KU - Annual AFUDC Rates

Month	FERC Debt Rate	FERC Equity Rate	WACC Debt Rate	WACC Equity Rate (After Tax)
Jan-22	1.55%	4.29%	1.87%	5.02%
Feb-22	1.55%	4.29%	1.87%	5.02%
Mar-22	1.55%	4.29%	1.87%	5.02%
Apr-22	1.21%	3.02%	1.87%	5.02%
May-22	1.21%	3.02%	1.87%	5.02%
Jun-22	1.21%	3.02%	1.87%	5.02%
Jul-22	1.21%	3.02%	1.87%	5.02%
Aug-22	1.21%	3.02%	1.87%	5.02%
Sep-22	1.21%	3.02%	1.87%	5.02%
Oct-22	1.21%	3.02%	1.87%	5.02%
Nov-22	1.21%	3.02%	1.87%	5.02%
Dec-22	1.21%	3.02%	1.87%	5.02%
Jan-23	2.45%	4.34%	1.87%	5.02%
Feb-23	2.45%	4.34%	1.85%	5.10%
Mar-23	2.45%	4.34%	1.85%	5.10%
Apr-23	2.45%	4.34%	1.85%	5.10%
May-23	2.45%	4.34%	1.85%	5.10%
Jun-23	2.45%	4.34%	1.85%	5.10%
Jul-23	2.45%	4.34%	1.85%	5.10%
Aug-23	2.45%	4.34%	1.85%	5.10%
Sep-23	2.45%	4.34%	1.85%	5.10%
Oct-23	2.45%	4.34%	1.85%	5.10%
Nov-23	2.45%	4.34%	1.85%	5.10%
Dec-23	2.45%	4.34%	1.85%	5.10%
Jan-24	2.86%	3.76%	1.85%	5.10%
Feb-24	2.86%	3.76%	2.00%	5.11%
Mar-24	2.86%	3.76%	2.00%	5.11%
Apr-24	2.86%	3.76%	2.00%	5.11%
May-24	2.86%	3.76%	2.00%	5.11%
Jun-24	2.86%	3.76%	2.00%	5.11%
Jul-24	2.86%	3.76%	2.00%	5.11%
Aug-24	2.86%	3.76%	2.00%	5.11%
Sep-24	2.86%	3.76%	2.00%	5.11%
Oct-24	2.86%	3.76%	2.00%	5.11%
Nov-24	2.86%	3.76%	2.00%	5.11%
Dec-24	2.86%	3.76%	2.00%	5.11%

0.00407

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Kentucky Utilities Calculation of AFUDC Rates 2022 Estimate Actuals - AMI - FERC Covid Waiver For Use between January - March 2022

Calculation of AMI AFUDC Rates ----- 2022 Estimate Generation

Components of the Formula

S Average (12 month) Short Term Debt

The estimated weighted average of short term debt for the current year adjusted for actuals as the information becomes available.

CALCULATION: From the Yearly Financial Model Balance Sheet calculate the average Interco Acct. Money Pool monthly balance for the year. Substitute in actual balances from General Ledger accounts 231XXX (exclude account 231006 - discounts on commercial paper) and 233XXX as they become known.

			Days in Month	
PREV DEC	235,270,000			
Jan 2019	256,827,000	0.366170%	30	78,368.62
Feb 2019	258,400,000	0.382240%	30	82,309.01
Mar 2019	232,900,000	0.362140%	30	70,285.34
Apr 2019	0	0.346610%	30	0.00
May 2019	0	0.345360%	30	0.00
Jun 2019	0	0.381690%	30	0.00
Jul 2019	0	0.411760%	30	0.00
Aug 2019	0	0.425630%	30	0.00
Sep 2019	2,000,000	0.452800%	30	754.67
Oct 2019	0	0.494000%	30	0.00
Nov 2019	39,000,000	0.512450%	30	16,654.63
Dec 2019	150,000,000	0.560390%	30	70,048.75
Total 2019	939,127,000 /12 = S		360	318,421.01 /12=AVG. REQUIRED
S =	78,260,583			26,535.08 AVERAGE

s Short Term Debt Interest Rate

The estimated current year interest requirements divided by S - Average Short Term Debt.

No adjustments should be made to either short term component for related expenses (do not include letter of credit fees per FERC audit findings FA15-8-000), discounts or premiums.

Obtain the estimated and actual interest requirements fi Calculate the monthly average and divide by S - Short T	rom the Treasury Department. Ferm Debt.	
Interest Requirements	26,535.08	
Short Term Debt	78,260,583	s =
	Obtain the estimated and actual interest requirements f Calculate the monthly average and divide by S - Short T Interest Requirements Short Term Debt	Obtain the estimated and actual interest requirements from the Treasury Department. Calculate the monthly average and divide by S - Short Term Debt. Interest Requirements 26,535.08 Short Term Debt 78,260,583

** NOTE: All Financial information used should be on a regulatory basis. No Purchase Accounting amounts should be included ** NOTE: Days in Month are all 30 - should total to 360 per F. Mazza.

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Kentucky Utilities Calculation of AFUDC Rates 2022 Estimate Actuals - AMI - FERC Covid Waiver For Use between January - March 2022

Long Term Debt D

The long term debt outstanding as of the end of the prior year. Exclude from the total any long term debt which supports CVI/P expenditures included in the rate base and also any long term debt which was issued to support a pollution control project in which the balance of the issue is held in a special fund which can only be used for expenditures of the related project. Be sure to use Regulatory Financial Statements, no Purchase Acct. should be included. These amounts are to be updated only annually. FERC regs. Do not allow monthly updates. (Per Chris Garrett 1/2015, include current portion of long-term debt accunt 221899.)

CALCULATION:

Balance in General Ledger accounts 221100 and 221899
 Less: Long Term Debt which supports CWIP included in the rate base
 3.Less: Pollution Control Bonds held in a special fund as of the prior year end
 <u>4.Plus. Draw Downs from the special fund as of prior year end
 Total Long Term Debt to be included in the AFUDC Calculation
</u>



Long Term Debt Interest Rate

d

The required interest payments for the prior year adjusted for the amortization of premiums, discounts and expenses, divided by D - Long Term Debt. Exclude from the interest payments those associated with debt that supports CWIP in the rate base and also the interest related to any debt issued for a pollution control project in which the issue is held in a special fund. These amounts are updated only annually. FERC regs. do not allow for monthly updates. (Note as of 10/2020-KU amortizes letter of credit commitment fees/update and includes them in the embedded cost of long-term debt calculation. These fees should not be included in the interest regense for calculating AFUDC. Be sure to use the embedded cost of debt prepared especially for AFUDC for the amounts below.)

CALCULATION:
1. Total Provision from Analysis of the Embedded Cost of Capital Model (ensure that the provision amount for each series is for a full year, in the case where it is the first year of the issue, the provision will be prorated based on the the number of days the issue is outstanding during the year). Embedded Cost of Detk should be on a regulatory basis, no purchase accounting should be included.
2. Less: Provision related to an issue supporting a pollution contral project in which the balance of the issue is held in a special fund
3. Less: Provision related to an issue used specifically to finance CV/IP included in the rate base.
4. Plus: Provision related to an eraw downs from the special fund for the PC Bonds (see #)
Total Provision to be included in the AFUDC calculation

Divide the Total Provision to be included D - Long Term Debt

Calculation of percentage of provision related to draw downs Yearly Pro Rated # Issue Amount Draw Downs Percent Provisi Provision 0.000% 0.00 0.00 0.0000 0.00 0.00 Provision 1 107,853,149.00 1. 2.Less: 3.Less: 4.Plus: Total 0.00 0.00 2,641,852,405.00 = d = Divided By "D" 0.04082

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		Calcı 2022 Estimate A For Use be	Kentucky Utilities ulation of AFUDC Rates uctuals - AMI - FERC Covid stween January - March 202	Waiver 2	
Ρ	Preferred Stock				
	The balance as of the price	r year end, adjusted for any associated expenses,	premiums or discounts.		
	CALCULATION:	Balance in General Ledger account 2040 2.Plus: Balance in General Ledger account 207 <u>3.Less: Balance in General Ledger account 214 Total Preferred Stock to be included in the </u>	02 (Preferred Stock Issued) as of 701? (Premium on Preferred Stock 4011 (Capital Stock Expense-Preference a AFUDC calculation	the prior year end) as of the prior year end erred) as of the prior year end	
		1.	0.00		
		2.Plus: 3.Less:	0.00		
		Total P =	0		
р	Preferred Stock Cost Rate	9			
	The sum of the balance of the rate per issue, divided	utstanding (as of the prior year end) per issue, time by P - Preferred Stock.	es		
	CALCULATION:	From page 6 of the KU Financials : The sum of the amount outstanding times the r P - Preferred Stoc	rate per issue k		
		Amount Issue Outstanding Rate		Total	
		0 0	4.75% 6.53% Total	0 0 0	
			= p =	0	
с	Common Stock Equity				
	The balance of common s	tock equity as of the prior year end (updated annu	ally, FERC regs. do not allow mont	hly updates).	
	CALCULATION:	1.Total Common Stock Equity from page 6 of th Accounting should be included) Per Doc	he KU Financials (use Regulatory l ket FA11-7-000, do not include ac	Financial Statements only, No Purchase count 219XXX.	e
		Common Stock Equity to be included in the AF	UDC calculation		
		1. 3,320,951	,102.75		
		C = 3,320,5	951,103		

