

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

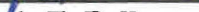
In the Matter of:

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
THE COMMISSION STAFF’S FOURTH REQUEST FOR INFORMATION
DATED SEPTEMBER 11, 2025

FILED: SEPTEMBER 23, 2025

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)


Lonnie E. Bellar

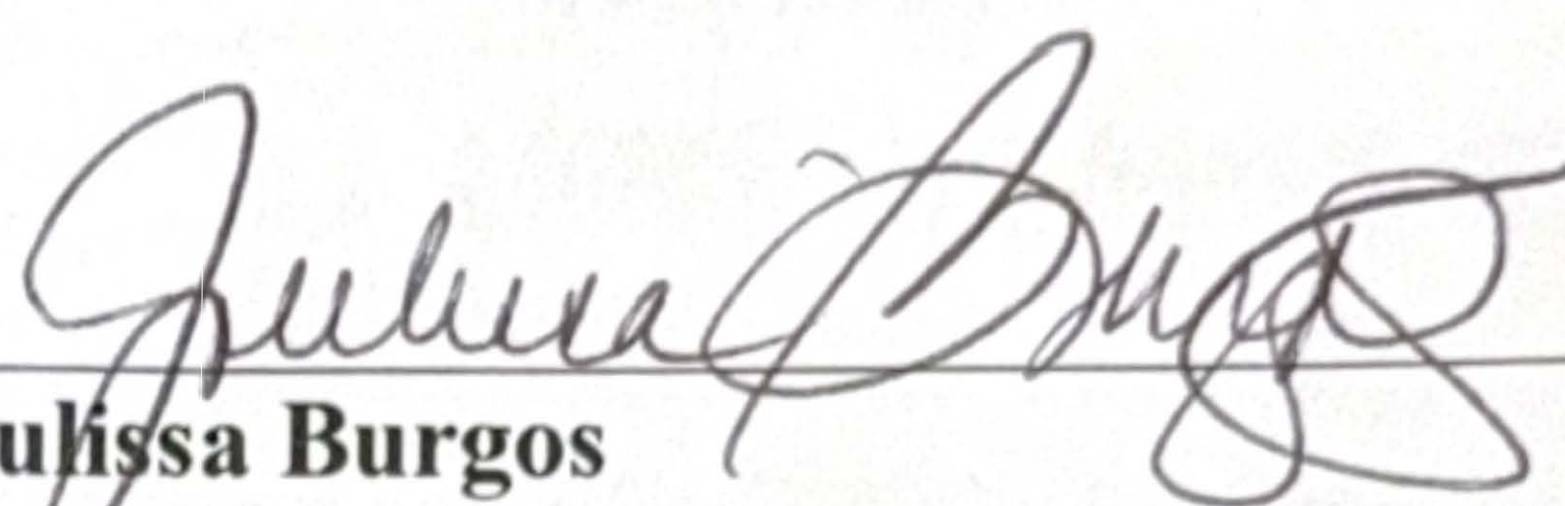
Verita Michelle DeFreese
Notary Public

April 1, 2028

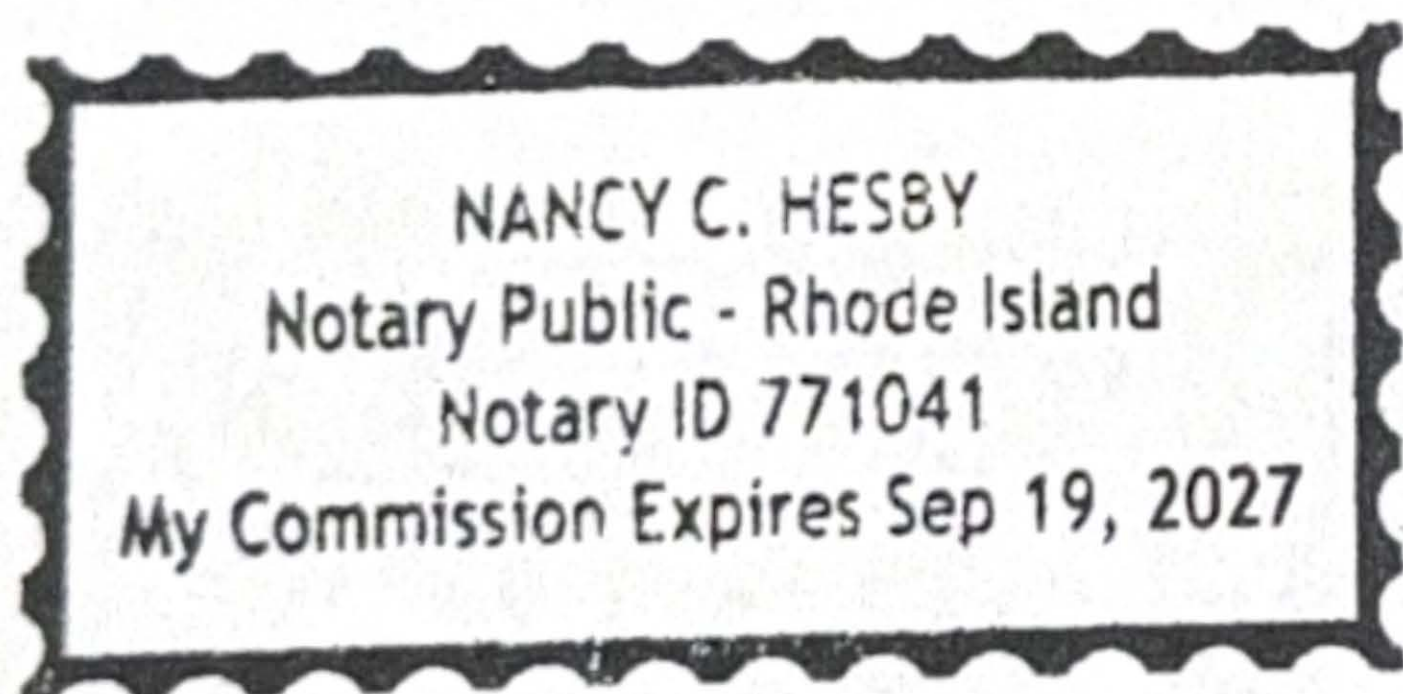


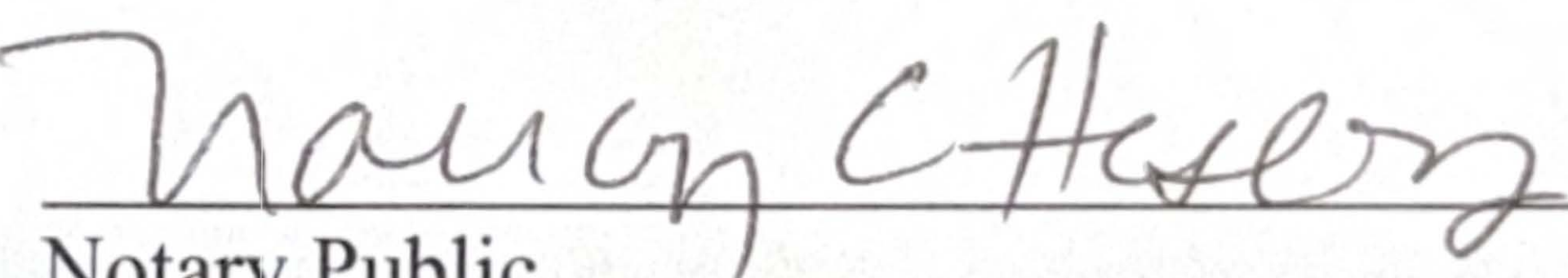
VERIFICATION
nch state of Rhode Island
COMMONWEALTH OF PENNSYLVANIA)
nch
COUNTY OF LEHIGH Providence)

The undersigned, **Julissa Burgos**, being duly sworn, deposes and says that she is the Assistant Treasurer for PPL Corporation and currently provides financial related services to Louisville Gas and Electric Company and Kentucky Utilities Company, that she has personal knowledge of the matters set forth in the foregoing response and that the material contained therein is true and correct to the best of her information, knowledge, and belief.


