with lives extending to 30 and 35 years that will be constructed in the next few years. Those design specifications are proprietary.

b. The service lives are estimates which is consistent with all life parameters in a depreciation study. However, there are numerous utilities throughout the United States reflecting overall solar service lives of 25 years and newer facilities having a life cycle longer than 25 years.

c. The 25-year life associated with the Brown and Simpsonville solar facilities has been established for planning purposes. Given the solar facilities are still relatively “young”, no definitive retirement plans have been established. However, the 25-year overall life represents the approximate age the facility will require significant rehabilitation to continue operating if not retired.

d. As provided within Appendix A of Spanos Direct Testimony, Witness Spanos has Bachelor of Science degrees in Industrial Management and Mathematics from Carnegie-Mellon University and a Master of Business Administration from York College. Witness Spanos is not a registered engineer or expert on solar panel and equipment design and engineering. However, Witness Spanos does have expertise in the field of utility depreciation and has performed and supervised numerous depreciation studies that include solar generation assets.

**KENTUCKY UTILITIES COMPANY**

**Response to the Joint Supplemental Data Requests of the Attorney General and Kentucky Industrial Utility Customers'**
**Dated July 31, 2025**

**Case No. 2025-00113**

**Question No. 25**

**Responding Witness: Christopher M. Garrett / Drew T. McCombs**

Q-25. Refer to the response to AG-KIUC 1-74, which requested a copy of the Companies' actuarial reports for the most recent historic calendar year, base year, and test year. They were not provided.

a. Provide the actuarial reports requested in AG-KIUC 1-74.

b. Provide all communications between the Companies and the actuarial firm regarding assumptions in the base year and test year, including the date(s) used for the trust fund asset valuations and the present value of the pension obligations for the base year and test year, and the rate of return on the trust fund assets and the discount rate used for the pension obligations for the base year and test year.

c. Provide the pension cost and expense calculations for the base year and test year using the actual trust fund asset valuation and the pension obligation as of June 30, 2025 and the Companies' assumptions for the rate of return on the trust fund assets and the discount rate used for the pension obligations for the base year and test year. Provide all calculations in an Excel workbook in live format with all formulas intact.

d. Provide the pension cost and expense calculations for the base year and test year using the actual trust fund asset valuation and the pension obligation as of June 30, 2025 and the rate of return on the trust fund assets at 8.25% and the Companies' assumptions for the discount rate used for the pension obligations for the base year and test year. Provide all calculations in an Excel workbook in live format with all formulas intact.

A-25.

a. See attachment being provided in a separate file. The file contains the 2024 yearend disclosures from Willis Towers Watson ("WTW"). Page 2 of the attachment to AG-KIUC 1-74 contains the information from WTW used to develop the pension expense for the base and test years.

b. See attachment being provided in a separate file.

c. See attachment being provided in a separate file. The file contains the reconciliation between pension expense calculation in the test year and actuarial reports based on asset valuations and discount rate as of April 30, 2025.

d. The Companies have requested WTW to provide updated net periodic pension cost projections with an EROA assumption of 8.25% and will provide updated expense calculations when the information becomes available.

**KENTUCKY UTILITIES COMPANY**

**Response to the Joint Supplemental Data Requests of the Attorney General and Kentucky Industrial Utility Customers'**
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**Case No. 2025-00113**

**Question No. 26**

**Responding Witness: Vincent Poplaski**

Q-26. Provide a copy all studies and analyses that were used to evaluate a potential termination of the Companies' pension plan, including the effects on pension costs compared to the status quo. Provide all communications regarding any such evaluations.

A-26. No recent studies or analyses have been conducted to evaluate terminating the Companies' pension plan. The pension plans have been closed to new participants since 1/1/2006.

**KENTUCKY UTILITIES COMPANY**

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**Dated July 31, 2025**

**Case No. 2025-00113**

**Question No. 27**

**Responding Witness: Drew T. McCombs / Heather D. Metts / Vincent Poplaski**

Q-27. Refer to the attachment to the response to AG-KIUC 1-70(d), which provides a history of employment benefits expense by type. Explain for KU why the post-employment benefits are \$0 in the test year compared to negative \$0.477 million in 2024 and negative \$0.477 million in the base period. Provide all support for the calculations in 2024, base period, and test year in live Excel format and with all formulas intact.

A-27. LKE does not budget an amount related to post-employment benefits, which primarily consists of continued medical benefits and life insurance for long-term disability participants and their dependents. The amount is subject to fluctuation over time, which has not been significant and is subject to multiple variables including the number of long-term disability participants at year end, variances in medical costs and usage by those participants, and the year-end discount rate used to calculate the present value of the obligation. The annual expense is primarily representative of the change in the long-term disability liability over the year. See attachment being provided in a separate file. The file provides support for the 2024 actuarial determined long-term disability liability. Additionally, Willis Towers Watson performs these calculations and the Companies are mindful of the expense associated with performing the calculations.

**KENTUCKY UTILITIES COMPANY**

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**Case No. 2025-00113**

**Question No. 28**

**Responding Witness: Christopher M. Garrett / Drew T. McCombs**

Q-28. Refer to the response to AG-KIUC 1-75, which asked for the actuarial reports for OPEB expense for the most recent historic calendar year, base year, and test year. The response did not include the reports for 2024.

a. Provide the requested reports for 2024.

b. Provide the actuarial reports for other post-employment benefits for the most recent historic calendar year, base year, and test year. Annotate and/or reconcile the relevant amounts included in the report to the other post-employment expense included in the test year.

A-28.

a. See attachment being provided in a separate file. The file contains the 2024 yearend disclosures from Willis Towers Watson ("WTW"). Portions of the attachment that are non-responsive to the request have been redacted. Page 2 of the attachment to AG-KIUC 1-75 contains the information from WTW used to develop the post-retirement expense for the base year and test year.

b. See attachment provided in response to Question No. 27. LKE does not budget for post-employment benefits due to the uncertainty of long-term disability claims.

