

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	)	CASE NO. 2025-00113
CERTAIN REGULATORY AND ACCOUNTING	)	
TREATMENTS	)	

RESPONSE OF
KENTUCKY UTILITIES COMPANY
TO
JOINT INTERVENORS KENTUCKIANS FOR THE COMMONWEALTH,
KENTUCKY SOLAR ENERGY SOCIETY, AND MOUNTAIN ASSOCIATION'S
SUPPLEMENTAL REQUESTS FOR INFORMATION

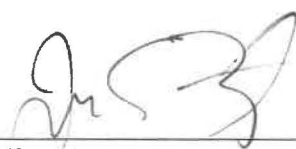
DATED JULY 31, 2025

FILED: AUGUST 12, 2025

VERIFICATION

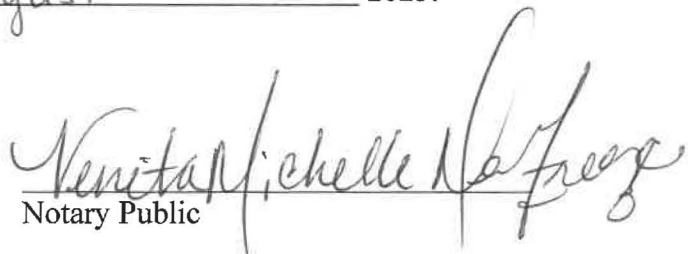
COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

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



John Bevington

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



Notary Public

Notary Public ID No. KYNP4577

My Commission Expires:

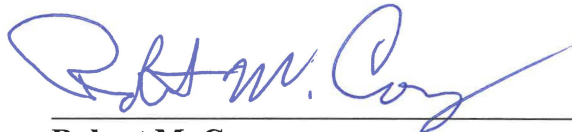
April 1, 2028



VERIFICATION

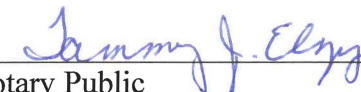
COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

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



Robert M. Conroy

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

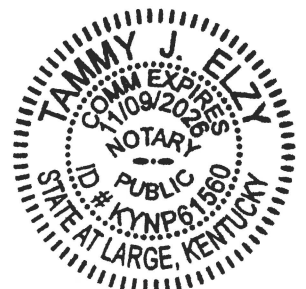


Notary Public

Notary Public ID No. KYNP61560

My Commission Expires:

November 9, 2026



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

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




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

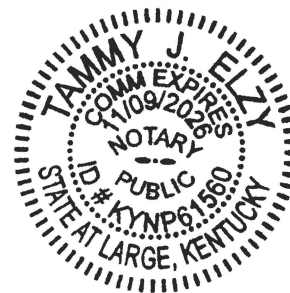
Subscribed and sworn to before me, a Notary Public in and before said County and State, this 11th day of August 2025.

Tammy J. Ely
Notary Public

Notary Public ID No. KYNP61560

My Commission Expires:

November 9, 2026



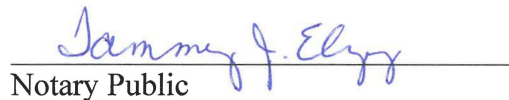
VERIFICATION

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

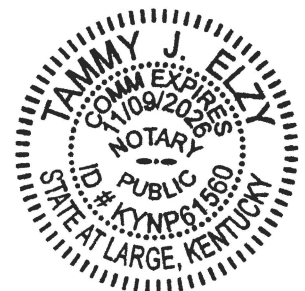
Subscribed and sworn to before me, a Notary Public in and before said County and State, this 11th day of August 2025.


Notary Public

Notary Public ID No. KYNP61560

My Commission Expires:

November 9, 2026



VERIFICATION

STATE OF VERMONT

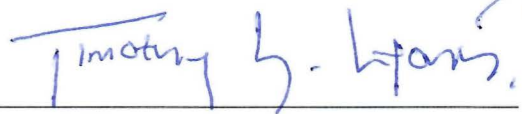
)

COUNTY OF CHITTENDEN

)

)

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



Timothy S. Lyons

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

(seal)



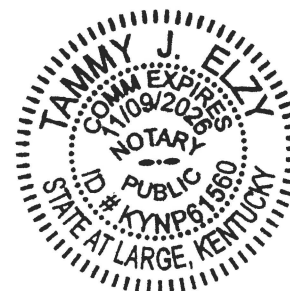

Notary Public Signature

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)


Shannon L. Montgomery

Sammy J. Elzy
Notary Public

November 9, 2026



VERIFICATION

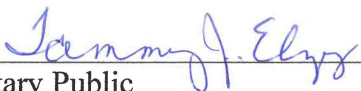
COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

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



Peter W. Waldrab

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

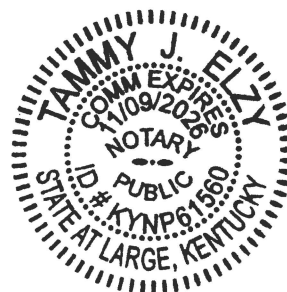


Notary Public

Notary Public ID No. KYNP61560

My Commission Expires:

November 9, 2026



KENTUCKY UTILITIES COMPANY

**Response to Joint Intervenors Kentuckians for the Commonwealth, Kentucky Solar
Energy Society, and Mountain Association's Supplemental Requests for
Information**

Dated July 31, 2025

Case No. 2025-00113

Question No. 2.1.

Responding Witness: Michael E. Hornung

- Q-2.1. Please refer to the Company's response to Sierra Club Request 1-6 and confirm whether the Company evaluated the Kentucky Power Company's revisions to Tariff I.G.S. as approved in Case No. 2024-00305 prior to filing its application in this proceeding. If the Company did not evaluate the Kentucky Power Company's revisions to Tariff I.G.S. prior to filing its application in this proceeding, confirm whether the Company has since evaluated the referenced Tariff I.G.S. revisions.
- A-2.1. Yes, the Company reviewed Kentucky Power Company's revisions to Tariff I.G.S. as approved in Case No. 2024-00305 prior to filing its application in this proceeding.