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		Kentucky Utilities
		Calculation of AFUDC Rates
		2022 Estimate Actuals - AMI - FERC Covid Waiver
		For Use between January - March 2022
Common Equity C	Cost Rate	
	he common equity rate used below	are different from those used in the AFUDC generation rate calculation.
The rate of return the prior year end	granted by the ratemaking body wit	h primary jurisdiction as of
CALCULATION:	In a June 30, 2021 KPS Return on Equity of	C Rate Case Order, Schedule J, the KPSC approved 9.425%.
	c =	0.09425
Average Balance	in CWIP	
The 13 month ave replace estimates current rates in us not just for genera and are included i	rage CWIP balance calculated usin when they become known. Any CV se must be excluded from the calcul ation. This is due to the fact that the n total for all functional areas.)	ig current year estimates. Actuals should MP included in the rate base for for the lation of the average. (use CWIP for all functional areas short term debt balances are divided up functional
CALCULATION:		CWIP Balance
		(in 000's)
	Dec 21	378,405
	Jan 22	402,274
	Feb 22 Mar 22	424,944
	Mar 22	448,211
	May 22	442,700
	Jun 22	396,940
	Jul 22	408,982
	Aug 22	426,865
	Sep 22	452,985
	Oct 22	475,403
	Nov 22	485,920
	Dec 22	363,806
	lotai	5,561,014
		/13 = W
		427,770
		X T UUU

	X 1,000
W =	427,770,000

CALCULATION OF ESTIMATED RATES FOR 2022

S - Avg. Short Term Debt	78,260,583.33
s - Short Term Debt Interest rate	0.407%
D - Long Term Debt	2,641,852,405.00
d- Long Term debt Interest Rate	4.082%
P - Preferred Stock	0.00
p - Preferred Stock Cost Rate	0.000%
C - Common Equity	3,320,951,102.75
c - Common Equity Cost Rate	9.43%
W - Avg CWIP Balance	427,770,000.00

Ai = Gross allowance for borrowed funds used during construction rate.

Ai =	s(S/W) +	D d () D + P + C	(1 - S/W)	
Ai =	0.0155			0.01552138

Ae = Allowance for other funds used during construction rate.

Ae =	[1 - S/W]	P [p () D + P + C	+ c ()] D + P + C
Ae =	0.0429		0.042888603

Total Rate

0	The jurisdictional fac	ctors used below are differer	It from those used in the AF	UDC generation rate calculation.	3	
[Ν	leter Ratedirectly assign	ableno jurisdictionalizat	ion required.]	
	4.559/	100.00%	400.0000/	4 5500001	Monthly	5.11
Ai = Ae =	1.55% 4.29%	100.00% 100.00%	100.000%	1.550000% 4.290000%	0.129167% 0.357500%	Equity
_	5.84%	100.00%	100.000%	5.840000%		
				5.840000% Double Check		
[Software & C	ommunicationjurisdictio	nal factor that factors in V	A and FERC jurisdictions]	
					Monthly	
Ai = Ae =	1.55%	100.00%	93.614% 93.614%	1.451017% 4.016041%	0.120918% 0.334670%	Debt Equity
-	4.2070	100.0070	00.01178	4.01004170		Equity
=	5.84%	100.00%	93.614%	5.467058% 5.467058% Double Check		
				3.40703070 DOUDIE CHECK		

0.00406

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Kentucky Utilities Calculation of AFUDC Rates 2022 Estimate Actuals - AMI For Use between April - December 2022

Calculation of AMI AFUDC Rates ----- 2022 Estimate Generation

Components of the Formula

S Average (12 month) Short Term Debt

The estimated weighted average of short term debt for the current year adjusted for actuals as the information becomes available.

CALCULATION: From the Yearly Financial Model Balance Sheet calculate the average Interco Acct. Money Pool monthly balance for the year. Substitute in actual balances from General Ledger accounts 231XXX (exclude account 231006 - discounts on commercial paper) and 233XXX as they become known.

PREV DEC	0			
Jan 2022	274,694,157	0.366170%	30	83,820.63
eb 2022	221,237,780	0.382240%	30	70,471.61
Mar 2022	300,851,490	0.362140%	30	90,791.97
Apr 2022	330,933,730	0.346610%	30	95,587.45
May 2022	137,552,197	0.345360%	30	39,587.52
lun 2022	145,476,261	0.381690%	30	46,272.36
lul 2022	114,376,557	0.411760%	30	39,246.41
Aug 2022	65,457,453	0.425630%	30	23,217.21
Sep 2022	135,852,366	0.452800%	30	51,261.63
Oct 2022	144,881,546	0.494000%	30	59,642.90
lov 2022	138,556,961	0.512450%	30	59,169.60
Dec 2022	169,637,337	0.560390%	30	79,219.22
Fotal 2022	2,179,507,835 /12 = S		360	738,288.51 /12=AVG. REQUIRED
S =	181,625,653			61.524.04 AVERAGE

s Short Term Debt Interest Rate

The estimated current year interest requirements divided by S - Average Short Term Debt.

No adjustments should be made to either short term component for related expenses (do not include letter of credit fees per FERC audit findings FA15-8-000), discounts or premiums.

CALCULATION:	Obtain the estimated and actual interest requirements fror Calculate the monthly average and divide by S - Short Ter	n the Treasury Department. m Debt.	
	Interest Requirements	61,524.04	
	Short Term Debt	181,625,653	s =

** NOTE: All Financial information used should be on a regulatory basis. No Purchase Accounting amounts should be included ** NOTE: Days in Month are all 30 - should total to 360 per F. Mazza.

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Kentucky Utilities Calculation of AFUDC Rates 2022 Estimate Actuals - AMI For Use between April - December 2022

Long Term Debt D

CALCULATION:

The long term debt outstanding as of the end of the prior year. Exclude from the total any long term debt which supports CWIP expenditures included in the rate base and also any long term debt which was issued to support a pollution control project in which the balance of the issue is held in a special fund which can only be used for expenditures of the related project. Be sure to use Regulatory Financial Statements, no Purchase Acct. should be included. These amounts are to be updated only annually. FERC regs. Do not allow monthly updates. (Per Chris Garrett 1/2015, include current portion of long-term debt accunt 221899.)

Balance in General Ledger accounts 221100 and 221899
 Less: Long Term Debt which supports CWIP included in the rate base
 S.Less: Pollution Control Bonds held in a special fund as of the prior year end
 Hus: Draw Downs from the special fund as of prior year end
 Total Long Term Debt to be included in the AFUDC Calculation



Long Term Debt Interest Rate

d

The required interest payments for the prior year adjusted for the amortization of premiums, discounts and expenses, divided by D - Long Term Debt. Exclude from the interest payments those associated with debt that supports CWIP in the rate base and also the interest related to any debt issued for a pollution control project in which the issue is held in a special fund. These amounts are updated only annually.FERC regs. do not allow for monthly updates. (Note as of 10/2024/KU amortizes letter of credit commitment fees/upfront fees and includes them in the embedded cost of ong-term debt calculation. These fees should not be included in the long-term debt interest expense for calculating AFUDC. Be sure to use the embedded cost of debt prepared especially for AFUDC for the amounts below.)

CALCULATION:
CALCULATION:
Total Provision from Analysis of the Embedded Cost of Capital Model (ensure that the provision amount for each series is for a full
year, in the case where it is the first year of the issue, the provision will be provated based on the the number of days the issue is outstanding
during the year). Embedded Cost of Debt should be on a regulatory basis, no purchase accounting should be included.
Less: Provision related to an issue eusporting a pollution contral project in which the takance of the issue is held in a special fund
Less: Provision related to an issue eusporticing to famore CVIIP included in the rate base.
<u>4. Plus: Provision related to the draw downs from the special fund for the PC Bonds (see #)
Total Provision to be included in the AFUDC calculation
</u>

Divide the Total Provision to be included D - Long Term Debt

Calculation of percentage of provision related to draw downs



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		Calc 202: For Use b	Kentucky Utilities culation of AFUDC Rates 2 Estimate Actuals - AMI etween April - December 202	2	
Р	Preferred Stock				
	The balance as of the prior	year end, adjusted for any associated expenses	, premiums or discounts.		
	CALCULATION:	Balance in General Ledger account 204 2.Plus: Balance in General Ledger account 20 <u>3.Less: Balance in General Ledger account 2 Total Preferred Stock to be included in th </u>	002 (Preferred Stock Issued) as of ti 1701? (Premium on Preferred Stock) 14011 (Capital Stock Expense-Prefe te AFUDC calculation	he prior year end as of the prior year end red) as of the prior year end	
		1. 2 Plus:	0.00		
		3.Less:	0.00		
		Total P =	0		
р	Preferred Stock Cost Rate				
	The sum of the balance ou the rate per issue, divided	tstanding (as of the prior year end) per issue, tin by P - Preferred Stock.	nes		
	CALCULATION:	From page 6 of the KU Financials : <u>The sum of the amount outstanding times the</u> P - Preferred Sto	rate per issue ck		
		Amount Issue Outstanding Rate		Total	
		0 0	4.75% 6.53% Total Divided by "P"	0 0 0 0	
			= p =	0	