## KENTUCKY UTILITIES COMPANY

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**Dated July 31, 2025**

**Case No. 2025-00113**

**Question No. 29**

**Responding Witness: Christopher M. Garrett / Vincent Poplaski**

Q-29. Refer to the attachment to the response to AG-KIUC 1-86 and to the Direct Testimony of Vincent Poplaski at 13-14 wherein the witness describes the Companies':1) traditional DB plan, 2) 401(k) match plan whereby employees who participate in the DB plan are matched 100% of the first 3% of the employee's deferral and those employees who do not participate in the DB plan are matched 100% of the first 3%, plus 50% of the next 30%, of the employee's deferral, and 3) 401(k) non-matched plan employer contribution only to employees hired or rehired on or after January 1, 2006, ranging from 3% to 7% of the employee's compensation.

a. In response to AG-KIUC 1-86, the Company quantified the DB pension expense for those employees participating in the DB plan and the 401(k) match plan. Provide the Companies' pension expense separated into the three categories listed by Witness Poplaski for 2024, base period, and test year.

b. Indicate if all employees who participate in the DB pension plan also participate in the 401(k) match plan. If not, then provide a corrected statement that describes the extent of the overlap between the DB pension plan and the 401(k) match plan.

c. Indicate if all employees who participate in the 401(k) non-match plan also participate in the 401(k) match plan. If not, then provide a corrected statement that describes the extent of the overlap between the 401(k) match plan and the 401(k) non-match plan.

d. Explain why the Companies do not consider the 401(k) match and 401(k) non-match plan as overlapping pension plans in the same manner that the Commission previously determined the DB plan and the 401(k) plans were overlapping plans.

A-29.

a. The Companies provided the 401(k) match plan amounts in the response to AG-KIUC 1-86. See the response to AG-KIUC 1-70(d) for the pension expense for Category 1, the DB plan, as discussed in the testimony of Mr.

Poplaski. The Companies do not have a breakdown of the DB pension expense split between union/hourly and nonunion as the disclosures provided by Willis Towers Watson for the "LG&E and KU pension Plan" are provided in total by company.

b. All DB participating employees are eligible to participate in the 401(k) plan with an employer match of 100% on the first 3% of employee deferrals. Eligible employees may choose to start, stop, or alter their deferrals at any time.

c. All non-DB eligible participating employees are eligible to participate in the 401(k) plan with an employer match of 100% of the first 3% and 50% of the next 3% of employee deferral AND an employer non-match contribution of 3-7% based on company service. Employees must elect to defer eligible compensation to receive the match but will receive the employer non-match contribution regardless. Eligible employees may choose to start, stop, or alter their deferrals at any time.

d. To clarify, the 401(k) match and 401(k) non-matching contributions are not pension plans as defined by ERISA. Rather, they are contributions made to a single Defined Contribution (DC) plan (e.g., 401k). The matching contributions are contingent upon an employee's deferrals and serve to incentivize personal retirement savings whereas the non-matching contributions are not tied to an employee's ability to contribute to their 401(k) plan thus creating equitable benefit distribution. Additionally, the non-matching contribution rewards longer employee service with greater matching amount.

   The Companies believe that both components of the 401(k) are essential in attracting and retaining the highly skilled workforce that is essential to providing the service our customers expect.

**KENTUCKY UTILITIES COMPANY**

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**Case No. 2025-00113**

**Question No. 30**

**Responding Witness: John J. Spanos**

Q-30. Provide all of Witness Spanos' schedules and workpapers in Excel live format with all formulas intact, including, but not limited to, the calculations of estimated decommissioning costs for the production plant by site location and/or generating unit, the escalation of current dollar estimated decommissioning costs to future dollars, and the calculation of the weighted terminal net salvage, weighted interim net salvage, and the sum of terminal and interim net salvage.

A-30. Table 2 reflecting the calculation of weighted net salvage in Excel format for both Kentucky Utilities and Louisville Gas and Electric was provided in response to PSC 1-54. The attachments reflecting the escalation of decommissioning costs and weighted interim net salvage were provided in response to AG-KIUC 1-43.

**KENTUCKY UTILITIES COMPANY**

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**Case No. 2025-00113**

**Question No. 31**

**Responding Witness: John J. Spanos**

Q-31. Indicate if the terminal net salvage for production plant accounts was calculated by escalating the estimated costs in current dollars from the study date to the probable retirement date or by escalating the estimated costs in current dollars from the study to the end of the remaining average service life.

A-31. The terminal net salvage for production plant accounts was calculated by escalating the estimated costs in current dollars from the study date to the probable retirement date of each generating location.

**KENTUCKY UTILITIES COMPANY**

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**Case No. 2025-00113**

**Question No. 32**

**Responding Witness: John J. Spanos**

Q-32. Refer to the Direct Testimony of John Spanos at 13 regarding terminal net salvage for the production plant accounts.

a. Confirm the $40/kW estimate is applicable only to the thermal generating units. If this is not correct, then provide a corrected statement as well as all support relied on for the corrected statement.

b. Describe specifically and provide all calculations and copies of source materials relied on for the terminal net salvage for the solar, wind, hydroelectric, BESS, and other non-thermal resources.

A-32.

a. Confirmed.

b. The $/KW estimates utilized to calculate the decommissioning cost estimates related to solar, wind and hydroelectric assets in the instant case were established consistent with those utilized in the prior case.

**KENTUCKY UTILITIES COMPANY**

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**Dated July 31, 2025**

**Case No. 2025-00113**

**Question No. 33**

**Responding Witness: John J. Spanos**

Q-33. Refer to the Direct Testimony of John Spanos at 20 wherein he discusses developing depreciation rates for future assets, including additional assets at Simpsonville Solar, new assets at Marion and Mercer, Mill Creek 5, and Brown BESS assets. Refer also to the notes on pages VI-10 and VI-11 of JJS-1 for KU and on pages VI-9 and VI-10 for LG&E electric related to the requested depreciation rates for Brown BESS, AMI, Paddy's Run CT pipeline, Simpsonville Solar Arrays 3, 4, 5, Mercer Solar, Marion Solar, and Mill Creek 5.

a. Confirm the Companies did not provide the underlying calculations or support for the proposed depreciation rates for the future assets. If confirmed, explain why they were not provided either with the filing or in response to Staff 1-54.

b. Provide the source(s) and all support relied on for each assumption/parameter/input used to develop the requested depreciation rates for the assets listed in the notes on these pages, including, but not limited to, estimated service lives and the range of estimated service lives considered, estimated interim retirements, estimated interim net salvage, and estimated terminal net salvage. Also provide all correspondence with KU/LG&E subject matter experts and/or decision makers and all directives from the Companies for these depreciation study assumptions/parameters/inputs.

c. Provide the schedules and workpapers in live Excel format and with all formulas intact relied on for the requested depreciation rates for the future assets listed in the notes on the referenced pages. Provide the schedules and workpapers for the future assets in the same level of detail and with the same information shown for each of the existing assets on the schedules in Section IV of each of the depreciation studies.

d. Refer to the response to AG-KIUC 1-102 (a) and (b).

   i. Confirm the response did not provide the requested information for any of the future assets and the proposed depreciation rates described and provided in the notes.

ii. Provide the information requested in AG-KIUC 1-102 (a) and (b) in the same format and in the same level of detail for the future assets as was provided in the response for the existing assets starting with the detailed schedules and workpapers provided in response to part (c) of this question used to calculate the proposed depreciation rates listed in the notes for the future assets so that there is the same sequence of proposed depreciation rates for the future assets as for the existing assets, i.e., support for proposed depreciation rates, modifications to exclude terminal net salvage from production and BESS plant accounts, further modifications to exclude interim retirements and interim net salvage in addition to excluding terminal net salvage from all production and BESS plant accounts.