KENTUCKY UTILITIES COMPANY

Response to Joint Intervenors Kentuckians for the Commonwealth, Kentucky Solar Energy Society, and Mountain Association's Supplemental Requests for Information

Dated July 31, 2025

Case No. 2025-00113

Question No. 2.2.

Responding Witness: Michael E. Hornung

- Q-2.2. Please explain the process that would apply for an EHLF rate customer to continue taking service under the EHLF rate after the customer's Initial Contract Term. For instance, would the customer extend its initial contract or sign a separate contract with a new Initial Contract Term?
- a. Please also explain what proposed provisions under the EHLF rate would apply to a customer continuing to take service under the EHLF rate after the customer's Initial Contract Term.
 - b. Please refer to the Company's response to Staff Request 2-6. If a customer continues taking service under the EHLF rate after the Initial Contract Term, clarify whether and how the exit fee requirement would apply upon early termination of any extended or additional contract under the EHLF rate. To the extent that the Company proposes that the exit fee requirement would not apply in such a scenario, provide the Company's basis for the Company's proposal.
- A-2.2. A customer taking service under rate EHLF would have their Electric Service Agreement continue beyond the initial 15-year term or sign a new agreement should any customer circumstances change.
- a. All terms and conditions outlined in the proposed EHLF tariff would continue to apply except for the exit fee obligation as the customer would have already met their initial commitment.
 - b. See the response to part (a).

KENTUCKY UTILITIES COMPANY

Response to Joint Intervenor Kentuckians for the Commonwealth, Kentucky Solar Energy Society, and Mountain Association's Supplemental Requests for

Information

Dated July 31, 2025

Case No. 2025-00113

Question No. 2.3.

Responding Witness: Michael E. Hornung

Q-2.3. In the case of multi-tenant data center developments, also known as colocated data centers, please explain which entity or entities the Company would expect to enter into an Electric Service Agreement utilizing the EHLF rate. For example, in the case of Poe Companies and PowerHouse Data Centers' possible data center development, would the Company expect that either or both project developers (Poe Companies and/or PowerHouse) would execute Electric Service Agreement(s) for the entire facility (at 100% of the requested service level), or would the Company expect that each individual tenant of a multi-tenant data center development would separately execute an Electric Service Agreement utilizing the EHLF rate?

- a. If the Company expects that, in the case of multi-tenant data center facilities, "the customer" would be the facility developer(s) or owner(s), please state whether that could impact the ability of an individual tenant at that facility to:
 - i. Participate in a Company-sponsored demand-side management program;
 - ii. Own and operate qualifying facilities;
 - iii. Enroll in the Company's Green Tariff options;
 - iv. Participate in the Company's Solar Share Program.
- b. For each of the four activities specified in subpart (a) where the Company answers in the affirmative, please also identify and explain each possible impact to the individual tenant if the Company's direct "customer" was the facility developer(s) or owner(s).

A-2.3. Consistent with Commission regulations,¹ the Company expects to enter into an Electric Service Agreement with each metered customer under the appropriate

¹ See, e.g., See 807 KAR 5:041 Sec. 9(2) ("The utility shall regard each point of delivery as an independent customer and meter the power delivered at each point."); 807 KAR 5:046 Sec. 3 ("Exclusions. Individual

tariff rate (or to enter into a special contract if that is the more appropriate approach under the circumstances). On the hypothetical posed, each metered tenant would be a customer of the Company; any non-metered tenant would not be. See the response to PSC 3-4.

- a. i.-iv. See the response above. Customers who satisfy the Availability requirements of the cited tariff provisions may participate in such offerings; non-customers may not (with the exception of qualifying facilities, concerning which the Company's purchase obligations are not contingent on customer status).
- b. See the response to part (a).

unit metering will not be required for: ... (2) Commercial unit spaces where the commercial unit space requirements are subject to alteration with a change in tenants as evidenced by temporary versus permanent type of wall construction[;] (3) Electricity used in central heating, ventilating, and air conditioning systems.”).

KENTUCKY UTILITIES COMPANY

**Response to Joint Intervenors Kentuckians for the Commonwealth, Kentucky Solar
Energy Society, and Mountain Association's Supplemental Requests for
Information**

Dated July 31, 2025

Case No. 2025-00113

Question No. 2.4.

Responding Witness: Michael E. Hornung

- Q-2.4. Please refer to the Company's response to Joint Intervenor Request 1.163, which states that "[t]he customer will supply the Company with the expected average monthly load factor based on estimated future demand and energy needs." Please explain who the Company would expect "the customer" to be in the case of a multi-tenant data center facility (i.e., would the owner or developer of a multi-tenant data center facility, or each individual tenant, be "the customer" supplying expected average monthly load factor).
- A-2.4. See the response to Question No. 2.3.

KENTUCKY UTILITIES COMPANY

Response to Joint Intervenor Kentuckians for the Commonwealth, Kentucky Solar Energy Society, and Mountain Association's Supplemental Requests for

Information

Dated July 31, 2025

Case No. 2025-00113

Question No. 2.5.

Responding Witness: Michael E. Hornung

Q-2.5. Refer to the Company's response to Joint Intervenor Request 1.166, which states that "[t]he Company will manage customers' ramp-up periods by implementing minimum billing and provisions outlined in the Electric Service Agreement, effective from the agreement's ramp schedule commencement dates. This is to allow flexibility between customer projects that could vary in size and complexity."