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			Kentucky Utilities Calculation of AFUDC Rates 2022 Estimate Actuals - AMI			
			For Use between April - December 2022			
с	Common Stock Equity					
	The balance of common sto	ck equity as of the prior year	end (updated annually, FERC regs. do not allow monthly updates).			
	CALCULATION:	 Total Common Stock Equity from page 6 of the KU Financials (use Regulatory Financial Statements only, No Purchase Accounting should be included) Per Docket FA11-7-000, do not include account 219XXX. 				
		Common Stock Equity to b	e included in the AFUDC calculation			
		1.	3,320,951,102.75			
		C =	3,320,951,103			
c	Common Equity Cost Rate					
	The common equity rate used below are different from those used in the AELIDC generation rate calculation					
	The rate of return granted b the prior year end.	y the ratemaking body with p	rimary jurisdiction as of			
	CALCULATION:	In a June 30, 2021 KPSC F Return on Equity of	Rate Case Order, Schedule J, the KPSC approved 9.425%.			

W Average Balance in CWIP

CALCULATION:

c =

The 13 month average CWIP balance calculated using current year estimates. Actuals should replace estimates when they become known. Any CWIP included in the rate base for the current rates in use must be excluded from the calculation of the average. (use CWIP for all functional areas not just for generation. This is due to the fact that the short term debt balances are divided up functional and are included in total for all functional areas.)

0.09425

	CWIP Balance
	(in 000's)
Dec 21	378,405
Jan 22	402,274
Feb 22	424,944
Mar 22	448,211
Apr 22	442,766
May 22	453,513
Jun 22	396,940
Jul 22	408,982
Aug 22	426,865
Sep 22	452,985
Oct 22	475,403
Nov 22	485,920
Dec 22	363,806
Total	5,561,014
	/13 = W
	427,770
	X 1,000
10/ -	427 770 000
vv -	421,110,000

Kentucky Utilities Calculation of AFUDC Rates 2022 Estimate Actuals - AMI For Use between April - December 2022

CALCULATION OF ESTIMATED RATES FOR 2022

S - Avg. Short Term Debt	181,625,652.92
s - Short Term Debt Interest rate	0.406%
D - Long Term Debt	2,641,852,405.00
d- Long Term debt Interest Rate	4.082%
P - Preferred Stock	0.00
p - Preferred Stock Cost Rate	0.000%
C - Common Equity	3,320,951,102.75
c - Common Equity Cost Rate	9.43%
W - Avg CWIP Balance	427,770,000.00

Ai = Gross allowance for borrowed funds used during construction rate.

Ai =	s(S/W) +	D d () D + P + C	(1 - S/W)	
Ai =	0.0121			0.012130465

Ae = Allowance for other funds used during construction rate.

Ae =	[1 - S/W]	P [p () D + P + C	C + c ()] D + P + C
Ae =	0.0302		0.030204586

Total Rate

	The jurisdictional fac	tors used below are differer	nt from those used in the AF	UDC generation rate calculation.]	
	м	eter Ratedirectly assign	ableno jurisdictionalizat	ion required.]	
Ai = Ae =	1.21% 3.02%	100.00% 100.00%	100.000% 100.000%	1.210000% 3.020000%	Monthly 0.100833% 0.251667%	Debt Equity
	4.23%	100.00%	100.000%	4.230000%		
				4.230000% Double Check		
	Software & Co	mmunicationjurisdiction	nal factor that factors in V	A and FERC jurisdictions]	
					Monthly	
Ai =	1.21%	100.00%	93.613%	1.132717%	0.094393%	Debt
Ae =	3.02%	100.00%	93.613%	2.827113%	0.235593%	Equity
	4.23%	100.00%	93.613%	3.959830%		
				3.959830% Double Check		

0.05388

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Kentucky Utilities Calculation of AFUDC Rates 2023 Estimate Actuals - AMI For Use in January 2023

Calculation of AMI AFUDC Rates ----- 2023 Estimate Generation

Components of the Formula

S Average (12 month) Short Term Debt

The estimated weighted average of short term debt for the current year adjusted for actuals as the information becomes available.

CALCULATION: From the Yearly Financial Model Balance Sheet calculate the average Interco Acct. Money Pool monthly balance for the year. Substitute in actual balances from General Ledger accounts 231XXX (exclude account 231006 - discounts on commercial paper) and 233XXX as they become known.

			Days in Month		
PREV DEC	101,000,000				
Jan 2023	63,023,649	4.883570%	30	256,483.67	
Feb 2023	3,505,579	5.232280%	30	15,285.14	
Mar 2023	92,669,331	5.257940%	30	406,041.49	
Apr 2023	123,550,272	5.486950%	30	564,928.47	
May 2023	50,232,582	5.594440%	30	234,185.97	
Jun 2023	62,885,244	5.630060%	30	295,039.75	
Jul 2023	32,527,437	5.485950%	30	148,703.24	
Aug 2023	0	5.531300%	30	0.00	
Sep 2023	60,849,201	5.513610%	30	279,582.30	
Oct 2023	75,781,117	5.396890%	30	340,818.63	
Nov 2023	89,481,991	5.403810%	30	402,953.06	
Dec 2023	114,066,475	5.330240%	30	506,668.07	
Total 2023	768,572,878 /12 = S		360	3,450,689.80 /12=A	VG. REQUIRED
S =	64,047,740			287,557.48 AVER	AGE

s Short Term Debt Interest Rate

The estimated current year interest requirements divided by S - Average Short Term Debt.

No adjustments should be made to either short term component for related expenses (do not include letter of credit fees per FERC audit findings FA15-8-000), discounts or premiums.

CALCULATION:	Obtain the estimated and actual interest requirements find Calculate the monthly average and divide by S - Short T	rom the Treasury Department. Ferm Debt.	
	Interest Requirements	287,557.48	
	Short Term Debt	64,047,740	s =

** NOTE: All Financial information used should be on a regulatory basis. No Purchase Accounting amounts should be included.
** NOTE: Days in Month are all 30 - should total to 360 per F. Mazza.

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Kentucky Utilities Calculation of AFUDC Rates 2023 Estimate Actuals - AMI For Use in January 2023

Long Term Debt D

CALCULATION:

The long term debt outstanding as of the end of the prior year. Exclude from the total any long term debt which supports CWIP expenditures included in the rate base and also any long term debt which was issued to support a pollution control project in which the balance of the issue is held in a special fund which can only be used for expenditures of the related project. Be sure to use Regulatory Financial Statements, no Purchase Acct. should be included. These amounts are to be updated only annually. FERC regs. Do not allow monthly updates. (Per Chris Garrett 1/2015, include current portion of long-term debt accunt 221899.)

Balance in General Ledger accounts 221100 and 221899
 Less: Long Term Debt which supports CWIP included in the rate base
 S.Less: Pollution Control Bonds held in a special fund as of the prior year end
 Hus: Draw Downs from the special fund as of prior year end
 Total Long Term Debt to be included in the AFUDC Calculation



Long Term Debt Interest Rate

d

The required interest payments for the prior year adjusted for the amortization of premiums, discounts and expenses, divided by D - Long Term Debt. Exclude from the interest payments those associated with debt that supports CWIP in the rate base and also the interest related to any debt issued for a pollution control project in which the issue is held in a special fund. These amounts are updated only annually.FERC regs. do not allow for monthly updates. (Note as of 10/2024/KU amortizes letter of credit commitment fees/upfront fees and includes them in the embedded cost of ong-term debt calculation. These fees should not be included in the long-term debt interest expense for calculating AFUDC. Be sure to use the embedded cost of debt prepared especially for AFUDC for the amounts below.)

CALCULATION:
CALCULATION:
Total Provision from Analysis of the Embedded Cost of Capital Model (ensure that the provision amount for each series is for a full
year, in the case where it is the first year of the issue, the provision will be provated based on the the number of days the issue is outstanding
during the year). Embedded Cost of Debt should be on a regulatory basis, no purchase accounting should be included.
Less: Provision related to an issue eusporting a pollution contral project in which the takance of the issue is held in a special fund
Less: Provision related to an issue eusporticing to famore CVIIP included in the rate base.
<u>4. Plus: Provision related to the draw downs from the special fund for the PC Bonds (see #)
Total Provision to be included in the AFUDC calculation
</u>

Divide the Total Provision to be included D - Long Term Debt

Calculation of percentage of provision related to draw downs



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- c = 0.09425
- W Average Balance in CWIP

The 13 month average CWIP balance calculated using current year estimates. Actuals should replace estimates when they become known. Any CWIP included in the rate base for the current rates in use must be excluded from the calculation of the average. (use CWIP for all functional areas not just for generation. This is due to the fact that the short term debt balances are divided up functional and are included in total for all functional areas.)