Julissa Burgos

Subscribed and sworn to before me, a Notary Public in and before said County and State,
this 23 day of September, 2025.




Notary Public
Notary Public, ID No. 771041 (SEAL)

My Commission Expires: 9-19-2027

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 22nd day of September 2025.

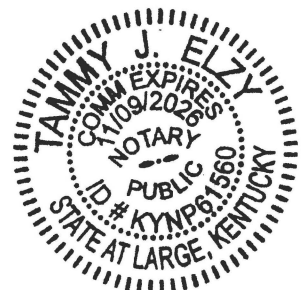


Notary Public

Notary Public ID No. KYNP61560

My Commission Expires:

November 9, 2026



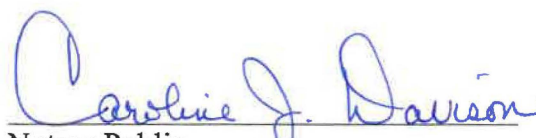
VERIFICATION

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

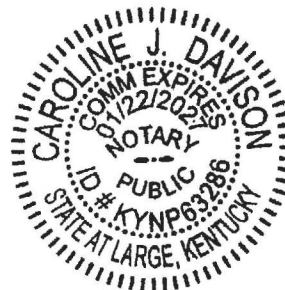
Subscribed and sworn to before me, a Notary Public in and before said County and State, this 17th day of September 2025.


Notary Public

Notary Public ID No. KYNP63286

My Commission Expires:

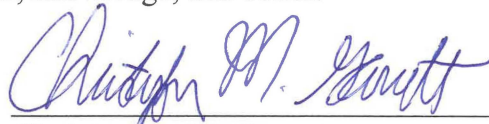
January 22, 2027



VERIFICATION

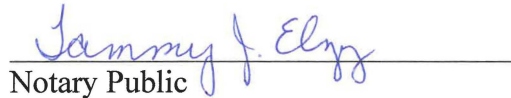
COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

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



Christopher M. Garrett

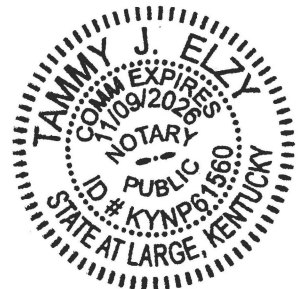
Subscribed and sworn to before me, a Notary Public in and before said County and State, this 22nd day of September 2025.


Notary Public

Notary Public ID No. KYNP61560

My Commission Expires:

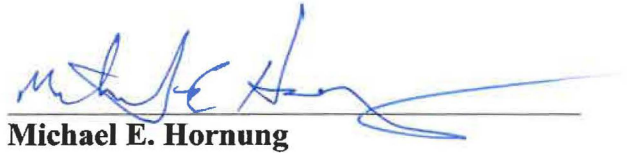
November 9, 2026



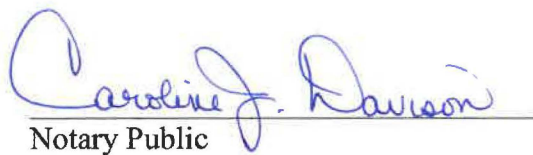
VERIFICATION

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 17th day of September 2025.


Notary Public

Notary Public ID No. KYNP63286

My Commission Expires:

January 22, 2027

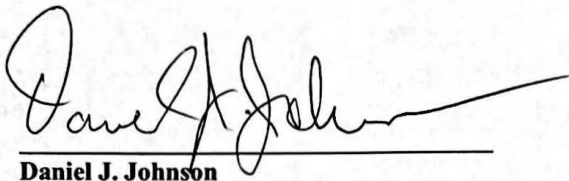


VERIFICATION

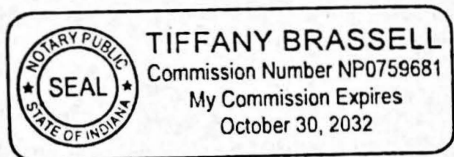
STATE OF INDIANA)

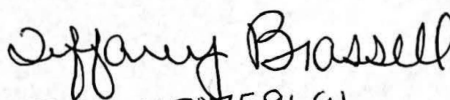
)
COUNTY OF St. Joseph ,

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


Daniel J. Johnson

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 18 day of September, 2025.



Notary Public 
Notary Public, ID No. NP0759681
(SEAL)

My Commission Expires: Oct. 30, 2032

VERIFICATION

COMMONWEALTH OF
MASSACHUSETTS
COUNTY OF MIDDLESEX

)
)
)

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

Timothy S. Lyons

Timothy S. Lyons

On this 18th day of September, 2025, before me, the undersigned notary public, personally appeared **Timothy S. Lyons**, proved to me through satisfactory evidence of identification, which were Driver's License, to be the person whose name is signed on the preceding or attached document in my presence.

(seal)



Michelle Jordan

Notary Public Signature

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

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


Elizabeth J. McFarland

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 22nd day of September 2025.


Notary Public

Notary Public ID No. KYNP14646

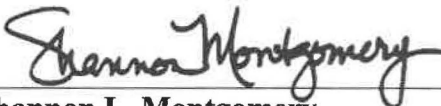
My Commission Expires:

10-16-2028

VERIFICATION

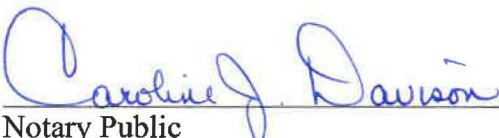
COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

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



Shannon L. Montgomery

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 17th day of September 2025.



Notary Public

Notary Public ID No. KYNP63286

My Commission Expires:

January 22, 2027



VERIFICATION

COMMONWEALTH OF PENNSYLVANIA)
)
COUNTY OF LEHIGH)

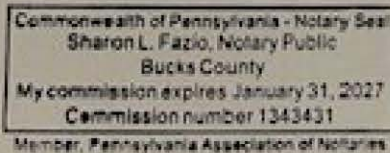
The undersigned, Vincent T. Poplaski, being duly sworn, deposes and says that he is Vice President Total Rewards for PPL Services Corporation and he provides services to Louisville Gas and Electric Company and Kentucky Utilities Company, that he has personal knowledge of the matters set forth in the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

Vincent T. Poplaski

Vincent T. Poplaski (Exp 10, 2027) 0084013 101

Vincent T. Poplaski

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 19th day of September, 2025.