A-33.

a. Confirmed. The Companies provided the information for existing assets.

b. The requested sources were either professional judgment based on experience performing numerous depreciation studies or consistent with existing assets and/or locations presented in the depreciation studies for KU and/or LGE. There was no additional correspondence.

c. See attachments being provided in separate files. The depreciation calculation reflected in the attachment reflects estimated original cost of future assets, not actual original cost.

d.

i. Confirmed.

ii. See attachments being provided in separate files. The files provide the development of the proposed future rates with no terminal net salvage component. The weighted net salvage calculation for Simpsonville Solar and Mill Creek Unit 5 (used Cane Run CC 7 calculation) were previously provided in response to AG-KIUC 1-102(a).

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**Case No. 2025-00113**

**Question No. 34**

**Responding Witness: John J. Spanos**

Q-34. Refer to the response to AG-KIUC 1-44 (b) requesting the Companies' calculations for each generating facility of the "terminal net salvage component as based on the $40/kW assumption." In the response to part (b), the Companies' referred to the response to part (a) of that question, which addressed the support for the $40/kW assumption, but did not provide the information requested in part (b). Provide the calculations and the result in an Excel workbook in live format and with all formulas intact for each existing and each future generating facility/resource from applying the $40/kW assumption to calculate the terminal net salvage in present value dollars and the result from applying an annual escalation rate to calculate the terminal net salvage in future dollars.

A-34. The requested terminal costs calculated for existing Steam Production Plant locations has been provided in the attachments provided in response to AG-KIUC 1-43. There were no future generating facilities that used the $40/KW assumption.

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**Question No. 35**

**Responding Witness: Drew T. McCombs**

Q-35. Provide an annual history from 2015 through 2024 of routine storm expense by FERC O&M expense account, i.e., unnamed storm expense the Companies did not defer pursuant to an accounting order from the Commission. Identify each such storm and provide a brief description.

A-35. See attachment being provided in a separate file for KU total storm expense by FERC O&M expense accounts for minor storms. The Companies do not compile descriptions of minor storms.

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**Question No. 36**

**Responding Witness: Drew T. McCombs**

Q-36. Provide an annual history from 2015 through 2024 by FERC O&M expense account for named storms the Companies deferred to a regulatory asset pursuant to an accounting order from the Commission.

A-36. See attachment being provided in a separate file for KU total storm expense by FERC O&M expense accounts for storms that were deferred to a regulatory asset.

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**Question No. 37**

**Responding Witness: Drew T. McCombs**

Q-37. Provide an annual history from 2015 through 2024 by FERC O&M expense account for named storms the Companies did not defer.

A-37. See attachment being provided in a separate file for KU total storm expense by FERC O&M expense accounts for major storms that the Companies did not defer.

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**Question No. 38**

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

Q-38. Provide the routine storm expense by FERC O&M expense account in the base period and test year, along with all support relied on to estimate these expenses in an Excel workbook in live format and with all formulas intact. Identify where the expenses were included in the filings.

A-38. Minor storm expense by FERC O&M expense account for total KU for the six months of actual costs in the base period, September 2024 through February 2025, are below. The Company's storm budgets and forecasts do not differentiate between minor and major storms. See the response to Question No. 39 for total storm expense. The storm expenses are embedded in Schedule C (Filing Requirement Tab 56 - 807 KAR 5:001 Section 16(8)(c) in the FERC O&M expense accounts provided below).

| **FERC** | **FERC Account Name** | **Base Period Six-Months Ending February 2025** |
|---|---|---|
| 408 | Taxes other than income taxes, utility operating income | 14,783 |
| 571 | Maintenance of overhead lines | 78,295 |
| 580 | Operation supervision and engineering | 49,549 |
| 583 | Overhead line expenses | 1,307 |
| 588 | Miscellaneous distribution expenses | (63) |
| 593 | Maintenance of overhead lines | 636,262 |
| 595 | Maintenance of line transformers | 12,233 |
| 598 | Maintenance of miscellaneous distribution plant | 9,422 |
| 925 | Injuries and damages | 253 |
| 926 | Employee pensions and benefits | 9,480 |
| **Total** | | **811,521** |

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**Question No. 39**

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

Q-39. Provide the total storm expense by FERC O&M expense account in the base period and test year, along with all support relied on to estimate these expenses in an Excel workbook in live format and with all formulas intact. Identify where the expenses were included in the filings.

A-39. Total storm expense by FERC O&M expense account for total KU in the base period and test year are below. See attachments being provided in separate files for the support relied on to estimate the storm expenses. The storm expenses are embedded in Schedule C (Filing Requirement Tab 56 - 807 KAR 5:001 Section 16(8)(c) in the FERC O&M expense accounts provided below).

| FERC | FERC Account Name | Base Period | Test Year |
|---|---|---|---|
| 408 | Taxes other than income taxes, utility operating income | 237,862 | - |
| 566 | Miscellaneous transmission expenses | 358 | - |
| 570 | Maintenance of station equipment | 27,327 | - |
| 571 | Maintenance of overhead lines | 1,715,816 | 623,235 |
| 580 | Operation supervision and engineering | 2,155,541 | 631,919 |
| 583 | Overhead line expenses | 306,677 | 205,962 |
| 588 | Miscellaneous distribution expenses | 13,247 | 21,708 |
| 590 | Maintenance supervision and engineering | 88,564 | 32,827 |
| 592 | Maintenance of station equipment | 61 | 100 |
| 593 | Maintenance of overhead lines | 17,424,324 | 4,714,693 |
| 594 | Maintenance of underground lines | 16,169 | 2,658 |
| 595 | Maintenance of line transformers | 136,688 | 24,878 |
| 598 | Maintenance of miscellaneous distribution plant | 1,464,904 | 156,122 |
| 909 | Informational and instructional advertising expenses | 129,829 | 25,302 |
| 920 | Administrative and general salaries | 8,280 | - |
| 925 | Injuries and damages | 288,499 | - |
| 926 | Employee pensions and benefits | 119,106 | - |
| **Total** | | **24,133,253** | **6,439,406** |

**KENTUCKY UTILITIES COMPANY**

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**Case No. 2025-00113**

**Question No. 40**

**Responding Witness: Drew T. McCombs**

Q-40. Provide an annual history from 2015 through 2024 of vegetation management expense by FERC O&M expense account.