CALCULATION:			CWIP Ba (in 000	ilance I's)
	Dec 22		,	521.871
	Jan 23			391,839
	Feb 23			409,948
	Mar 23			418 127
	Apr 23			454.834
	May 23			409 989
	Jun 23			406 388
	Jul 23			419 920
	Aug 23			445 724
	Sep 23			474 413
	Oct 23			509.477
	Nov 23			477.086
	Dec 23			382 110
	Total			5 721 726
	TOtal			5,721,720
				/13 = W
				440,133
			X 1,000	
		W =	440,133	,000

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Kentucky Utilities Calculation of AFUDC Rates 2023 Estimate Actuals - AMI For Use in January 2023

CALCULATION OF ESTIMATED RATES FOR 2023

S - Avg. Short Term Debt	64,047,739.83
s - Short Term Debt Interest rate	5.388%
D - Long Term Debt	2,941,852,405.00
d- Long Term debt Interest Rate	4.232%
P - Preferred Stock	0.00
p - Preferred Stock Cost Rate	0.000%
C - Common Equity	3,430,195,464.07
c - Common Equity Cost Rate	9.43%
W - Avg CWIP Balance	440,133,000.00

Ai = Gross allowance for borrowed funds used during construction rate.

Ai =	s(S/W) +	D d () D + P + C	(1 - S/W)	
Ai =	0.0245			0.0245357

Ae = Allowance for other funds used during construction rate.

Ae =	[1 - S/W]	P [p () D + P + C	C + c ()] D + P + C
Ae =	0.0434		0.043353441

Total Rate

	The jurisdictional fac	tors used below are differen	t from those used in the AF	UDC generation rate calculation.	נ	
	Μ	eter Ratedirectly assign	ableno jurisdictionalizat	ion required.	3	
Ai = Ae =	2.45% 4.34%	100.00% 100.00%	100.000% 100.000%	2.450000% 4.340000%	Monthly 0.204167% 0.361667%	Debt Equity
	6.79%	100.00%	100.000%	6.790000% 6.790000% Double Check		
	Software & Co	mmunicationjurisdiction	nal factor that factors in V	A and FERC jurisdictions	ב	
Ai = Ae =	2.45% 4.34%	100.00% 100.00%	93.453% 93.453%	2.289599% 4.055860%	Monthly 0.190800% 0.337988%	Debt Fauity
	6.79%	100.00%	93.450%	6.345459% 6.345255% Double Check		_quity

0.05388

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Kentucky Utilities Calculation of AFUDC Rates 2023 Estimate Actuals - AMI For Use between February - December 2023

Calculation of AMI AFUDC Rates ----- 2023 Estimate Generation

Components of the Formula

S Average (12 month) Short Term Debt

The estimated weighted average of short term debt for the current year adjusted for actuals as the information becomes available.

CALCULATION: From the Yearly Financial Model Balance Sheet calculate the average Interco Acct. Money Pool monthly balance for the year. Substitute in actual balances from General Ledger accounts 231XXX (exclude account 231006 - discounts on commercial paper) and 233XXX as they become known.

			Days in Month	
PREV DEC	101,000,000			
Jan 2023	63,023,649	4.883570%	30	256,483.67
Feb 2023	3,505,579	5.232280%	30	15,285.14
Mar 2023	92,669,331	5.257940%	30	406,041.49
Apr 2023	123,550,272	5.486950%	30	564,928.47
May 2023	50,232,582	5.594440%	30	234,185.97
Jun 2023	62,885,244	5.630060%	30	295,039.75
Jul 2023	32,527,437	5.485950%	30	148,703.24
Aug 2023	0	5.531300%	30	0.00
Sep 2023	60,849,201	5.513610%	30	279,582.30
Oct 2023	75.781.117	5.396890%	30	340.818.63
Nov 2023	89,481,991	5.403810%	30	402,953.06
Dec 2023	114,066,475	5.330240%	30	506,668.07
Total 2023	768,572,878 /12 = S	;	360	3,450,689.80 /12=AVG. REQUIRED
S =	64,047,740			287,557.48 AVERAGE

s Short Term Debt Interest Rate

The estimated current year interest requirements divided by S - Average Short Term Debt.

No adjustments should be made to either short term component for related expenses (do not include letter of credit fees per FERC audit findings FA15-8-000), discounts or premiums.

CALCULATION:	Obtain the estimated and actual interest requirements f Calculate the monthly average and divide by S - Short 7	rom the Treasury Department. Ferm Debt.	
	Interest Requirements	287,557.48	
	Short Term Debt	64,047,740	s =

** NOTE: All Financial information used should be on a regulatory basis. No Purchase Accounting amounts should be included ** NOTE: Days in Month are all 30 - should total to 360 per F. Mazza.

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Kentucky Utilities Calculation of AFUDC Rates 2023 Estimate Actuals - AMI For Use between February - December 2023

Long Term Debt D

CALCULATION:

The long term debt outstanding as of the end of the prior year. Exclude from the total any long term debt which supports CWIP expenditures included in the rate base and also any long term debt which was issued to support a pollution control project in which the balance of the issue is held in a special fund which can only be used for expenditures of the related project. Be sure to use Regulatory Financial Statements, no Purchase Acct. should be included. These amounts are to be updated only annually. FERC regs. Do not allow monthly updates. (Per Chris Garrett 1/2015, include current portion of long-term debt accunt 221899.)

Balance in General Ledger accounts 221100 and 221899
 Less: Long Term Debt which supports CWIP included in the rate base
 S.Less: Pollution Control Bonds held in a special fund as of the prior year end
 Hus: Draw Downs from the special fund as of prior year end
 Total Long Term Debt to be included in the AFUDC Calculation



Long Term Debt Interest Rate

d

The required interest payments for the prior year adjusted for the amortization of premiums, discounts and expenses, divided by D - Long Term Debt. Exclude from the interest payments those associated with debt that supports CWIP in the rate base and also the interest related to any debt issued for a pollution control project in which the issue is held in a special fund. These amounts are updated only annually.FERC regs. do not allow for monthly updates. (Note as of 10/2024/KU amortizes letter of credit commitment fees/upfront fees and includes them in the embedded cost of ong-term debt calculation. These fees should not be included in the long-term debt interest expense for calculating AFUDC. Be sure to use the embedded cost of debt prepared especially for AFUDC for the amounts below.)

CALCILLATION: 1. Total Provision from Analysis of the Embedded Cost of Capital Model (ensure that the provision amount for each series is for a full year, in the case where it is the first year of the issue, the provision will be proviated based on the the number of days the issue is outstanding during the year). Embedded Cost of Debt should be on a regulatory basis, no purchase accounting should be included. 2. Less: Provision related to an issue supporting a pollution contral project in which the takance of the issue is held in a special fund Less: Provision related to an issue used specifically to finance CVIIP included in the rate base. <u>4. Plus: Provision related to the draw downs from the special fund for the PC Bonds (see #)</u> Total Provision to be included in the AFUDC calculation

Divide the Total Provision to be included D - Long Term Debt

Calculation of percentage of provision related to draw downs



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		For U	Kentucky Util Calculation of AFU 2023 Estimate Actu se between February	ities DC Rates Jals - AMI - December 202	23	
Р	Preferred Stock					
	The balance as of the prior	year end, adjusted for any associated e	xpenses, premiums or dis	counts.		
	CALCULATION:	Balance in General Ledger acco 2.Plus: Balance in General Ledger acco <u>3.Less: Balance in General Ledger ac</u> Total Preferred Stock to be inclu	unt 204002 (Preferred Sto count 20701? (Premium of count 214011 (Capital Sto ded in the AFUDC calcula	ck Issued) as of the Preferred Stock) a ck Expense-Preferr tion	e prior year end as of the prior year end ed) as of the prior year end	
		1. 2.Plus: 3.Less:	0.00 0.00 0.00			
		Total P =	0			
р	Preferred Stock Cost Rate					
	The sum of the balance out the rate per issue, divided to	tstanding (as of the prior year end) per is by P - Preferred Stock.	ssue, times			
	CALCULATION:	From page 6 of the KU Financials : <u>The sum of the amount outstanding ti</u> P - Prefer	mes the rate per issue rred Stock			
		Amount Issue Outstanding Rate			Total	
		0 0	4.75% 6.53% Total Divided	by "P"	0 0 0 0	
				= p =	0	

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			Kentucky Utilities Calculation of AFUDC Rates 2023 Estimate Actuals - AMI En Lise between Eehruary - December 2023
			For Ose between February - December 2020
С	Common Stock Equity		
	The balance of common sto	ock equity as of the prior year	end (updated annually, FERC regs. do not allow monthly updates).
	CALCULATION:	1.Total Common Stock Equ Accounting should b	uity from page 6 of the KU Financials (use Regulatory Financial Statements only, No Purchase e included) Per Docket FA11-7-000, do not include account 219XXX.
		Common Stock Equity to b	e included in the AFUDC calculation
		1.	3,430,195,464.07
		C =	3,430,195,464
с	Common Equity Cost Rate		
	The comm	on equity rate used below an	e different from those used in the AFUDC generation rate calculation.
	The rate of return granted b the prior year end.	y the ratemaking body with p	rimary jurisdiction as of
	CALCULATION:	In a June 30, 2021 KPSC F Return on Equity of	Rate Case Order, Schedule J, the KPSC approved 9.425%.