Sharon L. Fazio
Notary Public

Notary Public, ID No. 1343431
(SEAL)

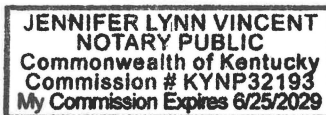
My Commission Expires: 1/31/27

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)


Charles R. Schram

Notary Public K/ NP32193

06/25/2029



COMMONWEALTH OF PENNSYLVANIA)
)
COUNTY OF CUMBERLAND)


John J. Spanos

Notary Public 
Notary Public ID No. 1143028

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

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)


Peter W. Waldrab

Mary Q Wheeler
Notary Public

Notary Public ID No. kynp92214

September 11, 2028

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 1

Responding Witness: Shannon L. Montgomery

- Q-1. Refer to the Direct Testimony of Shannon L. Montgomery (Montgomery Direct Testimony), page 11, lines 16–20. Provide the amount of savings KU has incorporated into this case as a result of the paperless billing proposal and provide a detailed explanation for how the savings were calculated.
- A-1. See the response to AG-KIUC 1-48(e), specifically the file “2025 AG DR1 KU Attach to Q48(e) - Paperless Billing Savings.xlsx”.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 2

Responding Witness: Shannon L. Montgomery

- Q-2. Refer to the Montgomery Direct Testimony, page 23, lines 7–13. Explain how removing the requirement that customers who purchase new smart thermostats through the Online Transactional Marketplace be automatically enrolled in the Bring Your Own Device program for smart thermostats would increase smart thermostat purchases through the Online Transactional Marketplace.
- A-2. Separating eligibility for discounted smart thermostats on the Online Transactional Marketplace from automatic enrollment in the Bring Your Own Device program allows customers that are not eligible for the Bring Your Own Device program, like those enrolled in Demand Conservation and Peak Time Rebates, to make such purchases. The online purchases, via the installation and use of the device by the customer, is expected to provide energy savings to the customer and the Company.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 3

Responding Witness: Shannon L. Montgomery

Q-3. Refer to the Montgomery Direct Testimony, page 25, line 20, through page 28, line 8.

- a. Provide a detailed explanation of the disconnection/reconnection process beginning with the customer receiving a low funds alert and ending with reconnection.
- b. Explain whether a prepay customer whose balance reaches zero after hours, on a weekend, or on a holiday will be immediately disconnected upon the balance reaching zero or whether the disconnection will occur on the next business day during regular business hours.

A-3.

- a. Details are not complete for this program.
- b. A prepay customer can deposit funds at any time, including after hours, on a weekend, or on a holiday. Because funds can be deposited immediately into customer's account during those times, disconnection occurs upon the balance reaching zero. Similarly, a prepay customer is immediately reconnected (including outside of business hours) when the customer adds funds to the prepay balance.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 4

Responding Witness: Michael E. Hornung

Q-4. Refer to the Direct Testimony of Michael E. Hornung, page 8, lines 7–22.

- a. Provide any insights KU has learned through the offering of the General Service Time-of-Day (GTOD) rates.
- b. Explain whether KU has experienced any adverse revenue impacts through the offering of the GTOD rates.

A-4.

- a. Currently, the GTOD rates are restricted to only those General Service customers who were part of the Company's DSM AMI Opt-In Pilot Program. The rollout of AMI throughout the Company's service territory has made this restriction unnecessary. In this rate case the Company is proposing to limit the availability of the GTOD rate schedule to a maximum of 500 customers taking service on GTOD-E and GTOD-D combined that are eligible for rate GS and have an AMI meter.

As of August 2025, KU has 0 GTOD-E and 41 GTOD-D customers. LG&E has 2 GTOD-E and 50 GTOD-D customers. Due to the small amount of customers participating in this rate schedule, the Company has not performed any in-depth analyses.

- b. Due to the limited number of General Service customers who participated in the pilot, the Company did not observe significant revenue impacts from this offering. With the full deployment of AMI infrastructure nearly complete, the Company has proposed extending this time-of-day offering to 500 customers as part of an ongoing assessment of customer interest in these rate structures.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 5

Responding Witness: Michael E. Hornung

- Q-5. Refer to the Direct Testimony of Michael E. Hornung, page 21, lines 3–4. Also refer to KU's response to Commission Staff's Third Request for Information (Staff's Third Request), Item 10. Explain why KU is proposing to remove the cap on the amount of Solar Share Facilities capacity a customer may subscribe.
- A-5. The current limit of no customer subscribing to not more than 250 kW DC (nominal) in any single Solar Share Facility requires additional marketing to fully subscribe a section prior to the commencement of building the subscribed section. This will cause a delay in the interested party receiving benefits per their subscription. Additionally, limiting any one customer to 500 kW DC in the full site lessens LG&E and KU's ability to satisfy the need of customers with larger sustainability goals. The anticipated interest of single-share subscribers has tapered off since the inception, reducing the ability to support fully subscribing each facility only with persons electing to subscribe 1 – 4 shares.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025

Case No. 2025-00113

Question No. 6

Responding Witness: Michael E. Hornung / Elizabeth J. McFarland / Shannon L. Montgomery/ Charles R. Schram

Q-6. Refer to the Direct Testimony of Michael C. Hornung, page 25, line 13, through page 26, line 6.

- a. Explain KU's current practices and cost responsibility concerning customers or prospective customers who request service resulting in Transmission Service Requests (TSR) and eventual transmission system-related additions or upgrades and identify the provision, if any, in the current tariff that addresses such practices and cost responsibility.
- b. Explain what type of service would require KU to issue a TSR to its Independent Transmission Organization.
- c. Explain the rationale for setting the threshold for existing customers to enter into engineering, procurement, and construction agreements to cover all transmission-related costs KU incurs related to any studied service at \$10 million.

A-6.

- a. Historically, the Company, as the Load Serving Entity, has paid the cost of the TSRs it submits to the ITO as an expense related to providing new service to prospective or expanding customers. As the volume of TSRs started to increase considerably, the Company determined that the potential or expanding customer should bear that cost. It is this recent change in practice that prompted the proposed revision to the Company's tariff requiring the individual cost causer to pay directly for the TSR that the potential or expanding customer is requesting. Transmission system related additions and/or upgrade costs are typically borne by the Companies as they typically represent upgrades or improvements to the overall system that other customers benefit from, however in certain circumstances, costs can be directly assigned to the customer. The Companies practice for allocating these costs is documented as the *Allocation of Costs for End-User*

Interconnections document posted on their Open Access Same-Time Information System website

- b. The LG&E/KU Transmission Services and Scheduling Business Practices document describes the circumstances that require submission of a TSR to the Companies' Independent Transmission Organization and is publicly available on the Companies' OASIS at [https://www.oasis.oati.com/woa/docs/LGEE/LGEEdocs/Business_Practices - Transmission Service and Scheduling Clean - Effective 02-12-25.pdf](https://www.oasis.oati.com/woa/docs/LGEE/LGEEdocs/Business_Practices_-_Transmission_Service_and_Scheduling_Clean_-_Effective_02-12-25.pdf).

In short, a TSR is required for any new Delivery Point (an interconnection point between the Companies' transmission system and a load), for any load increase of 5 MW or more at a Delivery Point served at less than 100 kV, or for any load increase of 10 MW or more at a Delivery Point served at 100 kV or greater.

- c. The Companies settled on \$10 million as a threshold because this value typically represents the investment needed in greenfield facilities (e.g. new transmission lines, new transmission substations) to serve the new load. Upgrades less than \$10 million in total to serve new load are typically upgrades to existing equipment. It is important to clarify that the individual cost causer only "cover[s] all transmission-related costs KU incurs" if the customer fails to use electric service from KU. In situations where the customer does use electric service from KU, LG&E/KU in its capacity as Transmission Owner bears the cost of transmission-related expenses in accordance with the *Allocation of Costs for End-User Interconnections* document posted on their Open Access Same-Time Information System website here: [Allocation of Costs for End-User Interconnections - FINAL 2-1-22.pdf](#).