- a. Please provide the Company's anticipated range of potential ramp-up period lengths and ramp rates, along with the anticipated range of potential minimum billing that would apply during ramp-up periods, for customers under the EHLF rate.
- b. Please explain each of the ways in which the Company believes that EHLF rate customer projects will vary in complexity.
- c. Please explain whether the Company would expect a multi-tenant data center facility to share a single ramp schedule, or would each individual tenant need or prefer its own distinct ramp schedule.
- d. Explain in detail the "minimum billing and provisions" referenced in your response that would apply during the ramp-up periods.
- e. Identify and produce any model or proposed version of the Electric Service Agreement referenced in your response.

A-2.5.

- a. The Company does not have information in order to perform this analysis as this would be customer specific.
- b. As used in the quoted text, "complexity" includes any factors that might affect a customer's ramping, e.g., site-related issues or equipment procurement and installation issues.

- c. See response to Question No. 2.4.
- d. This means all provisions of Rate EHLF, including the monthly billing demand provisions that ensure the minimum billing demand will be 80% of the then-applicable contract capacity.
- e. No model or proposed Electric Service Agreement for Rate EHLF exists.

KENTUCKY UTILITIES COMPANY

**Response to Joint Intervenors Kentuckians for the Commonwealth, Kentucky Solar
Energy Society, and Mountain Association's Supplemental Requests for
Information**

Dated July 31, 2025

Case No. 2025-00113

Question No. 2.6.

Responding Witness: Michael E. Hornung

- Q-2.6. Please refer to Joint Intervenor Request 1-170(a). To the extent not already produced, please explain all assumptions used for the provided revenue analysis for a hypothetical 402 MW customer.
- a. Please also confirm that the Company has not produced any analysis regarding expenses to serve this hypothetical 402 MW customer or net income or profit related to the hypothetical customer. To the extent not confirmed, produce that analysis and all associated workpapers, inputs, and assumptions.
- A-2.6. All of the assumptions have been provided in the spreadsheet.
- a. Confirmed.

KENTUCKY UTILITIES COMPANY

Response to Joint Intervenors Kentuckians for the Commonwealth, Kentucky Solar Energy Society, and Mountain Association's Supplemental Requests for Information

Dated July 31, 2025

Case No. 2025-00113

Question No. 2.7.

Responding Witness: Michael E. Hornung

Q-2.7. Please refer to the Company's response to Joint Intervenor Requests 1.170(b) (stating that no analysis of EHLF customers' possible impact to the Company's expenses has been performed) and 1.159(f) (stating that "EHLF rate was created to be revenue neutral with the RTS rate by consolidating RTS time-of-day demand rates into a single rate," inter alia).

- a. Please explain the intended meaning of "revenue neutral with the RTS rate" as used in response to Joint Intervenor Request 1.159(f).
- b. If the Company has not undertaken a study of the expenses it would undertake to serve an EHLF rate eligible customer, please explain the Companies' empirical basis for determining that rate EHLF should be designed to be revenue neutral with respect to the RTS rate.

A-2.7.

- a. Rate EHLF is the same rate as Rate RTS, i.e., the sum of three time-differentiated Rate RTS Maximum Load Charges equals the single Maximum Load Charge for Rate EHLF, and the two rate schedules have the same Basic Service and Energy Charges. Mathematically, a customer with a load factor of 80% or higher and with the same energy usage would pay the same amount under either rate schedule.
- b. Service under Rates RTS and EHLF is identical: retail electric service at the transmission level, with substation facilities and costs being the customer's responsibility. Therefore, it is reasonable for the rates to be revenue-neutral at this time, particularly because the Company does not currently have any customers taking service at Rate EHLF-comparable levels. That being said, the Company will seek to recover its embedded cost under its traditional rate-making methodologies, including appropriately allocating costs to Rate EHLF customers in future rate cases.

KENTUCKY UTILITIES COMPANY

**Response to Joint Intervenors Kentuckians for the Commonwealth, Kentucky Solar
Energy Society, and Mountain Association's Supplemental Requests for
Information**

Dated July 31, 2025

Case No. 2025-00113

Question No. 2.8.

Responding Witness: Michael E. Hornung

- Q-2.8. Refer to the Direct Testimony of Michael Hornung at p. 4 lines 8-19. State whether the Company will require all new customers with a contract capacity greater than 100 MVA and an average monthly load factor above 85% to take service under rate EHLF. If not:
- a. Explain why not.
 - b. Identify what other types of rates or special contracts such customers could be allowed to take service under.
 - c. State whether the Company will commit to ensuring that at least the same level of protections for other customers as are provided under rate EHLF will apply to such new customers that are not required to take service under rate EHLF. If so, how would such level of protections be achieved?
- A-2.8. Yes, all new customers who meet the tariffed availability requirements will take service under Rate EHLF.
- a.-c. Not applicable.

KENTUCKY UTILITIES COMPANY

Response to Joint Intervenors Kentuckians for the Commonwealth, Kentucky Solar Energy Society, and Mountain Association's Supplemental Requests for Information

Dated July 31, 2025

Case No. 2025-00113

Question No. 2.9.

Responding Witness: Michael E. Hornung

Q-2.9. Refer to the Direct Testimony of Michael Hornung at p. 7 lines 14-19.

- a. Explain in detail the basis for setting the minimum demand charge ratchet at 80% of contract capacity, instead of a higher percent such as 85 or 90 including production of supporting workpapers, if any.
- b. Explain in detail the basis for setting the required contract term at 15 years, instead of a higher length such as 20 years, including production of supporting workpapers, if any.

A-2.9.