W Average Balance in CWIP

с =

The Ta month average CWIP balance calculated using current year estimates. Actuals should replace estimates when they become known. Any CWIP included in the rate base for the current rates in use must be excluded from the calculation of the average. (use CWIP for all functional areas not just for generation. This is due to the fact that the short term debt balances are divided up functional and are included in total for all functional areas.)

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0.09425

CALCULATION:			CWIP Balance (in 000's)
	Dec 22		521,871
	Jan 23		391.839
	Feb 23		409 948
	Mar 23		418 127
	Apr 23		454 834
	May 23		409 989
	Jun 23		406,388
	Jul 23		419 920
	Aug 23		445 724
	Sep 23		443,724
	Oct 22		474,413 600,477
	Nev 22		477.096
	NUV 23		477,080
	Dec 23		362,110
	l otal		5,721,726
			/13 = W
			440,133
			X 1,000
		W =	440.133.000

Kentucky Utilities Calculation of AFUDC Rates 2023 Estimate Actuals - AMI For Use between February - December 2023

CALCULATION OF ESTIMATED RATES FOR 2023

S - Avg. Short Term Debt s - Short Term Debt Interest rate	64,047,739.83 5.388%
D - Long Term Debt	2,941,852,405.00
d- Long Term debt Interest Rate	4.232%
P - Preferred Stock	0.00
p - Preferred Stock Cost Rate	0.000%
C - Common Equity	3,430,195,464.07
c - Common Equity Cost Rate	9.43%
W - Avg CWIP Balance	440,133,000.00

Ai = Gross allowance for borrowed funds used during construction rate.

Ai =	s(S/W) +	D d () D + P + C	(1 - S/W)	
Ai =	0.0245			0.0245357

Ae = Allowance for other funds used during construction rate.

		Р	С
Ae =	[1 - S/W]	[p () D + P + C	+ c ()] D + P + C
Ae =	0.0434		0.043353441

Total Rate

	The jurisdictional fac	tors used below are differen	t from those used in the AF	UDC generation rate calculation.	1	
Ai = Ae =	2.45% 4.34%	100.00% 100.00%	100.000% 100.000%	2.450000% 4.340000%	Monthly 0.204167% 0.361667%	Debt Equity
	6.79%	100.00%	100.000%	6.790000% 6.790000% Double Check		
	Software & Co	ommunicationjurisdictio	nal factor that factors in V	A and FERC jurisdictions	1	
Ai = Ae =	2.45% 4.34%	100.00% 100.00%	93.450% 93.450%	2.289525% 4.055730%	Monthly 0.190794% 0.337978%	Debt Equity
	6.79%	100.00%	93.450%	6.345255% 6.345255% Double Check		

Kentucky Utilities Calculation of AFUDC Rates 2024 Estimate Actuals - AMI & New Generation For Use in 2024

Calculation of AMI AFUDC Rates ----- 2024 Estimate Generation

Components of the Formula

S Average (12 month) Short Term Debt

The estimated weighted average of short term debt for the current year adjusted for actuals as the information becomes available.

CALCULATION: From the Yearly Financial Model Balance Sheet calculate the average Interco Acct. Money Pool monthly balance for the year. Substitute in actual balances from General Ledger accounts 231XXX (exclude account 231006 - discounts on commercial paper) and 233XXX as they become known.

			Days in Month	
PREV DEC	93,000,000			
Jan 2024	75,588,032	5.941760%	30	374,271.62
Feb 2024	22,902,602	5.941760%	30	113,401.47
Mar 2024	77,852,291	5.911500%	30	383,519.85
Apr 2024	122,609,079	5.815750%	30	594,219.79
May 2024	129,246,496	5.678770%	30	611,634.27
Jun 2024	136,689,865	5.581690%	30	635,800.38
Jul 2024	120,942,288	5.475670%	30	551,866.72
Aug 2024	86,371,651	5.347740%	30	384,910.94
Sep 2024	148,153,697	5.234460%	30	646,253.83
Oct 2024	160,434,951	5.126630%	30	685,408.86
Nov 2024	192,851,163	5.003360%	30	804,086.50
Dec 2024	214,964,075	4.856560%	30	869,988.27
Total 2024	1,488,606,190 /12 = S		360	6,655,362.50 /12=AVG. REQUIRED
S =	124,050,516			554,613.54 AVERAGE

s Short Term Debt Interest Rate

The estimated current year interest requirements divided by S - Average Short Term Debt.

No adjustments should be made to either short term component for related expenses (do not include letter of credit fees per FERC audit findings FA15-8-000), discounts or premiums.

CALCULATION:	Obtain the estimated and actual interest require Calculate the monthly average and divide by S -	ments from the Treasury Department. Short Term Debt.	
	Interest Requirements	554,613.54	
	Short Term Debt	124,050,516	s =

** NOTE: All Financial information used should be on a regulatory basis. No Purchase Accounting amounts should be included ** NOTE: Days in Month are all 30 - should total to 360 per F. Mazza. 0.05365

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Kentucky Utilities Calculation of AFUDC Rates 2024 Estimate Actuals - AMI & New Generation For Use in 2024

Long Term Debt D

CALCULATION:

The long term debt outstanding as of the end of the prior year. Exclude from the total any long term debt which supports CWIP expenditures included in the rate base and also any long term debt which was issued to support a pollution control project in which the balance of the issue is held in a special fund which can only be used for expenditures of the related project. Be sure to use Regulatory Financial Statements, no Purchase Acct. should be included. These amounts are to be updated only annually. FERC regs. Do not allow monthly updates. (Per Chris Garrett 1/2015, include current portion of long-term debt accunt 221899.)

Balance in General Ledger accounts 221100 and 221899
 Less: Long Term Debt which supports CWIP included in the rate base
 S.Less: Pollution Control Bonds held in a special fund as of the prior year end
 Hus: Draw Downs from the special fund as of prior year end
 Total Long Term Debt to be included in the AFUDC Calculation



Long Term Debt Interest Rate

d

The required interest payments for the prior year adjusted for the amortization of premiums, discounts and expenses, divided by D - Long Term Debt. Exclude from the interest payments those associated with debt that supports CWIP in the rate base and also the interest related to any debt issued for a pollution control project in which the issue is held in a special fund. These amounts are updated only annually.FERC regs. do not allow for monthly updates. (Note as of 10/2024/KU amortizes letter of credit commitment fees/upfront fees and includes them in the embedded cost of ong-term debt calculation. These fees should not be included in the long-term debt interest expense for calculating AFUDC. Be sure to use the embedded cost of debt prepared especially for AFUDC for the amounts below.)

CALCULATION:
CALCULATION:
Total Provision from Analysis of the Embedded Cost of Capital Model (ensure that the provision amount for each series is for a full
year, in the case where it is the first year of the issue, the provision will be provated based on the the number of days the issue is outstanding
during the year). Embedded Cost of Debt should be on a regulatory basis, no purchase accounting should be included.
Less: Provision related to an issue eusporting a pollution contral project in which the takance of the issue is held in a special fund
Less: Provision related to an issue eusporticing to famore CVIIP included in the rate base.
<u>4. Plus: Provision related to the draw downs from the special fund for the PC Bonds (see #)
Total Provision to be included in the AFUDC calculation
</u>

Divide the Total Provision to be included D - Long Term Debt

Calculation of percentage of provision related to draw downs



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Kentucky Utilities Calculation of AFUDC Rates 2024 Estimate Actuals - AMI & New Generation For Use in 2024				
Ρ	Preferred Stock			
	The balance as of the prior	year end, adjusted for any associated expenses, premiums or discounts.		
	CALCULATION:	1. Balance in General Ledger account 204002 (Preferred Stock Issued) as of the prior year end 2.Plus: Balance in General Ledger account 214011 (Capital Stock Expense-Preferred) as of the prior year end 3.Less: Balance in General Ledger account 214011 (Capital Stock Expense-Preferred) as of the prior year end Total Preferred Stock to be included in the AFUDC calculation 1. 0.00 2.Plus: 0.00 3.Less: 0.00 3.Less: 0.00		
р	Preferred Stock Cost Rate			
	The sum of the balance out the rate per issue, divided to	standing (as of the prior year end) per issue, times y P - Preferred Stock.		
	CALCULATION:	From page 6 of the KU Financials : <u>The sum of the amount outstanding times the rate per issue</u> P - Preferred Stock		
		Amount Issue Outstanding Rate Total		
		0 4.75% 0 0 6.53% 0 Total 0 Divided by "P" 0 = p = 0		

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			Kentucky Utilities Calculation of AFUDC Rates 2024 Estimate Actuals - AMI & New Generation For Use in 2024
с	Common Stock Equity		
	The balance of commor	stock equity as of the prior	year end (updated annually, FERC regs. do not allow monthly updates).
	CALCULATION:	1. Total Common Stock Accounting sho	K Equity from page 6 of the KU Financials (use Regulatory Financial Statements only, No Purchase uld be included) Per Docket FA11-7-000, do not include account 219XXX.
		Common Stock Equity	to be included in the AFUDC calculation
		1.	3,544,283,422.62
		C =	3,544,283,423
с	Common Equity Cost R	ate	
	The co	mmon equity rate used belo	w are different from those used in the AFUDC generation rate calculation.
	The rate of return grante the prior year end.	ed by the ratemaking body w	/ith primary jurisdiction as of
	CALCULATION:	In a June 30, 2021 KP Return on Equity of	SC Rate Case Order, Schedule J, the KPSC approved 9.425%.