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 7

Responding Witness: Michael E. Hornung / Counsel

Q-7. Refer to KU's response to Commission Staff's Second Request for Information (Staff's Second Request), Item 28.

- a. Provide the citations to Kentucky law that address liability protection that KU relied upon in drafting its revised liability language.
- b. Explain how the liability-limitation language in KU's current tariff is inadequate to protect KU and its customers.

A-7.

- a. Counsel provides the following citation: *See, e.g., Helmbrecht v. Bailey Jaynes Bakery & Café, LLC*, 699 S.W.3d 197, 203 (Ky. Ct. App. 2024), *citing* *Hargis v. Baize*, 168 S.W.3d 36, 47 (Ky. 2005).
- b. The Company did not state the liability-limitation language in its current tariffs is inadequate to protect it and its customers; rather, as stated in the Company's response to PSC 2-28, the purpose of the proposed revisions is to increase the uniformity of such provisions throughout the Company's tariff and provide liability protection consistent with Kentucky law.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 8

Responding Witness: Shannon L. Montgomery

- Q-8. Refer to KU's response to Staff's Second Request, Item 1, page 157 of 238. Explain the purpose of the revisions made to the Small Business Audit and Direct Install program.
- A-8. The revisions to the Small Business Audit and Direct Install program were made to simplify the program description and further clarify that not all small business customers will receive or need each measure. Also, the changes allow, over time, for new measures to be added or be removed, if they are determined to be no longer cost-effective.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 9

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

- Q-9. Refer to KU's response to Staff's Third Request, Item 14(a). Provide a cite to the requirement that requires that communications between a Distributed Energy Resources equipment and company control systems for all generators over 1 MW in Capacity.
- A-9. See attachment being provided in a separate file. Refer to sections 8 and 10 in the attached Interconnection Requirements for Customer Sited Distributed Generation. This document is also posted publicly on the lge-ku.com website.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025

Case No. 2025-00113

Question No. 10

Responding Witness: Michael E. Hornung / Shannon L. Montgomery / Peter W. Waldrab

Q-10. Refer to KU's response to Staff's Third Request, Item 14(b). Also refer to the application, Tab 4, page 201 of 205.

- a. Since Level 1 interconnections do not require the same level of engineering review as a Level 2 interconnection, explain why the fees should be the same.
- b. Provide cost support for the \$100 Level 1 inspection and processing fee.
- c. Explain how many times KU has had to conduct an impact study related to a Level 1 Application.

A-10.

- a. All Level 1 applications require engineering review to ensure that interconnections meet the Company's interconnection requirements to protect the safety and reliability of the electric system. On interconnections 25kW and larger, or if on a shared secondary, modeling and detailed engineering analysis is also required, similar to a level 2 application. See attachment being provided in a separate file for an example checklist of items reviewed based on system nameplate capacity. Note that modeling and impact studies may be required, regardless of nameplate capacity, if unique configuration or system constraints are identified.

Given the variability and uncertainty in effort required to review interconnection applications, and given the current \$100 Level 2 fee, the Company proposed a \$100 inspection and processing fee for Level 1 applications for the purpose of ensuring some cost recovery from those customers causing the costs. The dollar amount of the fee was chosen for consistency with the Level 2 fee, which was established in Case No. 2008-00169, is unlikely to fully reflect the current costs of such studies whether for Level 1 or Level 2 applications.

- b. Typical engineering reviews for a Level 1 interconnection take on average 1-4 hours of engineering time to adequately evaluate and model system

impacts. Assuming average hourly rates for engineering services, the \$100 fee is less than the cost of labor required for such reviews.

- c. Since 2024, LG&E and KU have performed system modeling and impact studies on 150-200 DER interconnection requests. This is an estimate based on systems that meet nameplate capacity requirements.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 11

Responding Witness: Michael E. Hornung

- Q-11. Refer to Case No. 2023-00404,² which states “The Commission finds that [Louisville Gas and Electric Company (LG&E)] LG&E/KU should incorporate the arguments raised by the Joint Intervenors herein, in regard to updating the other components of the bill credits, and file additional evidence and testimony in its next base rate case.” For each avoided cost component, explain how LG&E/KU incorporated the arguments raised the Joint Intervenors.
- A-11. The Company is aware of the quoted order text, but it is unclear what it means to “incorporate ... arguments” in this context; the Company did not understand the order to prescribe a change in methodology. The Company has provided testimony in this case supporting each component of its proposed Rider NMS-2 rate. Interested intervenors, including the Joint Intervenors, have provided their testimony on Rider NMS-2, and the Company will address their arguments in its rebuttal testimony.

² Case No. 2023-00404, *Electronic Tariff Filings of Louisville Gas and Electric Company and Kentucky Utilities Company to Revise Purchase Rates for Small Capacity and Large Capacity Cogeneration and Power Production Qualifying Facilities and Net Metering Service-2 Credit Rates* (Ky. PSC Aug. 30, 2024), Order at 24.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025

Case No. 2025-00113

Question No. 12

Responding Witness: Michael E. Hornung / Elizabeth J. McFarland / Charles R. Schram / Peter W. Waldrab

Q-12. Refer to LG&E/KU's response to Joint Intervenor's First Request for Information, Item 103. Provide the requested analysis.

A-12. In the following bullet-points, the first sub-bullet responds to the first sentence of JI 1-103;³ the second sub-bullet responds to the second sentence of JI 1-103.⁴

- Avoided energy cost
 - See the Direct Testimony of Charles R. Schram at 32-34 and Exhs. CRS-6 and CRS-7.
 - In Case No. 2020-00349, the Company initially proposed a value of \$0.02319/kWh. In this case, the Company proposes a value of \$0.03859/kWh. One reason for this difference is, in Case No. 2020-00349, the Company proposed to use the fixed tilt solar avoided energy value for 2-year PPAs without line losses; however, the Commission ordered in that case that the rate be based on the average of the two 7-year PPA fixed tilt solar avoided energy values with line losses. The comparable value to \$0.02319/kWh in Case No. 2020-00349 is the fixed tilt solar avoided energy value for 2-year PPAs without line losses, which in this case is \$0.03155/kWh. The difference between these values is most significantly caused by an increase in fuel prices.
- Avoided generation capacity cost
 - See the Direct Testimony of Charles R. Schram at 34-36 and Exhs. CRS-6 and CRS-7.
In Case No. 2020-00349, the Company initially proposed a value of \$0/kWh. In this case, the Company proposes a value of \$0/kWh. There is no difference in the proposed values.

³ "Please provide a breakdown by category of each component of costs included in the Company's avoided cost calculations, and the methodology and data on which the cost was calculated and assigned."

⁴ "Please provide a comparison of the current costs for each category with the assumed avoided costs in 2020-00349 and 00350, and explain the basis or bases for the increase or decrease in costs."