A-40. See attachment being provided in a separate file.

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**Case No. 2025-00113**

**Question No. 41**

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

Q-41. Provide the vegetation management expense by FERC O&M expense account in the base period and test year, along with all support relied on to estimate these expenses in an Excel workbook in live format and with all formulas intact. Identify where the expenses were included in the filing.

A-41. The vegetation management expense by FERC O&M expense account for total KU in the base year and test year are below. For the support, see attachment being provided in a separate file. The vegetation management expenses are embedded in Schedule C (Filing Requirement Tab 56 - 807 KAR 5:001 Section 16(8)(c) in the FERC O&M expense accounts provided below).

| FERC | FERC Account Name | Base Year | Test Year |
|---|---|---|---|
| 408 | Taxes other than income taxes, utility operating income | 34,446 | - |
| 570 | Maintenance of substation equipment | - | - |
| 571 | Maintenance of overhead lines | 6,698,116 | 10,425,051 |
| 588 | Miscellaneous distribution expenses | 18,816 | - |
| 593 | Maintenance of overhead lines | 14,590,486 | 21,021,287 |
| 921 | Office supplies and expenses | 1,540 | 3,207 |
| 925 | Workers Comp expense | 1,401 | - |
| 926 | Group Life Insurance expense | 108,742 | - |
| **Total** | | **21,453,548** | **31,449,544** |

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**Question No. 42**

**Responding Witness: Lonnie E. Bellar / Drew T. McCombs / Heather D. Metts**

Q-42. Provide an annual history from 2015 through 2024 and budgeted/forecast for each year 2025 through 2029, base period, and the test year of planned generation maintenance expense by FERC O&M expense account and by generating unit. Provide a brief description of the scope of work actually performed and/or that is budgeted/forecast.

A-42. See attachment being provided in a separate file.

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**Question No. 43**

**Responding Witness: Lonnie E. Bellar / Drew T. McCombs / Heather D. Metts**

Q-43. Provide the Companies' calculations of the planned generation maintenance expense by FERC O&M expense account and by generating unit included in the base period and in the test year, including all assumptions, data, calculations, and electronic workbooks in Excel live format with all formulas intact.

A-43. See attachment being provided in a separate file.

**KENTUCKY UTILITIES COMPANY**

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**Question No. 44**

**Responding Witness: Lonnie E. Bellar / Robert M. Conroy**

Q-44. Confirm that it has been the practice of the Companies in prior base rate case proceedings to calculate and request a "normalized" planned generation maintenance expense. Explain why the Companies chose not to do so in the pending cases. Provide a copy of all correspondence that addressed how to calculate and present the planned generation maintenance expense in the pending cases and the decision(s) on how to proceed.

A-44. The Companies requested a "normalized" level of generation plant outage expenses in their 2018 and 2020 rate cases. However, as part of the Stipulation agreement reached in the 2020 rate cases, the Companies agreed to not establish any regulatory assets or liabilities to account for the differences between actual plant outage expenses and those embedded in base rates. Accordingly, the Companies chose not to propose a normalization of plant outage expenses as part of this proceeding. The Companies do not have any correspondence regarding this because the business plan used in this case was developed based on forecasted actual expenses.

The Companies did not request a "normalized" level of plant outage expenses in their 2012, 2014, or 2016 cases.[3]

[3] The Companies agreed to use an eight-year average of generator outage expense with associated deferral accounting for any over or under collections as part of the Stipulation in Case Nos. 2016-00370 and 2016-00371.

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**Question No. 45**

**Responding Witness: Lonnie E. Bellar / Heather D. Metts**

Q-45. Provide a calculation of the "normalized" planned generation maintenance expense using the same methodology the Companies proposed in Case Nos. 2020-00349 and 2020-00350.

A-45. In Case Nos. 2020-00349 and 2020-00350 the Companies proposed an eight-year average consisting of actuals and forecast. The below data is based on the same methodology using average actual expense for 2022, 2023, 2024, and 2025 through February, combined with forecasted outage expense for the balance of 2025 through 2029.

| | Year | LGE | KU | TOTAL |
|---|---|---|---|---|
| Actuals | 2022 | $ 18,752,737 | $ 29,089,394 | $ 47,842,131 |
| Actuals | 2023 | $ 7,087,637 | $ 15,437,292 | $ 22,524,929 |
| Actuals | 2024 | $ 11,841,063 | $ 20,186,304 | $ 32,027,367 |
| Actuals/Plan | 2025 | $ 12,145,899 | $ 14,301,574 | $ 26,447,474 |
| Plan | 2026 | $ 11,195,321 | $ 32,201,407 | $ 43,396,728 |
| Plan | 2027 | $ 12,929,017 | $ 32,620,800 | $ 45,549,817 |
| Plan | 2028 | $ 20,325,162 | $ 45,809,201 | $ 66,134,363 |
| Plan | 2029 | $ 8,412,742 | $ 28,268,865 | $ 36,681,607 |
| | 8 Year Average | $ 12,836,197 | $ 27,239,355 | $ 40,075,552 |

## KENTUCKY UTILITIES COMPANY

**Response to the Joint Supplemental Data Requests of the Attorney General and Kentucky Industrial Utility Customers'**
**Dated July 31, 2025**

**Case No. 2025-00113**

**Question No. 46**

**Responding Witness: Lonnie E. Bellar / Andrea M. Fackler / Heather D. Metts**

Q-46. Refer to Schedule B-5.2 page 5 of 6 line 5 Account 186 Misc Deferred Debits.

a. Provide a list of each amount over $1 million for each month December 2025 through December 2026. Indicate for each amount what it is, when the Companies paid cash, whether there is a related accounts payable, whether the related accounts payable has been subtracted from rate base, and why the Companies believe the amount should be included in rate base.

b. For any generating unit long-term service agreement, describe the agreement in detail, including the generating unit it is for, and how much of the cost of work performed under the LTSA would have been capitalized in the absence of the agreement. In the prior rate cases, the Companies estimated that 95% would have been capitalized. Indicate if that is still the case. Provide all support relied on for your response.