- 0.09425
- W Average Balance in CWIP

с=

The 13 month average CWIP balance calculated using current year estimates. Actuals should replace estimates when they become known. Any CWIP included in the rate base for the current rates in use must be excluded from the calculation of the average. (use CWIP for all functional areas not just for generation. This is due to the fact that the short term debt balances are divided up functional and are included in total for all functional areas.)

CALCULATION:			CWIP Balano (in 000's)	e
	Dec 23		ŕ	04 013
	Jan 24		4	15 329
	Feb 24		4	50 037
	Mar 24			86 702
	Apr 24		7	00,732
	May 24		7	50,004
	ividy 24		-	44.626
	Jun 24		4	11,030
	JUI 24		4	50,247
	Aug 24		4	.82,321
	Sep 24		5	19,963
	Oct 24		5	59,907
	Nov 24		5	84.945
	Dec 24		4	74.908
	Total		6,3	84,183
			/	13 = W
			4	91,091
			X 1,000	
		W =	491,091,00)

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Kentucky Utilities Calculation of AFUDC Rates 2024 Estimate Actuals - AMI & New Generation For Use in 2024

CALCULATION OF ESTIMATED RATES FOR 2024

S - Avg. Short Term Debt	124,050,515.83
s - Short Term Debt Interest rate	5.365%
D - Long Term Debt	3,088,952,405.00
d- Long Term debt Interest Rate	4.337%
P - Preferred Stock	0.00
p - Preferred Stock Cost Rate	0.000%
C - Common Equity	3,544,283,422.62
c - Common Equity Cost Rate	9.43%
W - Avg CWIP Balance	491,091,000.00

Ai = Gross allowance for borrowed funds used during construction rate.

Ai =	s(S/W) +	D d () D + P + C	(1 - S/W)	
Ai =	0.0286			0.028646886

Ae = Allowance for other funds used during construction rate.

Ae =	[1 - S/W]	P [p () D + P + C	C + c ()]
Ae =	0.0376		0.037638851

Total Rate

Meter Ratedirectly assignable-no jurisdictionalization required. Ai = 2.86% 100.00% 2.86000% 0.238333% Debi Ae = 3.76% 100.00% 6.62000% 0.313333% Equity 6.62% 100.00% 6.620000% 0.313333% Equity 6.62% 100.00% 6.62000% 0.313333% Equity 6.62% 100.00% 6.62000% 0.313333% Equity 6.62% 100.00% 93.876% 2.684954% 0.23738% Debi Ae = 3.76% 100.00% 93.876% 2.684954% 0.234145% Debi Ae = 2.86% 100.00% 93.876% 2.684954% 0.234145% Debi Ae = 3.76% 100.00% 93.876% 3.529738% 0.234145% Equity 6.62% 100.00% 93.876% 6.214591% Duble Check 0.294145% Equity Ai = 2.86% 100.00% 96.038% 2.746687% 0.228831% Debi Ae = 3.76% </th <th></th> <th>The jurisdictional factors used below are different from those used in the AFUDC generation rate calculation.</th> <th>]</th> <th></th>		The jurisdictional factors used below are different from those used in the AFUDC generation rate calculation.]	
Ai = 2.86% 100.00% 100.00% 2.86000% 0.238333% Debt Ai = 3.76% 100.00% 100.00% 6.62000% 0.31333% Debt Ai = 2.86% 100.00% 93.876% 2.684854% 0.23738% Debt Ai = 2.86% 100.00% 93.876% 2.684854% 0.234145% Debt Ai = 2.86% 100.00% 93.876% 2.684854% 0.234145% Debt Ai = 2.86% 100.00% 93.876% 2.684854% 0.223738% Debt 6.62% 100.00% 93.876% 6.214591% 0.234145% Debt 6.62% 100.00% 93.876% 2.684854% 0.234145% Debt 6.62% 100.00% 93.876% 3.529738% 0.234145% Debt 6.62% 100.00% 96.038% 2.746687% 0.294145% Debt Ae = 2.86% 100.00% 96.038% 2.746687% 0.30919% Equity		Meter Ratedirectly assignableno jurisdictionalization required.	1	
Bit is an arrow of the second secon	Ai = Ae =	2.86% 100.00% 100.000% 2.86000% 3.76% 100.00% 100.000% 3.76000%	Monthly 0.238333% 0.313333%	Debt Equity
New Generation Rate - 'Jurisdictional factor for New Generation for CPCN - FERC + KY Retail Monthly 0.223738% Debt Ai = 2.86% 100.00% 93.876% 2.684854% 0.223738% Debt 6.62% 100.00% 93.876% 6.214591% 0.223738% Debt 6.62% 100.00% 93.876% 6.214591% 0.294145% Equity 6.62% 100.00% 93.876% 6.214591% Duble Check Debt Ae = 3.76% 100.00% 96.038% 2.746687% 0.30919% Debt Ae = 3.76% 100.00% 96.038% 3.611029% 0.309919% Equity 6.62% 100.00% 96.038% 6.357716% 0.309919% Equity				
Ai = 2.86% 100.00% 93.876% 2.684854% 0.223738% Debt Ae = 3.76% 100.00% 93.876% 6.214591% 0.294145% Equity 6.62% 100.00% 93.876% 6.214591% 0.294145% Equity Monthly New Generation Rate -'Jurisdictional factor for New Generation from CPCN - FERC + KY Retail Ai = 2.86% 100.00% 96.038% 2.746687% 0.228891% 0.228891% Ae = 3.76% 100.00% 96.038% 3.611029% 0.300919% Equity		Software & Communicationjurisdictional factor that factors in VA and FERC jurisdictions]	
6.62% 100.00% 93.876% 6.214591% Double Check 6.214591% Double Check New Generation Rate - 'Jurisdictional factor for New Generation from CPCN - FERC + KY Retail Monthly Ai = 2.86% 96.038% 2.746687% 0.228891% Debt Ae = 3.76% 100.00% 96.038% 2.3718% Colspan="2">Colspan="2">Colspan="2">Colspan="2">Colspan="2">Colspan="2">Colspan="2">Colspan="2">Colspan="2">Colspan="2" Monthly Debt Colspan="2" Colspan="2" Monthly Colspan="2" Colspan="2" Colspan="2" Monthly Colspan="2" Colspan="2" Colspan="2" Monthly Colspan="2" Colspan="2" Colspan="2" Monthly Colspan="2"	Ai = Ae =	2.86% 100.00% 93.876% 2.684854% 3.76% 100.00% 93.876% 3.529738%	Monthly 0.223738% 0.294145%	Debt Equity
6.214591% Double Check New Generation Rate - 'Jurisdictional factor for New Generation from CPCN - FERC + KY Retail Ai = Monthly Ai = 2.86% 100.00% 6.038% 2.746687% 0.228891% Debt Ae = 3.76% 100.00% 6.357718% 6.62% 100.00% 6.357718%		6.62% 100.00% 93.876% 6.214591%		
New Generation Rate - 'Jurisdictional factor for New Generation from CPCN - FERC + KY Retail Monthly Ai = 2.86% 100.00% 96.038% 2.746687% 0.228891% Debt Ae = 3.76% 100.00% 96.038% 3.611029% 0.300919% Equity 6.62% 100.00% 96.038% 6.357716% 0.40001 0.300919% Equity		6.214591% Double Check		
Ai = 2.86% 100.00% 96.038% 2.746687% 0.228891% Debt Ae = 3.76% 100.00% 96.038% 3.611029% 0.300919% Equity 6.62% 100.00% 96.038% 6.357716% 0.000919% Equity		New Generation Rate - 'Jurisdictional factor for New Generation from CPCN - FERC + KY Retail]	
6.62% 100.00% 96.038% 6.357718%	Ai = Ae =	2.86% 100.00% 96.038% 2.746687% 3.76% 100.00% 96.038% 3.611029%	Monthly 0.228891% 0.300919%	Debt Equity
		<u>6.62%</u> 100.00% 96.038% 6.357716%		