- a. The Company's monthly minimum demand charge of 80% of contract demand applicable during each billing period is appropriate for a rate schedule with an 85% average monthly load factor eligibility requirement; one would expect a degree of month-to-month variation around the 85% average monthly load factor, and the 80% minimum contract demand charge provides a reasonable floor for that variation. See the Company's responses to JI 1-159(a) and Sierra Club 1-6.
- b. The Company determined a 15-year contract term was reasonable based on its review of certain other utilities' data center rates, tariff provisions, and agreements. See the Company's responses to JI 1-159(b) and Sierra Club 1-6.

KENTUCKY UTILITIES COMPANY

**Response to Joint Intervenors Kentuckians for the Commonwealth, Kentucky Solar
Energy Society, and Mountain Association's Supplemental Requests for
Information**

Dated July 31, 2025

Case No. 2025-00113

Question No. 2.10.

Responding Witness: Michael E. Hornung

Q-2.10. Refer to your response to Joint Intervenors Request 1.160. State whether the 15-year contract term for EHLF customers includes the load ramp period.

- a. If so, identify the maximum length of such ramp period that would be allowed.
- b. If not, identify and explain what terms and conditions of service would apply to the customer during the ramp period.

A-2.10. Yes, the 15-year contract term for Rate EHLF customers includes the load ramp period.

- a. The ramp length will be determined on a case-by-case basis through negotiations between the customer and Company to ensure all project milestones are achieved by both parties.
- b. Not applicable.

KENTUCKY UTILITIES COMPANY

**Response to Joint Intervenors Kentuckians for the Commonwealth, Kentucky Solar
Energy Society, and Mountain Association's Supplemental Requests for
Information**

Dated July 31, 2025

Case No. 2025-00113

Question No. 2.11.

Responding Witness: Michael E. Hornung

Q-2.11. Refer to your response to Direct Testimony of Michael Hornung at p. 7 lines 19-23.

- a. Explain how the “more than \$100 million” collateral amount was calculated, and produce any workpapers used in such calculation.
- b. Explain how the “about \$1.1 billion” 15-year minimum demand charge obligation was calculated, and produce any workpapers used in calculating that amount.

A-2.11.

- a. See the attachment provided in the response to JI 1-170(a).
- b. See the attachment provided in the response to JI 1-170(a).

KENTUCKY UTILITIES COMPANY

**Response to Joint Intervenors Kentuckians for the Commonwealth, Kentucky Solar
Energy Society, and Mountain Association's Supplemental Requests for
Information**

Dated July 31, 2025

Case No. 2025-00113

Question No. 2.12.

Responding Witness: John Bevington

Q-2.12. Refer to your response to LFUCG Request 1.53. State whether the Company has taken steps to inform potential EHLF customers of the opportunity to participate in the Solar Share Program.

a. If so, identify each such step that the Company has taken and produce any documentation of the same.

b. If not, explain why not.

A-2.12. See the response to LFUCG 2-15.

a. No potential EHLF customer that the Companies have mentioned the Solar Share Program have requested further information on the program as of the date of this response.

b. Not applicable.

KENTUCKY UTILITIES COMPANY

Response to Joint Intervenor Kentuckians for the Commonwealth, Kentucky Solar Energy Society, and Mountain Association's Supplemental Requests for

Information

Dated July 31, 2025

Case No. 2025-00113

Question No. 2.13.

Responding Witness: Michael E. Hornung

Q-2.13. Refer to the proposed EHLF tariff at p. 35 of Attachment to Filing Requirement Tab 4, and to 55-2025_JI_DR1_KU_Attach_to_Q170a_-_Data_Center_Rev_Analysis.

- a. State whether the Capacity Reduction Fee identified in the proposed EHLF tariff could be calculated for the hypothetical 402 MW customer from the data provided in the referenced attachment produced in response to Joint Intervenor Request 1.170(a).
 - i. If so, identify each column of data from the attachment that would be included in calculating that Fee.
 - ii. If not, identify what the Fee would be for the hypothetical 402 MW customer and explain how that Fee was calculated.
- b. State whether the Exit Fee identified in the proposed ELHF tariff could be calculated for the hypothetical 402 MW customer from the data provided in the referenced attachment produced in response to Joint Intervenor Request 1.170(a).
 - i. If so, identify each column of data from the attachment that would be included in calculating that Exit Fee.
 - ii. If not, identify what the Exit Fee would be for the hypothetical 402 MW customer, and explain how that Exit Fee was calculated.
- c. Explain what each of the numbers in row 3, columns M through U of the referenced attachment produced in response to Joint Intervenor Request 1.170(a) represent, and explain how they were calculated.

A-2.13.

- a. Yes, the Capacity Reduction Fee identified in the proposed EHLF tariff could be calculated for the hypothetical 402 MW customer from the data provided in the referenced attachment produced in response to JI 1.170(a).
 - i. Columns M, N, O, P, S, T, and (Q less U) with adjusted Column F to reflect delta in load levels and calculated for the remaining months of the initial term of the contract.
 - ii. Not applicable.
- b. Yes, the Exit Fee identified in the proposed EHLF tariff could be calculated for the hypothetical 402 MW customer from the data provided in the referenced attachment produced in response to JI 1.170(a).
 - i. Columns M, N, O, P, S, T, and (Q less U) for remaining months of the initial term of the contract.
 - ii. Not applicable.
- c. Columns M through Q represent the LG&E RTS charges at the time the analysis was produced (April 2025). Columns R through T represent the LG&E Billing Adjustment rates for March 2025. Column U reflects the LG&E base fuel factor in April 2025.

KENTUCKY UTILITIES COMPANY

Response to Joint Intervenors Kentuckians for the Commonwealth, Kentucky Solar Energy Society, and Mountain Association's Supplemental Requests for Information

Dated July 31, 2025

Case No. 2025-00113

Question No. 2.14.