A-46.

a. See attachment being provided as a separate file. The file provides a list of each item with a balance over $1 million for each month December 2025 through December 2026. These amounts are properly in rate base because they are prudent and are necessary to provide service. See also the Fackler Direct Testimony, page 55, for a discussion on the Companies' position to include balance sheet adjustments in determining cash working capital and why it is reasonable.

**Mill Creek 5 Texas Gas Advance** – A cash payment was made in October 2024. There is no associated accounts payable.

**The Cane Run 7 LTPC Asset** – The budget assumes cash payments are made in advance based on operating hours and recorded as a deferred debit. The deferred debit is relieved as outage/maintenance work is performed under the agreement. No accounts payable associated with the Cane Run 7 LTPC was included in the budget.

**Brown 6 and 7 LTSA Asset** – The budget assumes cash payments are made in advance based on operating hours and recorded as a deferred debit. The deferred debit is relieved as outage/maintenance work is performed under the agreement. No accounts payable associated with the Brown 6 and 7 LTSA was included in the budget.

**Keyman Life Insurance** - During the preparation of this response, an error was identified related to the budget for Keyman Life Insurance. The actual balance as of February 2025 is reflected in Account 186.1 and excluded from the cash working capital calculation. However, the budgeted activity for this account was recorded to Account 186.2. The budgeted activity will be reclassified to 186.1 in an errata filing.

b. The Companies entered the Long-Term Program Contract (LTPC) with Siemens Energy, Inc.(Siemens) for routine and major maintenance associated with Cane Run (CR7). Siemens is the Original Equipment Manufacturer and performs the maintenance. The payments began in March 2015 and will end after the second major overhaul, which is projected in 2046. The contract stipulates an initial fee, an annual fixed payment, and a quarterly variable payment based on actual Equivalent Base Hours (EBH) or Equivalent Starts (ES) for each of the two combustion turbines. These payments facilitate the following maintenance for each of the two combustion turbines: Combustor Inspections, Hot Gas Path Inspections (HGPI), and Major Inspections. These maintenance activities occur at intervals based on EBH or ES and vary based on utilization of the unit for hours of operation.

The Companies entered the LTSA for Brown Units 6 and 7 (BR 6 & 7) with GE International (GE), now GE Vernova International LLC and formerly Alstom Power Inc., for major and routine maintenance associated with the associated with the units. GE is the Original Equipment Manufacturer and performs the maintenance. The payments began in December 2017 and will end in the quarter the agreement expires or terminates, which is the earlier of 25 years or the second Type C Hot Gas Path Inspection (CHGPI) of each unit. The contract with GE stipulates a base price consisting of quarterly payments for a monthly fixed fee, a variable fee based on actual Equivalent Operating Hours (EOH) and CHGPI milestone fees. These payments facilitate covered maintenance events and CHGPI maintenance occurring at intervals based on EOH and vary based on hours of operation of BR 6 & 7.

The 95% capital treatment estimate is still applicable for the CR7 LTPC and BR 6 & 7 LTSA and was based on work to be performed during maintenance activities in accordance work scopes included in the agreements. The maintenance activities described above for CR7 and BR6 & BR7 include component overhauls and repairs, involving refurbishment or replacement of capital parts, constituting capital treatment. In the absence of the LTPC or LTSA, the capital treatment would be consistent given the 95% is based on work scopes that result from the OEMs current recommendations and the same major maintenance activities that would need to occur to ensure reliability of the units even without an LTPC or LTSA.

Please refer to 2020 DR2 AG-KIUC Question #28 where both the CR7 LTPC and BR 6 & 7 LTSA were provided confidentially. See attachments being provided in separate files. The information requested is confidential and proprietary and is being provided under seal pursuant to a petition for confidential protection.

**KENTUCKY UTILITIES COMPANY**

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**Case No. 2025-00113**

**Question No. 47**

**Responding Witness: Michael E. Hornung**

Q-47. Refer to the Seelye 2016 testimony and exhibits referenced in AG-KIUC 1-110 and AG-KIUC 1-112.

a. Confirm that the Seelye testimony derived rates were proposed to reflect actual carrying costs on plant balances in-service at the time.

b. Do the Companies agree that a key benefit of the Curtailable Service Rider (CSR) tariffs is the avoidance of incremental new capacity? If not, explain why not?

A-47.

a. Confirmed. The costs were based on the 12-months ended June 30, 2018, which was the end of the test year for the 2016 Rate Case.

b. Yes, assuming that the CSR tariff contains provisions supporting operational flexibility similar to that of a generating unit.

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**Response to the Joint Supplemental Data Requests of the Attorney General and Kentucky Industrial Utility Customers'**
**Dated July 31, 2025**

**Case No. 2025-00113**

**Question No. 48**

**Responding Witness: Lonnie E. Bellar / Michael E. Hornung / Charles R. Schram**

Q-48. Refer to the Companies' CPCN testimony in Case No. 2025-00045, Tummonds Rebuttal Testimony dated July 18, 2025 at p. 3 line 1-6 which states: "Unfortunately, costs for NGCCs have risen dramatically since the Commission's decision in Case No. 2022-00402 primarily due to the tightening of the market for acquisition and construction of gas turbines. The last estimated cost for Brown 12 in Case No. 2022-00402 was $989 million for a 2028 in-service date, and the current estimated cost is $1.383 billion for a 2030 in-service date, which is nearly a 40% increase for a two-year delay."

a. Has the Companies' CSR capacity increased in value consistent with the increase in capacity costs? Explain.

b. Explain if the Company believes the cost of new capacity would be more than the current CSR rate. If the Company believes new capacity could be secured at less than the current CSR rate, provide the workpapers or industry sources supporting the cost and availability of such low cost capacity.

A-48.

a. No. The CSR rates are not based on the cost of a NGCC resource. As discussed on page 30 of Mr. Schram's testimony, battery storage is the more appropriate resource to evaluate CSR's avoided cost, given that both resources are typically utilized during peak system conditions.

b. See the response to AG-KIUC 1-111 and Mr. Schram's testimony on pp. 29-30. The analysis in Mr. Schram's testimony shows avoided costs for a hypothetical CSR program that is operationally less restrictive than current CSR tariffs would still be lower than current CSR tariff rates. For the supporting workpaper, see Exhibit CRS-7 at file path \CSR_QF_NMS\CSR\20250402_LAK_AvoidedCapacityCost_2025RateCaseCSR.xlsx.