KENTUCKY UTILITIES COMPANY WACC AFUDC RATE CALCULATION

For Use in January 2022

DEBT			
SHORT-TERM DEBT 13 MONTH AVERAGE WEIGHTED COST			0.01%
	TOTAL	Α	1.87%
		В	12
Monthly WACC DEBT RATE		C=A/B	0.1562%
Jurisdictional allocation-Meters		D	100%
Meter WACC AFUDC rate		E=C * D	0.1562%
Jurisdictional allocation-Software & Communication		F	02 01 49/
Junsuictional %		r	93.614%
Software & Communication WACC AFUDC rate		G=C * F	0.1462%

COMMON EQUITY				
WACC COMMON EQUITY RATE	Α	5.02%		
Gross of up of COMMON EQUITY rate per emails	B=A/(1-24.95%)	6.69%		
	c _	12		
Monthly WACC COMMON EQUITY RATE	D=B/C	0.5571%		
Jurisdictional allocation-Meters	E _	100%		
Meter WACC AFUDC rate	F=D * C	0.5571%		
Jurisdictional allocation-Software & Communication				
Jurisdictional %	G _	93.614%		
Software & Communication WACC AFUDC rate	H=D * G	0.5216%		

KENTUCKY UTILITIES COMPANY WACC AFUDC RATE CALCULATION

For Use Between February - March 2022

DEBT			
SHORT-TERM DEBT 13 MONTH AVERAGE WEIGHTED COST			0.01%
LONG-TERM DEBT 13 MONTH AVERAGE WEIGHTED COST			1.87%
	TOTAL	Α	1.87%
		В	12
Monthly WACC DEBT RATE		C=A/B	0.1562%
Jurisdictional allocation-Meters		D	100%
Meter WACC AFUDC rate		E=C * D	0.1562%
Jurisdictional allocation-Software & Communication			
Jurisdictional %		F	93.593%
Software & Communication WACC AFLIDC rate		G=C * F	0 1461%

COMMON EQUITY			
WACC COMMON EQUITY RATE	A	5.02%	
Gross of up of COMMON EQUITY rate per emails	B=A/(1-24.95%)	6.69%	
	C	12	
Monthly WACC COMMON EQUITY RATE	D=B/C	0.5571%	
Jurisdictional allocation-Meters	E	100%	
Meter WACC AFUDC rate	F=D * C	0.5571%	
Jurisdictional allocation-Software & Communication			
Jurisdictional %	G	93.593%	
Software & Communication WACC AFUDC rate	H=D * G	0.5214%	

KENTUCKY UTILITIES COMPANY WACC AFUDC RATE CALCULATION

For Use Between April - November 2022

DEBT		
SHORT-TERM DEBT 13 MONTH AVERAGE WEIGHTED COST		0.01%
LONG-TERM DEBT 13 MONTH AVERAGE WEIGHTED COST		1.87%
ТОТ	AL A	1.87%
	В	12
Monthly WACC DEBT RATE	C=A/B	0.1562%
Jurisdictional allocation-Meters	D	100%
Meter WACC AFUDC rate	E=C * D	0.1562%
Jurisdictional allocation-Software & Communication		
Jurisdictional %	F	93.613%
Software & Communication WACC AFUDC rate	G=C * F	0.1462%

COMMON EQUITY					
	٨	5.02%			
WAGE COMMON EQUIT MATE	~ <u>-</u>	5.0270			
Gross of up of COMMON EQUITY rate per emails	B=A/(1-24.95%)	6.69%			
	C	12			
Monthly WACC COMMON EQUITY RATE	D=B/C	0.5571%			
Jurisdictional allocation-Meters	E	100%			
Meter WACC AFUDC rate	F=D * C	0.5571%			
Jurisdictional allocation-Software & Communication					
Jurisdictional %	G	93.613%			
Software & Communication WACC AFUDC rate	H=D * G	0.5215%			

KENTUCKY UTILITIES COMPANY

WACC AFUDC RATE CALCULATION

For Use Between December 2022 - January 2023

DEBT			
SHORT-TERM DEBT 13 MONTH AVERAGE WEIGHTED COST			0.01%
LONG-TERM DEBT 13 MONTH AVERAGE WEIGHTED COST		_	1.87%
	TOTAL	Α	1.87%
		В	12
Monthly WACC DEBT RATE		C=A/B	0.1562%
Jurisdictional allocation-Meters		D	100%
Meter WACC AFUDC rate		E=C * D	0.1562%
Jurisdictional allocation-Software & Communication			
Jurisdictional %		F	93.613%
Software & Communication WACC AFUDC rate		G=C * F	0.1462%

COMMON EQUITY		
WACC COMMON EQUITY RATE	A	5.02%
FERC AFUDC EQUITY RATE (AFTER-TAX)	В	3.02%
GROSS-UP FACTOR	С	1.332445
Gross of up of COMMON EQUITY	D=((A-B)*C)+B	5.68%
	E	12
Monthly WACC COMMON EQUITY RATE	F=D/E	0.4735%
Jurisdictional allocation-Meters	G	100%
Meter WACC AFUDC rate	H=F * G	0.4735%
Jurisdictional allocation-Software & Communication		
Jurisdictional %	I	93.613%
Software & Communication WACC AFUDC rate	J=F * I	0.4432%

Case No. 2025-00113 Attachment to Response to PSC-1 Question No. 29 Page 30 of 35 McCombs

KENTUCKY UTILITIES COMPANY CASE NO. 2020-00349 COST OF CAPITAL SUMMARY THIRTEEN MONTH AVERAGE FROM JULY 1, 2021 TO JUNE 30, 2022

DATA:____BASE PERIOD_X_FORECASTED PERIOD DATE OF CAPITAL STRUCTURE: 13 MO AVG FOR FORECASTED PERIOD TYPE OF FILING: ____ ORIGINAL ____ UPDATED _X_ REVISED WORKPAPER REFERENCE NO(S).:

SCHEDULE J-1.1/J-1.2 PAGE 1 OF 3 WITNESS: D. K. ARBOUGH

LINE NO.	CLASS OF CAPITAL (A)	WORKPAPER REFERENCE (B)	13 MONTH AVERAGE AMOUNT (C) \$	ADJUSTMENT AMOUNT (D) \$	ADJUSTED CAPITAL (E=C+D) \$	JURISDICTIONAL RATE BASE <u>PERCENTAGE</u> (F)	JURISDICTIONAL CAPITAL (G=ExF) \$	JURISDICTIONAL ADJUSTMENTS (H) \$	JURISDICTIONAL ADJUSTED CAPITAL (I=G+H) \$	PERCENT OF TOTAL (J)	COST RATE (K) %	13 MONTH AVERAGE WEIGHTED COST (L=JXK) %	_GROSSED UP_
1	SHORT-TERM DEBT	J-2	105,496,138	(42,542)	105,453,596	93.60%	98,704,566	(10,034,873)	88,669,693	1.69%	0.46%	0.01%	0.01%
2	LONG-TERM DEBT	J-3	2,806,177,780	(1,131,614)	2,805,046,165	93.60%	2,625,523,211	(266,925,767)	2,358,597,444	45.07%	4.14%	1.87%	1.88%
3	COMMON EQUITY		3,315,033,922	(1,660,117)	3,313,373,806	93.60%	3,101,317,882	(315,297,785)	2,786,020,097	53.24%	9.425%	5.02%	6.72%
4	TOTAL CAPITAL		6,226,707,840	(2,834,273)	6,223,873,567		5,825,545,659	(592,258,425)	5,233,287,234	100.00%	=	6.89%	8.60%

KENTUCKY UTILITIES COMPANY
CASE NO. 2020-00349
COST OF CAPITAL SUMMARY - ADJUSTMENT AMOUNT
THIRTEEN MONTH AVERAGE

FROM JULY 1, 2021 TO JUNE 30, 2022

DATA:BAS	SE PERIOD_X_FOR	RECASTED PERIO	DD								
DATE OF CAPITAL STRUCTURE: 13 MO AVG FOR FORECASTED PERIOD SCHEDULE J-1.1/J-1											SCHEDULE J-1.1/J-1.2
TYPE OF FILIN	YPE OF FILING: ORIGINAL UPDATED _X_ REVISED PAGE 2 OF 3										
WORKPAPER	WORKPAPER REFERENCE NO(S).: WITNESS: D. K. ARB								ESS: D. K. ARBOUGH		
-											
		WORKPAPER	13 MONTH	PERCENT OF	OTHER COMPREHENSIV	EEI DEFERRED	INVESTMENT IN	NET NONUTILITY	ADIT PRORATION		ADJUSTMENT