Responding Witness: Michael E. Hornung

Q-2.14. Please refer to the Company's tariff sheets in Tab 4 of the initial filing, and specifically Sheet 6, RTOD-Energy, and:

- a. Explain how the Company determined the "Off-Peak" and "On-Peak" hours for both the "Summer Months" and "All Other Months";
- b. Provide any supporting documentation or analysis, including workpapers in native machine-readable format.

A-2.14.

- a. For "All Other Months," the Companies added an evening winter peak (6:00 p.m. to 10:00 p.m.) to their existing morning winter peak time and revised the morning winter peak time to 6:00 a.m. to 10:00 a.m. in the 2020 Rate Case. The changes reflected the operational reality that the Companies typically experience two peak demand periods during winter days. See the 2020 Rate Case Direct Testimony of Robert Conroy on page 22, lines 3-6.

For "Summer Months," the "On-Peak" and "Off-Peak" hours were determined in the 2014 Rate Case when the LEV rate ("Low Emission Vehicle") was replaced and broadened to the current RTOD-E and RTOD-D rates. At the time, the months included in the winter and summer periods were consistent with the months included in the winter and summer periods in the commercial and industrial time-of-day rates. See the 2014 Rate Case Direct Testimony of Dr. Martin Blake on pages 23-27.

- b. See the response to part (a).

KENTUCKY UTILITIES COMPANY

**Response to Joint Intervenors Kentuckians for the Commonwealth, Kentucky Solar
Energy Society, and Mountain Association's Supplemental Requests for
Information**

Dated July 31, 2025

Case No. 2025-00113

Question No. 2.15.

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

Q-2.15. State whether any standard or model Electric Service Agreement for EHLF customers has been created. If so, produce the same. If not, identify when the Company anticipates creating such standard or model agreement.

A-2.15. No such document exists. This will be created when a potential end-use customer eligible for Rate EHLF requests service.

KENTUCKY UTILITIES COMPANY

**Response to Joint Intervenors Kentuckians for the Commonwealth, Kentucky Solar
Energy Society, and Mountain Association's Supplemental Requests for
Information**

Dated July 31, 2025

Case No. 2025-00113

Question No. 2.16.

Responding Witness: Michael E. Hornung

Q-2.16. Please refer to the Company's tariff sheets in Tab 4 of the initial filing, and specifically Sheet 7, RTOD-Demand, and:

- a. Explain how the Company determined the "Peak" hours for both the "Summer Months" and "All Other Months";
- b. Provide any supporting documentation or analysis, including workpapers in native machine-readable format.

A-2.16.

- a. See the response to Question No. 2.14.
- b. See the response to Question No. 2.14.

KENTUCKY UTILITIES COMPANY

**Response to Joint Intervenor Kentuckians for the Commonwealth, Kentucky Solar
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Information**

Dated July 31, 2025

Case No. 2025-00113

Question No. 2.17.

Responding Witness: John R. Crockett III

Q-2.17. Please refer to Company's response to Joint Intervenor Request 1-53, and respond to the following:

- a. Do the companies acknowledge that affordability of rates is not only a function of the electricity rate, but also of customer ability to pay, for example, residential customer income level or revenue expectations of commercial and industrial customers? If not, please explain why not.
- b. Is the Company aware Kentucky household income falls below the national median income?²

A-2.17.

- a. The Companies acknowledge that a customer's ability to pay impacts the affordability of electric service. Other factors such as housing conditions, climate, and individual household circumstances all contribute to the affordability of a customer's service. Moreover, fixed-income households, rural customers, renters, and individuals with disabilities may experience affordability challenges that are not fully captured by income-based metrics alone. As noted in Mr. Crockett's testimony, the Companies serve customers at the lowest reasonable cost and have implemented a variety of programs to support customers who may face financial hardship, including those with low or fixed incomes.
- b. Yes.

² See, e.g., <https://worldpopulationreview.com/state-rankings/median-household-income-by-state>

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Dated July 31, 2025

Case No. 2025-00113

Question No. 2.18.

Responding Witness: Michael E. Hornung

Q-2.18. Please refer to Hornung Direct, page 18-19. How do the companies square the decision to exclude jobs benefits in net metering rate calculations with the Commission's Sept. 24, 2021 Order in Case Nos. 2020-00349 and 2020-00350 at pages 57-58: "The Commission directs LG&E/KU to evaluate job benefits and economic development as an export rate component for LG&E/KU's next rate case filing"?

A-2.18. The cited testimony fully explains the Company's reasoning. The Company did not propose an NMS-2 rate component related to jobs benefits because such benefits are outside the Commission's jurisdiction.³ Also, on October 11, 2024,

³ *EnviroPower, LLC v. Public Service Commission of Kentucky*, 2007 WL 289328 at *4 (Ky. App. 2007) (not to be published) ("First, there is the statutory limitation under KRS 278.040(2) that the person seeking intervention must have an interest in the 'rates' or 'service' of a utility, since those are the only two subjects under the jurisdiction of the PSC."); *The 2011 Joint Integrated Resource Plan of Louisville Gas and Electric Company and Kentucky Utilities Company*, Case No. 2011-00140, Order at 4 (Ky. PSC July 8, 2011) ("[I]ssues of environmental externalities, such as air and water pollution from generating electricity and mining fuel to supply the generating plants, are all issues beyond the scope of the Commission's jurisdiction."); *The 2008 Joint Integrated Resource Plan of Louisville Gas and Electric Company and Kentucky Utilities Company*, Case No. 2008-00148, Order at 5-6 (PSC Ky. July 18, 2008) ("Notably absent from the Commission's jurisdiction are environmental concerns, which are the responsibility of other agencies within Kentucky state government."); *Electronic Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for Review, Modification, and Continuation of Certain Existing Demand-Side Management and Energy Efficiency Programs*, Case No. 2017-00441, Order at 28-29 (Oct. 5, 2018) (emphasis added; internal citation to KRS 278.040(2)):