**KENTUCKY UTILITIES COMPANY**

**Response to the Joint Supplemental Data Requests of the Attorney General and Kentucky Industrial Utility Customers'**
**Dated July 31, 2025**

**Case No. 2025-00113**

**Question No. 49**

**Responding Witness: Lonnie E. Bellar / Michael E. Hornung / Charles R. Schram**

Q-49. Refer to the Companies' 2024 IRP, Volume 1, Table 6-4 which shows the increase in costs from the 2021 IRP to the 2024 IRP.

a. Provide a side by side comparison of the SCCT costs assumed in 2021 IRP and the 2024 IRP in the same nominal dollar year and explain what increase in capacity cost has been estimated in the spanning 3 years.

b. Has the Companies' CSR capacity increased in value consistent with the increase in capacity costs? Explain.

c. Explain if the Company believes the cost of new capacity would be more than the current CSR rate. If the Company believes new capacity could be secured at less than the current CSR rate, provide the workpapers or industry sources supporting the cost and availability of such low cost capacity.

A-49.

a. See the table below for the requested comparison.

**SCCT Capital Costs and Sum of Capital and Non-Fuel O&M**
**(2030 Installation; 2030 Dollars)**

| | 2021 IRP | 2024 IRP | % Change |
|---|---|---|---|
| Capital Cost ($/kW) | 960 | 1,636 | +70% |
| Capital + Non-Fuel O&M ($/kW-yr) | 140 | 182 | +30% |

b. No. See the response to Question No. 48(a).

c. See the response to Question No. 48(a).

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**Response to the Joint Supplemental Data Requests of the Attorney General and Kentucky Industrial Utility Customers'**
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**Case No. 2025-00113**

**Question No. 50**

**Responding Witness: Charles R. Schram**

Q-50. Refer to the Direct Testimony of Charles Schram, Section 7, p. 26, lines 1-8, comparing the restrictions on CSR-1 and CSR-2 and the value compared to Battery Energy Storage Systems (BESS).

a. Provide Mr. Schram's workpapers supporting his valuation analysis of CSR-1 and CSR-2. Provide all Excel models with formulas intact, other models, and the specific assumptions made for CSR-1 and CSR-2 capacity that is used to derive the value of the energy and capacity.

b. Provide the Company's valuation analysis of BESS. Provide all workpapers, models, and assumptions used to derive the value of the energy and capacity.

c. Provide the Company's valuation analysis of a generic SCCT resource. Provide all workpapers, models, and assumptions used to derive the value of the energy and capacity.

A-50.

a. Mr. Schram's testimony does not evaluate the existing CSR rates. Rather, the referenced testimony qualitatively discusses the operational value of the existing CSR tariffs given their operational restrictions.

b. For the Companies' calculation of CSR credits for a hypothetical CSR program based on the avoided capacity cost of BESS, see Exhibit CRS-7 at file path: \CSR_QF_NMS\CSR\20250402_LAK_AvoidedCapacityCost_2025RateCaseCSR.xlsx.

c. The Companies have not performed this analysis.

**KENTUCKY UTILITIES COMPANY**

**Response to the Joint Supplemental Data Requests of the Attorney General and Kentucky Industrial Utility Customers'**
**Dated July 31, 2025**

**Case No. 2025-00113**

**Question No. 51**

**Responding Witness: Charles R. Schram**

Q-51. Refer to the Direct Testimony of Charles Schram, Section 7, page 29, starting at line 11 describing the expanded CSR offering modeled in the 2024 IRP.

a. What capacity contribution was assumed for the CSR program in IRP resource modeling.

b. Was the CSR program modeled as a demand modifier or a resource addition? How were reserve margin benefits accounted for?

c. Why were no buy-through options provided as an energy benefit with the program (p. 29, line 14), despite energy benefit being a part of the existing programs?

d. Did the Company do any sensitivity analysis forcing the selection and comparing the results? If so, provide all analysis comparing a case assuming expanded CSR offering and that without.

e. What energy value was modeled in the 2024 IRP PROSYM production costs runs for CSR programs and BESS resources? Provide the production cost PROSYM output used in the IRP and CPCN cases for cases run. Provide an index and list describing the assumptions for each file.

A-51.

a. In the 2024 IRP, the Companies assumed that CSR's capacity contribution was equivalent to that of demand response programs at 39 percent.

b. CSR was modeled as a potential resource addition that contributed to both winter and summer reserve margin at 39 percent of the total assumed CSR capacity.

c. Buy-through options provide no reliability benefit to customers due to the uncertainty of each participant's buy-through decision.

d. No. The Companies did not perform this analysis because it was unnecessary to do so.

e. The Companies did not explicitly model an energy value for CSR programs or BESS resources. Production cost values are evaluated for the portfolio in total, not by resource. See attachment being provided in a separate file for production cost PROSYM output associated with IRP and CPCN cases. The information requested is confidential and proprietary and is being provided under seal pursuant to a petition for confidential protection. PROSYM outputs are summarized in csv files with the following data:

- Column A – Iter: An index value given to each iteration/casename
- Column B – Year: The year associated with a given set of data
- Column C – Energy: Energy generation in GWh
- Column D – AuxDmd: Unused in the Companies' production cost modeling
- Column E – CapFctr: Capacity factor
- Column F – Strts: Unit starts
- Column G – FuelBurn: Fuel burn in GBtu
- Column H – HeatRate: Average heat rate in Btu/kWh
- Column I – Hours: Run hours
- Column J – FuelpMMBtu: Fuel cost in cents per MMBtu, or purchase cost in dollars per MWh
- Column K – FuelCost: Fuel cost in thousands of dollars
- Column L – StrtFuel: Start fuel in GBtu
- Column M – StrtCost: Total start cost, including fuel, in thousands of dollars
- Column N – FOM: Unused in the Companies' production cost modeling
- Column O – VOM: Variable O&M cost in thousands of dollars
- Column P – OpCostperMWh: Operating cost in dollars per MWh
- Column Q – TotCostperMWh: Total cost in dollars per MWh
- Column R – TotCost: Total cost in thousands of dollars
- Column S – UnitNo: An index value given to each generating unit
- Column T – Unit: Name of generating unit
- Column U – CaseName: Name of production cost run

These PROSYM files utilize the following naming convention:

- "CONFIDENTIAL_out_unityr_IRP_01_NoRegs.csv" pertains to the No New Regulations environmental scenario from the 2024 IRP analysis