- **Avoided ancillary services cost**
 - See the Direct Testimony of Charles R. Schram at 36-38.
 - In Case No. 2020-00349, the Company initially proposed a value of \$0/kWh. In this case, the Company proposes a value of \$0/kWh. There is no difference in the proposed values.
- **Avoided carbon cost**
 - See the Direct Testimony of Charles R. Schram at 38.
 - In Case No. 2020-00349, the Company initially proposed a value of \$0/kWh. In this case, the Company proposes a value of \$0/kWh. There is no difference in the proposed values.
- **Avoided environmental compliance cost**
 - See the Direct Testimony of Charles R. Schram at 38-39.
 - In Case No. 2020-00349, the Company initially proposed a value of \$0/kWh. In this case, the Company proposes a value of \$0/kWh. There is no difference in the proposed values.
- **Avoided distribution capacity cost**
 - See the Direct Testimony of Peter W. Waldrab at 37-41 and Exh. PW-3.
 - In Case No. 2020-00349, the Company initially proposed a value of \$0/kWh. In this case, the Company proposes a value of \$0/kWh. There is no difference in the proposed values.
- **Avoided transmission capacity cost**
 - See the Direct Testimony of Elizabeth J. McFarland at 31-32 and Exh. BJM-3.
 - In Case No. 2020-00349, the Company initially proposed a value of \$0/kWh. In this case, the Company proposes a value of \$0/kWh. There is no difference in the proposed values.
- **Jobs benefits**
 - See the Direct Testimony of Michael E. Hornung at 18-19.
 - In Case No. 2020-00349, the Company initially proposed a value of \$0/kWh. In this case, the Company proposes a value of \$0/kWh. There is no difference in the proposed values.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Fourth Request for Information

Dated September 11, 2025

Case No. 2025-00113

Question No. 13

Responding Witness: Michael E. Hornung / Charles R. Schram

Q-13. Refer to Case No. 2023-00404, LG&E/KU's October 31, 2023 tariff filings, Generation and Planning Analysis, October 2023 (October 2023 Planning Analysis), page 17, LG&E/KU's response to Commission Staff's First Request for Information (Staff's First Request), Item 5, and August 30, 2025 final Order. Using the methodologies approved by the Commission, provide calculations for each of the following components for NM-2 credits:

- a. Ancillary Services Avoided Cost;
- b. Avoided Generation Capacity Avoided Cost;
- c. Avoided Transmission Capacity Avoided Cost;
- d. Avoided Distribution Capacity Avoided Cost;
- e. Avoided Carbon Cost; and
- f. Avoided Environmental Compliance Cost.

A-13.

- a. The Ancillary Services Avoided Cost has been estimated at 4% of the Avoided Generation Capacity Cost. This assumption is derived from the cumulative percentages embedded within three ancillary service rate schedules included in the Companies' Open Access Transmission Tariff ("OATT"), as approved by the Federal Energy Regulatory Commission. These schedules apply the following percentages to the Companies' fixed generation capacity costs:

- Schedule 3 – Regulation and Frequency Response Service: 1.0%
- Schedule 5 – Spinning Reserve Service: 1.5%
- Schedule 6 – Operating Reserve Service: 1.5%

The combined total of these components results in the 4% assumption. Accordingly, the estimated Ancillary Services Avoided Cost is \$0.00067/kWh, calculated as 4% of the assumed Avoided Generation Capacity Cost of \$0.01665/kWh.

- b. The Company interprets the “methodologies approved by the Commission” to mean the use of NGCC for avoided capacity scaled by an availability factor for fixed tilt solar resources. The most appropriate NGCC resource for this purpose is Brown 12 in 2030. Assumptions for capital and fixed operating costs for Brown 12 in 2030 are consistent with Case No. 2025-00045. The table below shows the availability factor for fixed tilt solar based on the availability of the resource during monthly peak hours.

Availability of Fixed Tilt Solar Resources during Peak Hours (% of Nameplate Capacity)

	Monthly Peak Hour	Solar: Fixed Tilt
Jan	7	0.0%
Feb	8	4.5%
Mar	7	1.8%
Apr	14	35.7%
May	15	36.3%
Jun	15	46.0%
Jul	15	52.7%
Aug	15	53.9%
Sep	16	37.4%
Oct	15	42.4%
Nov	7	0.6%
Dec	7	0.0%
Annual Average		26.1%

These changes result in Avoided Generation Capacity Cost of \$0.01665/kWh. Three workpapers are provided as attachments to this response. Attachment 3 contains confidential and proprietary information and is being provided under seal pursuant to a petition for confidential protection.

However, the Companies continue to believe that the Avoided Generation Capacity Cost is \$0/kWh based on the results of the PLEXOS analysis described in Exhibit CRS-6.

- c. The Company is willing to respond to this request (as well as parts (d) and (f)), but it cannot do so because the Commission did not disclose its calculations of avoided transmission capacity cost, avoided distribution cost, and avoided environmental compliance cost in the Company’s 2020 base rate case (Case No. 2020-00349).

The Commission's September 24, 2021 final order in that case adopted and described methodologies for calculating these avoided cost components that had not previously appeared in the record of the case, but it did not include workpapers, explanatory formulas, or underlying data.⁵

The Company petitioned for reconsideration of the September 24 order on several grounds, including the lack of visibility into how the Commission calculated these avoided costs:

The QF-NMS Order's [the September 24 order] avoided generation capacity costs (for both QF and NMS-2), as well as its avoided transmission capacity cost, avoided distribution capacity cost, and avoided environmental compliance cost components for NMS-2, all suffer from a fundamental due process problem; namely, because the QF-NMS Order does not include any workpapers or calculations, it is impossible to know how the Commission arrived at the values included in the QF-NMS Order for these rate components.⁶

The Commission's November 4, 2021 order on reconsideration declined to provide any underlying calculations or native file workpapers; rather, it provided PDF versions of two Excel file tabs (i.e., with no underlying formulas or source data visible) as an appendix.⁷

Notwithstanding its best efforts then and now, the Company has not been able to discern how the Commission calculated these avoided costs.

Again, the Company is certainly willing to respond to this request (as well as parts (d) and (f)), but doing so will require disclosure of the Commission's native-format workpapers and data sources from Case No. 2020-00349.

- d. See the response to part (c).
- e. See attachments being provided in separate files. In the absence of any current law or regulation establishing a market-based price for CO₂, the Companies are using a \$15/ton carbon price in Attachment 1 based on the median of the range used in Companies' Resource Assessment provided as

⁵ *Electronic Application of Kentucky Utilities Company for an Adjustment of Its Electric Rates, a Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and Establishment of a One-Year Surcredit*, Case No. 2020-00349, Order at 52-54 and 56-57 (Ky. PSC Sept. 24, 2021).

⁶ Case No. 2020-00349, Joint Petition for Reconsideration of the September 24, 2021 Order at 20-21 (Oct. 15, 2021).

⁷ Case No. 2020-00349, Order at 16-18 and Appx. (Ky. PSC Nov. 4, 2021).

Exhibit SAW-1 in the 2022 CPCN (Case No. 2022-00402).⁸ Alternatively, Attachment 2 reflects the Synapse 2016 Low forecast escalated from 2015 dollars to nominal dollars.⁹ While no such cost currently exists or is scheduled to be implemented, for purposes of this analysis these CO₂ prices are assumed to begin in 2030. The annual CO₂ emissions and net load associated with this response were based on the production cost run from Companies' response to Question No. 3 of Commission Staff's Post Hearing Data Request to the 2025 CPCN (Case No. 2025-00045) in the Mid Gas, Mid Coal-to-Gas ratio fuel price scenario.¹⁰

However, in the absence of any actual prices associated with the Companies' carbon emissions, they continue to believe that the appropriate Avoided Carbon Cost is \$0/kWh.

- f. See the response to part (c).

⁸ The Resource Assessment assumed a \$0/ton carbon price as a baseline and considered sensitivities of \$15/ton and \$25/ton. These sensitivities mirrored those provided by Commission Staff in Question No. 1(b) of their Second Request for Information for the 2021 Integrated Resource Plan (Case No. 2021-00393), and the Companies found them to reflect a reasonable range of future expectations of potential CO₂ prices based on the historical auction price trends of the two existing trading programs in North America: the Regional Greenhouse Gas Initiative ("RGGI") and the California-Quebec Cap-And-Trade Program.