KRS Chapter 278 creates the Commission as a statutory administrative agency empowered with "exclusive jurisdiction over the regulation of rates and service of utilities." *The Commission has no jurisdiction over environmental impacts, health, or other non-energy factors that do not affect rates or service. Lacking jurisdiction over these non-energy factors, the Commission has no authority to require a utility to include such factors in benefit-cost analyses of DSM programs.* As LG&E/KU correctly note, it does not follow from their citing in 2014 of the potential avoidance of environmental compliance costs in rates in support of the construction of a 10 MW solar facility that the Commission has jurisdiction in a DSM case to require an analysis of non-energy criteria such as environmental and health factors that have no impact on rates.

the Commission approved net metering rates for Duke Energy Kentucky that did not include a jobs benefit component.⁴ The Company further states it is unaware of any Commission-jurisdictional evidence to support a non-zero jobs benefit component of the Rider NMS-2 compensation rate.

But see, e.g., Case Nos. 2020-00349 and 2020-00350, Order at 57-58 (Ky. PSC Sept. 24, 2021).

⁴ *Electronic Application of Duke Energy Kentucky, Inc. for an Adjustment to Rider NM Rates and for Tariff Approval*, Case No. 2023-00413, Order at 13 and 43-44 (Ky. PSC Oct. 11, 2024), *rehearing denied* Case No. 2023-00413, Order at 9 and 12 (Ky. PSC Nov. 20, 2024).

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Dated July 31, 2025

Case No. 2025-00113

Question No. 2.19.

Responding Witness: Shannon L. Montgomery

- Q-2.19. Please refer to the Company's responses to JI 1-74 and 75, stating "The Company does not have a business reason to maintain data in regards to the socio-economic status of the customer." Given the Company is granted a monopoly to provide an essential public service, do they not believe that to fulfill that obligation to all customers, they should make reasonable efforts to understand the basis for non-payment of bills?
- A-2.19. The Company understands there are several reasons customers do not make payments and meets regularly with low-income advocacy agencies to further understand challenges of low-income customers. Several programs are in place to provide assistance such as FLEX payments, payment plans, budget billing, tools for energy management and intramonth monitoring, and income-qualified energy efficiencies programs. In addition, as part of this filing, the Company is seeking approval to waive convenience fees paid by customers at walk-in centers and to provide a prepay option giving customers another way to manage energy spend.

KENTUCKY UTILITIES COMPANY

Response to Joint Intervenor Kentuckians for the Commonwealth, Kentucky Solar Energy Society, and Mountain Association's Supplemental Requests I for

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Dated July 31, 2025

Case No. 2025-00113

Question No. 2.20.

Responding Witness: Robert M. Conroy / Michael E. Hornung

Q-2.20. Refer to the response to JI 1-107, which confirms that if approved, the Company's proposed NMS-2 rates will apply for existing NMS-2 customers whose generators began service after September 24, 2021, resulting in those customers seeing their dollar-denominated bill credit drop from \$0.07534/kWh to \$0.03859/kWh.

- a. Please explain how, in the Company's view, this roughly 48% reduction in the dollar-denominated bill credit is consistent with the principle of gradualism.
- b. Please explain how, in the Company's view, this roughly 48% reduction in the dollar-denominated bill credit for existing NMS-2 customers is consistent with the public interest in affording reasonable certainty regarding an ensured rate of return for customer-generators' investments?

A-2.20.

- a. The Company is aware of the Commission's recognition of the ratemaking principle of gradualism in the context of rates customers pay, particularly with regard to revenue allocation. The Company is unaware of the Commission applying gradualism in the context of what utilities pay customer-generators or any other provider of goods or services.

Also, the Company has an obligation to all customers—who must pay for the energy NMS-2 customers produce—to ensure the compensation rate is consistent with safe and reliable service at the lowest reasonable cost. Therefore, the Company has proposed a Rider NMS-2 compensation rate the Company believes is consistent with reasonable avoided costs, not more.

Finally, any NMS-2 customer-generator who desires to obtain long-term pricing certainty may do so by entering into a PPA under Rider SQF instead.

- b. The Company is unaware of any applicable authority supporting such a public interest. It does not appear in Kentucky's net metering statutes, and the

Company is unaware of any Commission Order asserting a “public interest in affording reasonable certainty regarding an ensured rate of return for customer-generators’ investments.”

Also, as noted in the response to part (a), any NMS-2 customer-generator who desires to obtain long-term pricing certainty may do so by entering into a PPA under Rider SQF instead.

KENTUCKY UTILITIES COMPANY

Response to Joint Intervenor Kentuckians for the Commonwealth, Kentucky Solar Energy Society, and Mountain Association's Supplemental Requests for Information

Dated July 31, 2025

Case No. 2025-00113

Question No. 2.21.

Responding Witness: Shannon L. Montgomery

Q-2.21. Please refer to the response to JI 1-93–96, and respond to the following requests:

- a. State the actual total number of Company live agents.
- b. Specify the typical number of live agents available each day of the week on an hourly or shift basis (if provided on a shift basis, please specify how shifts are structured each day of a typical week as part of your response).
- c. Are Company live agents equipped to answer all inquiries related to LIHEAP assistance, reconnection services, notices of disconnection, payment plans, WeCare program offerings, etc.? Please explain.

A-2.21.

- a. As of Monday, August 4, 2025, the Companies have 189 call center live agents supporting LG&E and KU.
- b. Most live agents are scheduled for customer service business hours 7 AM to 7 PM Eastern Monday through Friday with 2-3 live agents staffed at any time after hours for outage and reconnect calls.

As of Monday, August 4, 2025, 126 live agents are on first shift, 56 are on second shift, and 7 work third shift and/or weekends.