- “CONFIDENTIAL_out_unityr_IRP_02_GNP.csv” pertains to the Ozone NAAQS environmental scenario from the 2024 IRP analysis.
- “CONFIDENTIAL_out_unityr_IRP_03_ELG.csv” pertains to the Ozone NAAQS + ELG environmental scenario from the 2024 IRP analysis
- “CONFIDENTIAL_out_unityr_IRP_03_ELG_SolarSens.csv” pertains to the solar cost sensitivity to the Ozone NAAQS + ELG environmental scenario from the 2024 IRP analysis
- “CONFIDENTIAL_out_unityr_IRP_04_111.csv” pertains to the Ozone NAAQS + ELG + GHG environmental scenario from the 2024 IRP analysis
- ‘CONFIDENTIAL_out_unityr_CPCN.csv’ pertains to the 2025 CPCN analysis

PROSYM case names for the 2024 IRP utilize the following naming convention:

2024IRP EXX YL ZZZZ C000

Where:

EXX defines the PLEXOS resource plan:
- E01 pertains to the PLEXOS resource plan associated with the LGMR fuel price scenario
- E02 pertains to the PLEXOS resource plan associated with the MGMR fuel price scenario
- E03 pertains to the PLEXOS resource plan associated with the HGMR fuel price scenario
- E04 pertains to the PLEXOS resource plan associated with the LGHR fuel price scenario
- E05 pertains to the PLEXOS resource plan associated with the HGLR fuel price scenario

YL defines the load scenario:
- LL pertains to the Low Load scenario
- ML pertains to the Mid Load scenario
- HL pertains to the High Load scenario

ZZZZ defines the fuel price scenario:
- LGMR pertains to the Low Gas, Mid coal-to-gas ratio fuel price scenario
- MGMR pertains to the Mid Gas, Mid coal-to-gas ratio fuel price scenario

- HGMR pertains to the High Gas, Mid coal-to-gas ratio fuel price scenario
- LGHR pertains to the Low Gas, High coal-to-gas ratio fuel price scenario
- HGLR pertains to the High Gas, Low coal-to-gas ratio fuel price scenario

And C000 defines the carbon price (in all instances, carbon prices are assumed to be zero).

PROSYM case names from the 2025 CPCN utilize the following file naming convention:

2025CPCN LXXXX EYY ZZZZ C000

Where:

LXXXX defines the load scenario:
- L1470 pertains to the load scenario with 1,470 MW of data center load
- L1610 pertains to the load scenario with 1,610 MW of data center load
- L1750 pertains to the load scenario with 1,750 MW of data center load
- L1890 pertains to the load scenario with 1,890 MW of data center load
- L2030 pertains to the load scenario with 2,030 MW of data center load

EYY defines the PLEXOS resource plan:
- E01 pertains to the 2030 PLEXOS resource plan associated with the LGMR fuel price scenario
- E02 pertains to the 2030 PLEXOS resource plan associated with the MGMR fuel price scenario
- E03 pertains to the 2030 PLEXOS resource plan associated with the HGMR fuel price scenario
- E04 pertains to the 2030 PLEXOS resource plan associated with the LGHR fuel price scenario
- E05 pertains to the 2030 PLEXOS resource plan associated with the HGLR fuel price scenario

ZZZZ defines the fuel price scenario:
- LGMR pertains to the Low Gas, Mid coal-to-gas ratio fuel price scenario

- MGMR pertains to the Mid Gas, Mid coal-to-gas ratio fuel price scenario
- HGMR pertains to the High Gas, Mid coal-to-gas ratio fuel price scenario
- LGHR pertains to the Low Gas, High coal-to-gas ratio fuel price scenario
- HGLR pertains to the High Gas, Low coal-to-gas ratio fuel price scenario

And C000 defines the carbon price (in all instances, carbon prices are assumed to be zero).

**KENTUCKY UTILITIES COMPANY**

**Response to the Joint Supplemental Data Requests of the Attorney General and Kentucky Industrial Utility Customers'**
**Dated July 31, 2025**

**Case No. 2025-00113**

**Question No. 52**

**Responding Witness: Shannon L. Montgomery / Charles R. Schram**

Q-52. Refer to the Companies response to AG-KIUC 1-115.

a. Provide the marginal prices ($/MWh) for KU-LGE system in each hour of the called event.

b. Provide the average price ($/MWh) of all KU-LGE system generation online and dispatched in each hour of the called event.

c. Provide the highest cost unit ($/MWh) of all KU-LGE system generation online and dispatched in each hour of the called event.

d. Provide the cost ($/MWh) and dispatch level (MW) of each unit on the KU-LGE system dispatched in each hour of the called events.

e. Provide the cost ($/MWh) and MW of each sale or purchase associated with each hour of the called event.

f. Provide a load and resource balance (MW) for each hour of the called events.

g. Provide the estimated CSR dispatch and avoided MW for each hour of the called event.

h. Provide the energy value the CSR program has provided for each of the events. Provide the workpapers comparing the buy-through rate compared to the otherwise billing rate and the incremental revenues received from the CSR program or the summary of actual billings under the CSR rate for these events.

A-52.

a. See attachment being provided in a separate file. The marginal energy costs in this file are the same as those reported in the Companies' FERC Form 714.

b. The Companies do not calculate an average hourly generation cost on either a unit or fleet level. See attachment being provided in a separate file for the Companies' full load dispatch costs by unit for each of the event months.

c. See attachment being provided in a separate file for the Companies' units' dispatch level by unit for each of the event hours. Also see the response to part (b).

d. See the responses to parts (b) and (c).

e. See attachment being provided in a separate file.

f. See attachment being provided as a separate file for the Companies' average hourly area control error (ACE) during the events. ACE represents the delta between the Companies' resource (generation, imports, etc.) and demand (load, sales, frequency support, etc.) obligations.

g. See the table below for the estimated CSR dispatch / avoided MW during the physical curtailment events. The Company has not analyzed buy-through option curtailment days.