⁹ The Synapse 2016 Low forecast was the basis for the CO₂ price assumptions in the Companies' 2018 Integrated Resource Plan (Case No. 2018-00348), which became the basis for the Avoided Carbon Cost the Commission used in Case Nos. 2020-00349 and 2020-00350. *Electronic Application of Kentucky Utilities Company for an Adjustment of Its Electric Rates, a Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and Establishment of a One-Year Surcredit*, Case No. 2020-00349, Order at 56 (Ky. PSC Sept. 24, 2021); *Electronic Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Rates, a Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and Establishment of a One-Year Surcredit*, Case No. 2020-00350, Order at 56 (Ky. PSC Sept. 24, 2021). The Synapse forecast is available at <https://www.synapse-energy.com/sites/default/files/2016-Synapse-CO2-Price-Forecast-66-008.pdf>.

¹⁰ The Companies selected this production cost run because it reflects resources from the Stipulation agreement from the 2025 CPCN while adding sufficient capacity (via Cane Run BESS commissioning in 2029) to allow the Companies to reliably serve 1,750 MW of data center load.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Fourth Request for Information

Dated September 11, 2025

Case No. 2025-00113

Question No. 14

Responding Witness: Michael E. Hornung / Charles R. Schram

- Q-14. Refer to Case No. 2023-00404, August 30, 2025 final Order at 22-23 and LG&E/KU's response to Staff's First Request, Item 5. For both qualified facility (QF) rates and net-metering-2 (NM-2) rates, provide an update to the avoided cost analysis using a natural gas combined cycle (NGCC) unit that the utility is planning for, currently procuring, or constructing and as the avoided cost benchmark. Include in the updated analysis, the Seasonal Capacity Need as reflected in Case No. 2025-00045.¹¹ In this analysis, explain why LG&E/KU chose the specific NGCC unit as a basis.
- A-14. The most appropriate NGCC resource for this purpose is Brown 12 in 2030. Because construction of Mill Creek 5 is well underway, Brown 12 is the next potentially avoidable NGCC. The tables below from Section 5 of Exhibit CRS-6 have been updated to reflect avoided capacity costs based on the cost of Brown 12 in 2030. Assumptions for capital and fixed operating costs for Brown 12 in 2030 are consistent with Case No. 2025-00045. No other assumptions have been changed. Updating avoided capacity does not affect avoided energy costs; therefore, Table 12, Table 16, and Table 19 are unchanged. Workpapers are provided as an attachment to this response. The information in the attachment is confidential and proprietary and is being provided under seal pursuant to a petition for confidential protection.

¹¹ Case No. 2025-00045, *Electronic Application of Kentucky Utilities Company and Louisville Gas and Electric Company for Certificates of Public Convenience and Necessity and Site Compatibility Certificates*.

Table 13: Qualifying Facility Avoided Capacity Rates for Transmission Connected Projects, without Line Losses (\$/MWh)

Technology	QF Avoided Capacity, 2030 Need (without line losses for transmission connected projects)		
	2-Year PPA	7-Year PPA Beginning:	
		2026	2027
Solar: Single-Axis Tracking	0.00	0.00	0.00
Solar: Fixed Tilt	0.00	0.00	0.00
Wind	0.00	0.00	0.00
Other Technologies	0.00	7.81	10.83

Table 14: Qualifying Facility Avoided Cost Rates for Transmission Connected Projects, without Line Losses (\$/MWh)

Technology	QF All-In Avoided Cost Rates (without line losses for transmission connected projects)	
	2-Year PPA	2026/2027 Avoided Cost Rate
Solar: Single-Axis Tracking	31.52	36.75
Solar: Fixed Tilt	31.55	36.84
Wind	30.62	34.93
Other Technologies	30.54	44.70

Table 17: Qualifying Facility Avoided Capacity Rates by Company, with Line Losses (\$/MWh)

Technology	QF Avoided Capacity, 2030 Need, KU (with line losses)			QF Avoided Capacity, 2030 Need, LG&E (with line losses)		
	2-Year PPA	7-Year PPA Beginning:		2-Year PPA	7-Year PPA Beginning:	
		2026	2027		2026	2027
Solar: Single-Axis Tracking	0.00	0.00	0.00	0.00	0.00	0.00
Solar: Fixed Tilt	0.00	0.00	0.00	0.00	0.00	0.00
Wind	0.00	0.00	0.00	0.00	0.00	0.00
Other Technologies	0.00	8.31	11.53	0.00	8.13	11.28

Table 18: Qualifying Facility All-In Avoided Cost Rates for 2-Year and 7-Year PPAs by Company, with Line Losses (\$/MWh)

	QF All-In Avoided Cost Rate, KU		QF All-In Avoided Cost Rate, LG&E	
	2-Year PPA	2026/2027 Avoided Cost Rate	2-Year PPA	2026/2027 Avoided Cost Rate
Solar: Single-Axis Tracking	33.02	38.50	32.40	37.77
Solar: Fixed Tilt	33.05	38.59	32.43	37.86
Wind	32.07	36.59	31.47	35.90
Other Technologies	31.99	46.98	31.38	46.06

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 15

Responding Witness: Charles R. Schram

- Q-15. Refer to the Direct Testimony of Charles Schram, pages 32-34 and Exhibit CRS-6. For avoided energy costs for both QF and NM-2 rates, explain what, if any, changes LG&E/KU made to its methodology or calculations from the methodology approved in Case No. 2023-00404.
- A-15. The methodology used to calculate avoided energy costs is largely unchanged from the methodology approved in Case No. 2023-00404. Minor changes are listed below.
- In 2023, off-system sales were not permitted in the PROSYM model used to develop avoided energy costs, but market electricity purchases were permitted. In 2025, neither off-system sales nor market electricity purchases were permitted.
 - In 2023, one fuel price scenario was evaluated. In 2025, three fuel price scenarios were evaluated, and annual avoided energy costs were averaged over the three scenarios.
 - In 2023, consistent with the Commission's order in Case Nos. 2020-00349 and 2020-00350, the avoided energy cost assigned to each 7-year PPA was the levelized avoided energy cost over the 20-year period beginning in the first year of the PPA. In 2025, the avoided energy cost assigned to each 7-year PPA was the levelized avoided energy cost over the 7-year period beginning in the first year of the PPA.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Fourth Request for Information

Dated September 11, 2025

Case No. 2025-00113

Question No. 16

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

Q-16. Refer to Case No. 2020-00349,¹² September 24, 2021 Order, page 48 which states “Based upon the evidence of record, the Commission finds that LG&E/KU’s proposed methodology for NMS 2 netting period is not fair, just and reasonable, and should be rejected. This is because LG&E/KU’s proposed instantaneous credit for all energy exported on to the grid is inconsistent with the plain language of KRS 278.465(4).”

- a. Explain how KU changed its netting methodology based on this finding.
- b. Explain why KU’s current netting methodology is not considered instantaneous.

A-16. a. & b.

The Company acknowledges that the past record and terminology concerning this issue are less than clear on their face. The Company provides the following history to help clarify this issue. It demonstrates the Company’s Rider NMS-2 is fully in compliance with the quoted portion of the cited order, as well as KRS 278.465 and 278.466, as the Commission itself has previously stated.