- c. Yes, the Companies' live agents are trained to handle all requests from customers. Our employees go through an extensive training program to ensure they are fully skilled and can assist customers with their inquiries.

KENTUCKY UTILITIES COMPANY

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Dated July 31, 2025

Case No. 2025-00113

Question No. 2.22.

Responding Witness: Shannon L. Montgomery

Q-2.22. Regarding closure of the Company's offices:

- a. Please provide the number of customer calls to the Company on a monthly basis from January 2022 to June 2025, or the most recent month available.
- b. Please provide the actual and projected expenses avoided by closing physical office locations.
- c. Please explain whether and how the expenses identified in response to subpart (b) have been reallocated? In your response, please specify each investment made in digital infrastructure, staffing, customer service enhancements, or outreach programs.
- d. Since the closures, have you expanded your live agent workforce? If so, what is the percentage increase in live agent staffing compared to pre-closure levels?
- e. What is the current average response time for email and phone inquiries for the live agents?
- f. For individuals without access to a phone or internet services, what alternative methods are available to obtain information or receive assistance?
- g. Please list the available payment methods for bill payment at third party locations.
- h. Confirm if third party locations accept the Healthy Benefits+ Medicaid card for energy bill payment.

A-2.22.

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

- b. Actual expenses avoided (costs in the last test year) by closing the physical offices were \$7,367,090 for total KU. The closure of the Companies' business offices is one of the Companies' many efficiency measures to manage affordability for our customers. Projected expenses avoided will be impacted by the response in part (c).
- c. If approved, projected expenses avoided would be reduced by covering the fees associated with cash payments made via third-party payment locations. The projected cost of covering these fees is \$189,000.
- d. No, the Companies have not expanded their call center live agent workforce since the closures. The call center live agent average staffing for February 2023 was 189 live agents, the same as it is currently.
- e. For June 2025, average response time for emails was 6 hours and 13 minutes (excludes non-business hours). The average response time for phone calls was 94 seconds.
- f. Customers needing to obtain information related to receiving assistance can go to our Low-Income Agency partners (i.e. Community Action of Kentucky or Association of Community Ministries). Disconnection notices for non-payment include information regarding services to contact for possible assistance that do not require a phone or internet services.
- g. Cash is the only payment method accepted at third party payment locations.
- h. No. See the response to part (g).

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Response to Joint Intervenor Kentuckians for the Commonwealth, Kentucky Solar Energy Society, and Mountain Association's Supplemental Requests for

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Dated July 31, 2025

Case No. 2025-00113

Question No. 2.23.

Responding Witness: Robert M. Conroy / Shannon L. Montgomery

Q-2.23. Please refer to the Company's response to JI 1-150, and respond to the following:

- a. Are third party vendors equipped to answer questions related to LIHEAP assistance, reconnection services, notices of disconnection, payment plans, WeCare program offerings, etc.?
- b. The Company proposes in this base rate case to "cover the cost of cash payments after this rate case if approved". How does the proposal address the service gap left by the closure of in-person offices, particularly for customers who prefer or require face-to-face communication for account resolution, program enrollment, or billing questions?
- c. If the Company states that it has no control over third-party payment processing fees, how is it proposing to waive those fees under the current rate case? Please clarify the mechanism by which the Company would absorb or offset these fees, despite indicating they are set and collected by an independent third-party vendor.
- d. According to available figures in the Company's response, third-party vendors collected \$709,653.75 in fees at a rate of \$1.95 per transaction, indicating a minimum of approximately 363,925 transactions between April 2023 and May 2025. According to provided records, third party transactions increased in both 2024 and 2025 compared to the same periods in 2023.
 - i. Does the amount of transactions demonstrate ongoing demand for in-person or assisted payment options? Please explain why or why not, and supporting analysis for the Company's view(s), if any.
 - ii. Has the Company evaluated whether opening an in-person office is warranted to meet customer needs, particularly for those facing digital or financial barriers? If so, please describe each such evaluation process (or methodology), including timing and individuals involved, and produce related reports, studies, memoranda, meeting minutes or other

documentation of evaluation process, progress, outcomes, and next steps, if any.

- iii. Given that third-party payment processing fees (e.g., \$1.95 per transaction) are paid by customers in order to remit payment to the utility, does the Company consider these fees to be functionally equivalent to a rate increase for affected customers? Please explain the Company's view.
- iv. If these charges are a condition of paying in person, should they not be subject to Public Service Commission approval? Please explain the Company's view on why or why not.

A-2.23.

- a. No.
- b. This would allow customers to make cash payments without having to pay a fee at one of our partner payment locations. These offer customers additional convenience, since there are many more third-party retailers than business office locations.

For customers looking for additional support, many convenient options are available including our contact center and self-service options including our mobile app and My Account, most with availability outside of the hours that our business offices were open. The Company made it easier for customers to pay at third party retailers using an account barcode. Additionally, customers can work directly with the low-income agencies that work closely with the Company and offer advice about programs and services that customers can take advantage of.

- c. The vendor will invoice the Company for cash transactions, which the Company requests be recovered through base rates. As stated in Ms. Montgomery's direct testimony at page 15, lines 10-15, the Company proposes to offset some of the savings from the closure of the business offices with the coverage of the convenience fee for cash payments at third-party retailers.
- d.
 - i. Before business offices closed, options for walk-in cash payments were expanded, providing more locations for customers to consider. Because customers elect to make cash payments at walk-in centers, the Company believes it is the preferred payment method for some customers.
 - ii. The Companies evaluated the performance of our business office locations as part of our decision to close our walk-in centers. See the

testimony of Ms. Montgomery, page 11, line 22 through page 13, line 2. The Companies monitored customer transactions following the closure of the business offices and observed former in-person customers using self-service channels such as our mobile app and website to perform transactions. The Companies also observed them transition to the other convenient payment options that we offer, both in-person and online.