| Year | Month | Day | Hour Beginning | LE (MW) | KU (MW) | Combined Company (MW) |
|---|---|---|---|---|---|---|
| 2022 | 12 | 23 | 11 | 30 | 110 | 139 |
| 2022 | 12 | 23 | 12 | 26 | 110 | 136 |
| 2022 | 12 | 23 | 13 | 26 | 111 | 137 |
| 2022 | 12 | 23 | 14 | 29 | 116 | 146 |
| 2022 | 12 | 23 | 15 | 35 | 114 | 150 |
| 2022 | 12 | 23 | 16 | 37 | 97 | 134 |
| 2022 | 12 | 23 | 17 | 35 | 105 | 140 |
| 2022 | 12 | 23 | 18 | 36 | 108 | 144 |
| 2022 | 12 | 23 | 19 | 31 | 118 | 149 |
| 2022 | 12 | 23 | 20 | 36 | 113 | 149 |
| 2022 | 12 | 23 | 21 | 38 | 125 | 163 |
| 2022 | 12 | 23 | 22 | 38 | 121 | 159 |
| 2022 | 12 | 23 | 23 | 36 | 116 | 152 |
| 2022 | 12 | 24 | 0 | 34 | 69 | 103 |
| 2022 | 12 | 24 | 1 | 33 | 80 | 113 |
| 2022 | 12 | 24 | 2 | 36 | 75 | 111 |
| 2022 | 12 | 24 | 3 | 40 | 82 | 123 |
| 2022 | 12 | 24 | 4 | 40 | 62 | 102 |
| 2022 | 12 | 24 | 5 | 38 | 63 | 101 |
| 2022 | 12 | 24 | 6 | 33 | 77 | 110 |
| 2022 | 12 | 24 | 7 | 29 | 44 | 73 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 2022 | 12 | 24 | 8 | 27 | 74 | 101 |
| 2022 | 12 | 24 | 9 | 24 | 75 | 99 |
| 2022 | 12 | 24 | 10 | 22 | 75 | 97 |
| 2022 | 12 | 24 | 11 | 36 | 74 | 110 |
| 2022 | 12 | 24 | 12 | 40 | 74 | 114 |
| 2022 | 12 | 24 | 13 | 38 | 45 | 83 |
| 2025 | 6 | 24 | 14 | 13 | 109 | 122 |
| 2025 | 6 | 24 | 15 | 14 | 89 | 103 |
| 2025 | 6 | 24 | 16 | 16 | 113 | 129 |
| 2025 | 6 | 24 | 17 | 17 | 126 | 143 |
| 2025 | 6 | 24 | 18 | 18 | 109 | 127 |
| 2025 | 6 | 24 | 19 | 28 | 122 | 150 |

h. See attachment being provided in a separate file.

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**Question No. 53**

**Responding Witness: Charles R. Schram**

Q-53. Refer to the Companies response to AG-KIUC 1-115.

a. Confirm that the 2 physical curtailment events in 2022 spanned approximately 24 hours (11:00 12/23/2022 through 14:00 12/24/2022).

b. Explain if the Company expects BESS capacity to be dispatchable continuously for 24 hour winter periods.

A-53.

a. Confirmed.

b. The Companies expect BESS to be dispatchable at any time when it is charged. BESS can be dispatched at full capacity for its designated duration (i.e., for 4 hours for a 4-hour battery) or for longer if dispatched only in part (e.g., for 8 hours if a 4-hour battery is dispatched at half capacity). In contrast to the current CSR tariff, BESS does not have annual limits on its dispatchability.

**KENTUCKY UTILITIES COMPANY**

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**Case No. 2025-00113**

**Question No. 54**

**Responding Witness: Charles R. Schram**

Q-54. Refer to the 2024 IRP, Volume 1, Tables 6-5, 8-2, 8-3, 8-19, and 8-20.

a. Confirm that the capacity need for the system is greater in the winter than in the summer.

b. Confirm that the Companies classify the 4 months (November -February as winter) and the rest as summer for planning purposes. If not, explain what definitions are used for reliability and capacity planning.

c. Explain how the Company derived the 110 MW of CSR capacity (Summer) and the 115 MW accreditation of CSR capacity (Winter).

A-54.

a. Confirmed. Although the Companies' annual peak load is forecasted to occur in the summer, because of the variability of winter low temperatures, the winter's higher reserve margin target typically results in a higher capacity need in the winter.

b. The Companies often see summer peak demands occur in August and winter peak demands occur in January. Because the load forecast is based on normal weather, the summer peak demands in the forecast occur in August and the winter peak demands in the forecast occur in January. Therefore, the referenced tables reflect January of each year shown for winter and August of each year shown for summer.

More generally, the Companies consider the six months of April through September to be summer and the remaining months to be winter when considering only two seasons. When considering four seasons, summer consists of June through August, winter consists of December through February, spring consists of March through May, and fall consists of September through November.

c. The seasonal CSR capacity estimates are derived by calculating average load by CSR customer during typical seasonal peak hours during the most recent summer and winter separately and then taking the difference between those calculated values and the CSR firm levels.[4] The CSR capacity estimate is the aggregation of these individual CSR customer differences. See also Exhibit CRS-7 at file path Generation_Forecast\ModelInputs\CONFIDENTIAL\Support\CSR\20240916_2025 BP Curtailable MWs by Customer.xlsx.

[4] Typical peak hours in the winter (January-February only; December is excluded due to potential impacts of holidays) include both morning (5 a.m. to 9 a.m.) and evening (5 p.m. to 9 p.m.), and typical peak hours in the summer (June-September) are afternoon only (2 p.m. to 5 p.m.).

**KENTUCKY UTILITIES COMPANY**

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**Question No. 55**

**Responding Witness: Lonnie E. Bellar**

Q-55. Refer to page III-8 of the LG&E depreciation study and the probable retirement year shown as 2028. Confirm that parties to the pending CPCN proceeding in Case 2025-00045 have signed and filed a settlement agreement with the Commission that addresses the continued operation of Mill Creek 2 at least through 2031 and possibly beyond 2031 as reflected in the following paragraphs of the agreement filed with the Commission in that case:

4.3. Mill Creek 2 Life Extension. The Parties agree that if the Utilities receive the necessary environmental approvals and the Commission's final order in this case affirms the Utilities' existing authority to delay Mill Creek 2's retirement until Mill Creek 6's in-service date, the Utilities will extend Mill Creek 2's life and continue to seek to maximize its value to customers as it does today, for instance, through economic dispatch and off-system sales.

4.5. Kentucky PSC Case No. 2025-00045 Stipulation Testimony Exhibit 1 Page 9 of 21 Analysis of Continued Operations of Mill Creek 2. As part of their 2027 Integrated Resource Plan filing, the Utilities will provide an analysis of the continued operation of Mill Creek 2 beyond 2031. If the analysis determines continued operation of Mill Creek 2 is economical, the Utilities will take the necessary steps to obtain the required approvals to allow Mill Creek 2 to operate beyond 2031. One of the required approvals would be obtaining Commission affirmation that the Utilities' existing Mill Creek 2 retirement authority would extend beyond the in-service date of Mill Creek 6. If such additional life extension would be economical and the Utilities were able to obtain all required approvals, all such life extension costs would be recovered through Adjustment Clause MC2.

A-55. Confirmed.