When the General Assembly first instituted net metering in Kentucky in 2004, it defined the term as follows:

“Net metering” means measuring the difference between the electricity supplied by the electric grid and the electricity generated by an eligible customer-generator that is fed back to the electric grid over a billing period.¹³

¹² Case No. 2020-00349, *Electronic Application of Kentucky Utilities Company for an Adjustment of its Electric Rates, A Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and Establishment of a One-Year Surcredit*.

¹³ 2004 Ky. Acts 193 § 1(4), available at <https://apps.legislature.ky.gov/law/acts/04RS/actsmas.pdf> (see PDF page 715).

In other words, as originally enacted, net metering meant a netting of *energy* consumed and produced over a billing period.

As a practical matter, the Company accomplished this using meters with two energy registers: one recorded energy a customer consumed from the Company's grid, and the other recorded energy the customer produced to the Company's grid. At the end of each billing period, the Company would read a net metering customer's meter, net the two energy (kWh) values, and either bill the customer for the net energy consumed (if the customer had consumed more energy from the grid than the customer had produced to it) or record a kWh-denominated credit to the customer's account (if the customer produced more energy than it consumed during the billing period).¹⁴ Any kWh-denominated credit would carry forward to offset future net usage.

For example, if in May a customer consumed 800 kWh from the Company's grid and produced 300 kWh to the Company's grid, the Company would bill the customer for the net usage, 500 kWh. But if the same customer in June consumed 700 kWh from the Company's grid and produced 750 kWh to the Company's grid, the Company would bill the customer for zero energy consumption and record a 50 kWh energy credit to the customer's account. That credit could then help offset any net consumption in future months, e.g., if the same customer in July consumed from the Company's grid 800 kWh and produced 700 kWh to the Company's grid, the Company would apply the carryover credit of 50 kWh from June to the 100 kWh net consumption for July, billing the customer for 50 kWh.

That approach to net metering changed fundamentally in Kentucky when the General Assembly enacted legislation in 2019 that took effect on January 1, 2020.¹⁵ That amendment changed Kentucky's statutory definition of net metering to what it is today:

(4) "Net metering" means the difference between the:

- (a) Dollar value of all electricity generated by an eligible customer-generator that is fed back to the electric grid over a billing period and priced as prescribed in KRS 278.466; and

¹⁴ See 2004 Ky. Acts 193 § 2(3), available at <https://apps.legislature.ky.gov/law/acts/04RS/actsmas.pdf> (see PDF page 716) ("The amount of electricity billed to the eligible customer-generator using net metering shall be calculated by taking the difference between the electricity supplied by the retail electric supplier to the customer and the electricity generated and fed back by the customer. If time-of-day or time-of-use metering is used, the electricity fed back to the electric grid by the eligible customer-generator shall be net-metered and accounted for at the specific time it is fed back to the electric grid in accordance with the time-of-day or time-of-use billing agreement currently in place.").

¹⁵ 2019 Ky. Acts 101 § 1(4), available at <https://apps.legislature.ky.gov/law/acts/04RS/actsmas.pdf> (see PDF page 715).

- (b) Dollar value of all electricity consumed by the eligible customer-generator over the same billing period and priced using the applicable tariff of the retail electric supplier.¹⁶

Importantly, the revised definition of “net metering” requires netting two *dollar* values—not *energy* values—each billing period. Thus, to use the same example used above, if in May a customer consumed 800 kWh from the Company’s grid and produced 300 kWh to the Company’s grid, the Company would bill the customer at applicable retail rates for all 800 kWh of usage and provide a dollar-denominated bill to the customer for all 300 kWh of production at the applicable Rider NMS-2 rate.¹⁷

This approach is what the Company’s current Commission-approved Rider NMS-2 tariff sheets reflect:

For each billing period, Company will net the dollar value of the total energy consumed and the dollar value of the total energy exported by Customer as follows: Company will (a) bill Customer for all energy consumed from Company in accordance with Customer’s standard rate and (b) Company will provide a dollar-denominated bill credit for each kWh Customer produces to the Company’s grid.¹⁸

That text has not changed since the Commission’s November 30, 2021 acceptance of the Company’s Rider NMS-2 tariff sheets following its November 4, 2021 rehearing order in Case No. 2020-00349.¹⁹

By way of additional background, KU and LG&E believed it was unclear from the Commission’s September 24, 2021 order and its November 4, 2021 order on rehearing whether the Commission agreed with KU and LG&E’s interpretation of the revised net metering statutes, which interpretation KU and LG&E had instantiated in their tariff sheets they filed on November 19, 2021. They therefore appealed the orders to the Franklin Circuit Court on November 24, 2021, seeking clarity and to preserve their rights (a copy of the complaint is attached as a separate file). The Commission filed its answer on December 15, 2021, a copy of which is attached as a separate file. It stated:

The plain language of the September 24, 2021 and November 4, 2021 Orders are consistent with KRS 278.465 and KRS 278.466

¹⁶ KRS 278.465(4).

¹⁷ The 2019 legislation preserved energy netting and crediting for net metering customers taking such service prior to the effective date of a utility’s first net metering rate(s) approved under KRS 278.466(3).

¹⁸ Kentucky Utilities Company, P.S.C. No. 20, Second Revision of Original Sheet No. 58.

¹⁹ *Tariff: Kentucky Utilities Company revised Net Metering 2 tariff to accommodate changes directed by the Commission within their November 4 order related to rehearing*, TFS2021-00467, Tariff (filed Nov. 19, 2021; effective Sept. 24, 2021); TFS2021-00467, Letter of Acceptance (Nov. 30, 2021).

because, for each billing period, KU/LG&E were directed to net the **dollar value** of the total energy consumed by an eligible customer-generator and the **dollar value** of all energy produced and exported by an eligible customer-generator over the billing period. *The PSC further states that, consistent with the September 24, 2021 and November 4, 2021 Orders, KU/LG&E filed and the PSC accepted NMS-2 tariffs (attached as Exhibit 1 and Exhibit 2) that reflect the methodology approved by the PSC in the September 24, 2021 and November 4, 2021 Orders, with the dollar value of the total energy consumed by an eligible customer-generator netted against the dollar value of the total energy exported by an eligible customer-generator.*²⁰

The Commission's answer further stated:

*KU/LG&E filed proposed net metering tariffs with its application, and then filed the revised net metering tariffs attached as Exhibit 1 and Exhibit 2 pursuant to the PSC's November 4, 2021 Order. Thus, these tariffs are directly related and material to the September 24, 2021 and November 4, 2021 Orders and, as accepted, demonstrate the net metering billing methodology approved by the PSC in those Orders.*²¹

Based on this clarification from the Commission, KU and LG&E saw no reason to continue with their appeal. On January 24, 2022, KU, LG&E, and the Commission filed a Joint Motion to Dismiss (a copy is attached as a separate file), which motion the Franklin Circuit Court granted by an order dated February 14, 2022 (a copy is attached as a separate file).

The Commission has since confirmed this is correct approach in at least two separate cases.²²

Therefore, the Company's Rider NMS-2 is fully in compliance with the quoted portion of the cited order, as well as KRS 278.465 and 278.466, as the Commission itself explicitly stated.

²⁰ *KU and LG&E v. PSC*, Franklin Cir. Ct. Case No. 21-CI-00872, PSC Answer at 3 ¶9 (Dec. 15, 2021) (bold text original; italics added).

²¹ *Id.* at 3 fn. 1.