LINE NO.	CLASS OF CAPITAL	WORKPAPER REFERENCE	13 MONTH AVERAGE AMOUNT	PERCENT OF TOTAL	COMPREHENSIV E INCOME - EEI	EEI DEFERRED TAXES	INVESTMENT IN OVEC	NET NONUTILITY PROPERTY	PRORATION ADJUSTMENT	AMI	ADJUSTMENT AMOUNT
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(1)	(J)	(K=E+F+G+H+I+J)
			\$		\$	\$	\$	\$			\$
1	SHORT-TERM DEBT	J-2	105,496,138	1.69%	-	-	(4,236)	(11,549)	(19,633)	(7,125)	(42,542)
2	LONG-TERM DEBT	J-3	2,806,177,780	45.07%	-	-	(112,667)	(307,197)	(522,227)	(189,523)	(1,131,614)
3	COMMON EQUITY		3,315,033,922	53.24%	-	(323,302)	(133,097)	(362,902)	(616,924)	(223,891)	(1,660,117)
4	TOTAL CAPITAL		6,226,707,840	100.00%	-	(323,302)	(250,000)	(681,648)	(1,158,784)	(420,539)	(2,834,273)

KENTUCKY UTILITIES COMPANY CASE NO. 2020-00349 COST OF CAPITAL SUMMARY - JURISDICTIONAL ADJUSTMENTS THIRTEEN MONTH AVERAGE

FROM JULY 1, 2021 TO JUNE 30, 2022

DATA:_ DATE (TYPE (WORK	BASE PERIODX_FOR DF CAPITAL STRUCTURE: 13 DF FILING: ORIGINAL _ PAPER REFERENCE NO(S).:	ECASTED PERIO MO AVG FOR FO	DD RECASTED PERIOD _XREVISED					SCHEDULE J-1.1/J-1.2 PAGE 3 OF 3 WITNESS: D. K. ARBOUGH
LINE NO.	CLASS OF CAPITAL	WORKPAPER REFERENCE	JURISDICTIONAL CAPITAL	PERCENT OF TOTAL	ECR RATE BASE	DSM RATE BASE	AMI RATE BASE	JURISDICTIONAL ADJUSTMENTS
	(A)	(B)	(C=PAGE 1 COL G)	(D)	(E)	(F)	(G)	(H=E+F+G)
			\$		\$	\$	s	\$
1	SHORT-TERM DEBT		98,704,566	1.69%	(9,829,317)	(48,126)	(157,430)	(10,034,873)
2	LONG-TERM DEBT		2 625 523 211	45.07%	(261 458 016)	(1 280 154)	(4 187 597)	(266 925 767)
-			2,020,020,211	40.0170	(201,400,010)	(1,200,104)	(4,101,001)	(100,010,707)
3	COMMON EQUITY		3,101,317,882	53.24%	(308,839,174)	(1,512,142)	(4,946,469)	(315,297,785)
4	TOTAL CAPITAL		5,825,545,659	100.00%	(580, 126, 507)	(2,840,422)	(9,291,496)	(592,258,425)

KENTUCKY UTILITIES COMPANY

WACC AFUDC RATE CALCULATION

For Use Between February 2023 - January 2024

DEBT			
SHORT-TERM DEBT 13 MONTH AVERAGE WEIGHTED COST			0.03%
LONG-TERM DEBT 13 MONTH AVERAGE WEIGHTED COST			1.82%
	TOTAL	Α	1.85%
		В	12
Monthly WACC DEBT RATE		C=A/B	0.1542%
Jurisdictional allocation-Meters		D	100%
Meter WACC AFUDC rate		E=C * D	0.1542%
Jurisdictional allocation-Software & Communication			
Jurisdictional %		F _	93.450%
Software & Communication WACC AFLIDC rate		G=C * F	0 1441%

COMMON EQUITY		
WACC COMMON EQUITY RATE	A	5.10%
FERC AFUDC EQUITY RATE (AFTER-TAX)	В	4.34%
GROSS-UP FACTOR	С	1.332445
Gross of up of COMMON EQUITY	D=((A-B)*C)+B	5.35%
	E	12
Monthly WACC COMMON EQUITY RATE	F=D/E	0.4461%
Jurisdictional allocation-Meters	G	100%
Meter WACC AFUDC rate	H=F * G	0.4461%
Jurisdictional allocation-Software & Communication		
Jurisdictional %	I	93.450%
Software & Communication WACC AFUDC rate	J=F * I	0.4168%

Case No. 2025-00113 Attachment to Response to PSC-1 Question No. 29 Page 32 of 35 McCombs

Kentucky Utilities Company Cost Of Capital Summary Thirteen Month Average From December 1, 2021 to December 31, 2022

Line No.	Class Of Capital	Workpaper Reference	13 Month Average Amount	Percent Of Total	Cost Rate	13 Month Average Weighted Cost
1	Short-Term Debt	J-2	\$139,230,475	2.22%	1.386%	0.03%
2	Long-Term Debt	J-3	\$2,739,012,821	43.65%	4.173%	1.82%
3	Common Equity	BS	\$3,396,493,001	54.13%	9.425%	5.10%
4	Total Capital		\$6,274,736,297	100.00%		6.95%

KENTUCKY UTILITIES COMPANY WACC AFUDC RATE CALCULATION

For Use in February 2024

DEBT			
SHORT-TERM DERT 13 MONTH AVERAGE WEIGHTED COST			0.04%
LONG-TERM DEBT 13 MONTH AVERAGE WEIGHTED COST			1.96%
	TOTAL	Α	2.00%
		В	12
Monthly WACC DEBT RATE		C=A/B	0.1667%
Jurisdictional allocation-Meters		D	100%
Meter WACC AFUDC rate		E=C * D	0.1667%
Jurisdictional allocation-Software & Communication			
Jurisdictional %		F	93.876%
Software & Communication WACC AFUDC rate		G=C * F	0 1565%

COMMON EQUITY				
WACC COMMON EQUITY RATE	A	5.11%		
FERC AFUDC EQUITY RATE (AFTER-TAX)	В	3.76%		
GROSS-UP FACTOR	С	1.332445		
Gross of up of COMMON EQUITY	D=((A-B)*C)+B	5.56%		
	E	12		
Monthly WACC COMMON EQUITY RATE	F=D/E	0.4632%		
Jurisdictional allocation-Meters	G	100%		
Meter WACC AFUDC rate	H=F * G	0.4632%		
Jurisdictional allocation-Software & Communication				
Jurisdictional %	I _	93.876%		
Software & Communication WACC AFUDC rate	J=F * I	0.4349%		

KENTUCKY UTILITIES COMPANY WACC AFUDC RATE CALCULATION

For Use Between March 2024 - Dec	ember 2024	
DEBT		
SHORT-TERM DEBT 13 MONTH AVERAGE WEIGHTED COST		0.04%
LONG-TERM DEBT 13 MONTH AVERAGE WEIGHTED COST		1.96%
ΤΟΤΑ	LA	2.00%
	В	12
Monthly WACC DEBT RATE	C=A/B	0.1667%
Jurisdictional allocation-Meters	D	100%
Meter WACC AFUDC rate	E=C * D	0.1667%
Jurisdictional allocation-Software & Communication		
Jurisdictional %	F	93.876%
Software & Communication WACC AFUDC rate	G=C * F	0.1565%
Jurisdictional allocation-KY Retail		
Jurisdictional %	н	94.058%
*for WACC only KY Retail is used		
and excludes FERC		
CPCN GENERATION WACC AFUDC rate	I=C * H	0.1568%

COMMON EQUITY				
WACC COMMON EQUITY RATE	Α	5.11%		
	В	12		
Monthly WACC COMMON EQUITY RATE	C=A/B	0.4258%		
Jurisdictional allocation-Meters	D _	100%		
Meter WACC AFUDC rate	E=C * D	0.4258%		
Jurisdictional allocation-Software & Communication				
Jurisdictional %	F _	93.876%		
Software & Communication WACC AFUDC rate	G=C * F	0.3998%		
Jurisdictional allocation-KY Retail				
Jurisdictional %	н	94.058%		
*for WACC only KY Retail is used	_			
and excludes FERC				
CPCN GENERATION WACC AFUDC rate	I=C * H	0.4005%		

Case No. 2025-00113 Attachment to Response to PSC-1 Question No. 29 Page 35 of 35 McCombs

KENTUCKY UTILITIES COMPANY

COST OF CAPITAL SUMMARY THIRTEEN MONTH AVERAGE FROM DEC-2022 TO DEC-2023

Line No.	Class Of Capital	Workpape r Reference	13 Month Average Amount	% of Total	Cost Rate	13 Month Average Weighted Cost
1	Short-Term Debt	J-2	\$ 46,391,933	0.72%	5.165%	0.04%
2	Long-Term Debt	J-3	\$ 2,899,146,276	45.03%	4.357%	1.96%
3	Common Equity	BS	\$ 3,492,333,865	54.25%	9.425%	5.11%
4	Total Capital		\$ 6,437,872,074			7.11%