- iii. No. The convenience fees paid at third-party walk-in centers are not new, and the fee charged is set and collected by the vendor. This payment option, i.e., the ability to pay Company bills at third-party walk-in centers, has been offered since at least 2009. This was introduced as a convenience option providing customers more locations to make payments.
- iv. The convenience fees at third-party walk-in centers have not changed. The Company has requested Commission approval for waiving these fees in this proceeding.

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Response to Joint Intervenor Kentuckians for the Commonwealth, Kentucky Solar Energy Society, and Mountain Association's Supplemental Requests for

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Dated July 31, 2025

Case No. 2025-00113

Question No. 2.24.

Responding Witness: Andrea M. Fackler / Timothy S. Lyons / Shannon L. Montgomery

Q-2.24. Please answer the following requests with respect to customer payment methods and related costs:

- a. Provide, or identify where already stated in the record, the historic test year and forecast test year costs for processing electric bill payments, including but not limited to payments by credit card.
- b. Please explain the Company's methodology for recovering the costs for processing electric bill payments. To the extent that allocations may vary depending on the particular rate used by a residential, commercial, or industrial customer, please explain in full.
- c. Provide, or identify where already stated in the record, the historic test year and forecast test year costs for processing customer payments by physical check.
- d. Please explain the Company's methodology for recovering the costs for processing payments by physical check. To the extent that allocations may vary depending on the particular rate used by a residential, commercial, or industrial customer, please explain in full.
- e. Please explain whether the Company has a unique method (or methods) of receiving customer bill payments for amounts greater than \$500,000? If so, please identify each such method, explain customer eligibility to use each such method, identify the historic test year and forecast test year costs for each such method, and explain how those costs are allocated to customers.

A-2.24.

- a. Costs for processing electric bill payments are not tracked separately. Base period and forecast test period costs for processing electric bill payments are included in the Filing Requirement Tab 56 - 807 KAR 5:001 Section 16(8)(c),

Schedule C-2.1, account number 903 – Customer Records and Collection Expenses.

- b. The expenses are recorded in FERC account 903 and are allocated based on number of customers that is weighted by the requirements to provide customer service. See Lyons Direct Testimony, Exhibit TSL-3, page 390.
- c. Check processing is performed by PPL and separately identifiable. Base period costs are \$201,587, and forecast test period costs are \$159,330.
- d. The expenses are recorded in FERC account 903 and are allocated based on number of customers that is weighted by the requirements to provide customer service. See Lyons Direct Testimony, Exhibit TSL-3, page 390.
- e. There are not unique methods of receiving customer bill payments for amounts greater than \$500,000.

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Dated July 31, 2025

Case No. 2025-00113

Question No. 2.25.

Responding Witness: Robert M. Conroy / Shannon L. Montgomery

Q-2.25. Please refer to the Company's response to JI 1-158, and answer the following requests:

- a. Has the Company conducted any analysis on the potential hardship this increase may cause?
- b. What mitigation measures are being proposed to assist vulnerable customers?

A-2.25.

- a. See Schedule N at Tab 67 of the filing requirements for the customer bill impacts at various levels of consumption.
- b. There are several measures in place to assist vulnerable customers. These include budget billing, FLEX payments and payment plans, income-qualified energy efficiency programs for single family and multifamily homes, and other DSM programs available to all residential customers including online audits and rebates, peak time rebates, and Bring Your Own Device (BYOD). Additionally, the Company supports energy assistance programs such as Low- Income Home Energy Assistance Program (LIHEAP), Home Energy Assistance (HEA), Utility Grants, and WinterCare.

The new AMI program recently introduced enhanced MyMeter portal capabilities allowing customers to monitor intra-month usage as well as helping customers understand and manage energy consumption.

As part of this proceeding, the Company proposes a new prepay program, which gives customers a new way to manage energy bills.

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**Response to Joint Intervenor Kentuckians for the Commonwealth, Kentucky Solar
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Dated July 31, 2025

Case No. 2025-00113

Question No. 2.26.

Responding Witness: Michael E. Hornung

- Q-2.26. Please refer to the Company's response to Walmart Request 1-8(b) and provide the basis for the Company's decision not to aggregate customers' load to satisfy the 100 MVA threshold for customers with multiple locations under the proposed EHLF rate. If any analysis exists related to that decision, please provide each such analysis along with any workpapers or other supporting documentation.
- A-2.26. See 807 KAR 5:041 Sec. 9(2): "The utility *shall* regard each point of delivery as an independent customer and meter the power delivered at each point. Combined meter readings ***shall not*** be taken at separate points" (Emphases added.)

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Dated July 31, 2025

Case No. 2025-00113

Question No. 2.27.

Responding Witness: Peter W. Waldrab

- Q-2.27. In reference to the Companies' response to JI 1.81, the response provides a short list of transformers that were "upsized" due to installed solar PV being greater than the transformer nameplate rating. What additional transformer upsizing is anticipated to be needed at various levels of NEM penetration, including the 1% threshold and higher thresholds?
- A-2.27. The need to replace transformers will be dependent on the size of the systems being installed, the number of installations per transformer and the size of the existing transformer. It is likely that more upgrades will be required as NEM penetrations increase, however the amount is unknown at this time.

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Dated July 31, 2025

Case No. 2025-00113

Question No. 2.28.

Responding Witness: Peter W. Waldrab

Q-2.28. Why are transformers deemed to be in need of upsizing? Is it based on a simplified calculation or a more sophisticated assessment of transformer and demand-side attributes (e.g., transformer temperatures, reactive power, potential for demand response)?

A-2.28. Transformers are deemed in need of upsizing when the inverter rating of all connected DER(s) exceeds the transformer nameplate.