²² *Alfred Saylor v. KU*, Case No. 2022-00030, Order at 4-6 (Ky. PSC July 1, 2022); Case No. 2022-00030, Order at 4-7 (Ky. PSC Dec. 12, 2022); *Electronic Application of Duke Energy Kentucky, Inc. for an Adjustment to Rider NM Rates and for Tariff Approval*, Case No. 2023-00413, Order at 40-42 (Ky. PSC Oct. 11, 2024).

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 17

Responding Witness: Michael E. Hornung

- Q-17. Refer to the Application, Tab 5, page 173 of 215. Also refer to KU's response to Staff's Second Request, Item 24, proposed new tariff language regarding incidental or occasional services which states: "Upon Customer's request, Company may perform incidental or occasional utility-related services not addressed by other tariff provisions. If Company agrees to perform such Customer-requested services, Company will bill Customer for reimbursement of Company's costs, including without limitation costs of materials and labor required to perform such services." The response states that KU recovers its actual cost of providing such services. State whether KU has provided cost support for all charges made to customers for these services. If all incidental services are already reflected in KU's tariffed charges, explain why this tariff addition is necessary.
- A-17. This activity covers services outside current filed tariffs. Project costs are offset by customer payments, resulting in no impact on revenue requirements for rate recovery. The added language clarifies that customers must pay for these nonstandard services.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 18

Responding Witness: Shannon L. Montgomery

- Q-18. Refer to the Application, Tab 5, page 179 of 215, as well as to the Montgomery Direct Testimony and to KU's response to Staff's Second Request, Item 18. Regarding the new language addition of paperless billing being the default for the bills of customers with emails on file, confirm that page 10 of the Montgomery Direct Testimony estimated 45 percent of customers will receive paperless bills, and that the response indicated that 42 percent of new and still active customers since 2023 are enrolled in paperless billing. Explain why it is reasonable to establish paperless billing as the default unless the customer opts out, as opposed to continuing the allow customer to opt in to paperless billing from paper bills, given the relatively small increase expected in participating customers.
- A-18. While the KU active customer since 2023 opt-in rate for new customer accounts is 40 percent, the current overall LG&E and KU combined paperless billing rate for customers is approximately 28 percent. The potential increase to 45 percent is 17 percent and should create more than one million dollars in savings for LG&E and KU combined.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 19

Responding Witness: Michael E. Hornung

Q-19. Refer to the Application, Tab 5, page 195 of 215. Explain why KU is proposing to reduce the number of days' notice of discontinuance of service from 15 days to 10 days when a customer or applicant refused or neglects to provide reasonable access and/or easements to premises.

A-19. The Companies are proposing to align the time period with 807 KAR 5:006 Section 15(1)(c):

For refusal of access. If a customer refuses or neglects to provide reasonable access to the premises for installation, operation, meter reading, maintenance, or removal of utility property, the utility may terminate or refuse service. The action shall be taken only if corrective action negotiated between the utility and customer has failed to resolve the situation and after the customer has been given at least ten (10) days' written notice of termination pursuant to Section 14(5) of this administrative regulation.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 20

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

- Q-20. Refer to the Application, Tab 5, page 196 of 215. Regarding condition number 8 relating to discontinuance to non-payment of bills, explain whether KU currently mails to paperless billing customers a hard copy of the notice that is in addition to the original bill.
- A-20. The Companies currently, and will continue to, email and mail disconnection notice for non-payment to paperless billing customers.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 21

**Responding Witness: Michael E. Hornung / Daniel Johnson / Shannon L.
Montgomery**

Q-21. Refer to KU's response to Staff's Third Request, Item 8.

- a. Explain why the cost to implement the features was approximately double the estimated amount.
- b. Explain how these features will be impacted by the proposed technology changes. Include in the response any estimated fee increases.

A-21.

- a. The cost to implement was more than estimated due to further refinement of the work requirements and significant testing of the new feature.
- b. These features will be required in the proposed technology changes however, the estimated cost is unknown at this time.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025

Case No. 2025-00113

Question No. 22

Responding Witness: Michael E. Hornung / Shannon L. Montgomery / Peter W. Waldrab

Q-22. Refer to KU's response to Staff's Third Request, Item 10.

- a. Provide the cost justification for the Level 1 fees, including the engineering review, by fee.
- b. Provide the number of requests for interconnection review, with engineering review, for Level 1 customers with distributed generation equipment for the years 2020 through current date 2025, by month.
- c. Provide the number of requests for interconnection review, with engineering review, for applications for Level 2 customers with distributed generation equipment for the years 2020 through current date 2025, by month

A-22.

- a. See the response to Question No. 10(a).
- b. The table below documents the number of Level 1 interconnection review applications performed by month for years 2020 – 2025, as of September 17th, 2025.

KU	2020	2021	2022	2023	2024	2025
Jan	1	35	35	37	45	12
Feb	1	32	64	27	53	11
Mar	2	58	96	44	69	24
Apr	0	66	108	39	43	17
May	1	101	81	73	36	18
Jun	0	79	72	71	55	12
Jul	0	43	76	49	35	11
Aug	2	73	78	103	47	82
Sep	1	64	36	60	30	30

Response to Question No. 22
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Hornung / Montgomery / Waldrab

Oct	2	86	55	60	46	
Nov	2	74	35	62	14	
Dec	1	62	70	46	27	
Total/Yr	13	773	806	671	500	217

- c. During the time period noted, there were two applications for Level 2 interconnections, both in June 2025.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 23

Responding Witness: Michael E. Hornung

- Q-23. Refer to KU's response to Staff's Third Request, Item 17. Confirm that a customer would lose NMS-1 legacy status if the customer replaced a currently installed module. If not confirmed, explain what type of replacement would allow the customer to maintain legacy status.
- A-23. NMS-1 customers will retain their legacy status provided that any replacement facilities do not enhance the capabilities above the original array.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 24

Responding Witness: Timothy S. Lyons

- Q-24. Refer to KU's response to Staff's Third Request, Item 24. Explain "market development considerations" and providing specific examples as well as accompanying costs, if any.
- A-24. The market development considerations consisted of a review of other EV charging rates. See attachment being provided in a separate file.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 25

Responding Witness: Robert M. Conroy / Timothy S. Lyons

- Q-25. Refer to KU's response to Staff's Third Request, Item 25. Explain when KU expects to remove interclass and intraclass subsidization from its rate classes. Include in this response specific examples of a decrease in interclass and intraclass subsidization between the rate classes over the last three rate adjustments.
- A-25. The Company has no specific timetable to remove interclass and intraclass subsidies from its rate classes because it is difficult to predict the Company's timing and steps toward cost-based rates that balances rate continuity and customer bill impacts. But the Company has consistently sought to gradually decrease interclass and intra-class subsidization from its rate classes over time. Regarding interclass subsidies, the Company has sought to allocate larger revenue increases to rate classes with lower than system average rates of return and sought to allocate lower revenue increases to rate classes with higher than system average rates of return. Regarding intra-class subsidies, the Company has consistently sought to recover customer-related costs through Basic Service Charges, demand-related through demand charges, and energy-related costs through energy charges; for residential rates, the Company has consistently sought to gradually increase its Basic Service Charge closer to its cost of service level. Relevant excerpts from KU's cost-of-service testimony from the Company's 2016, 2018, and 2020 rate cases are attached in a separate file.

The Company has taken steps in the current rate filing to remove interclass subsidies. For example, see Exhibit TSL-4, page 1, that shows the Company's proposed class revenue targets that reflect a 10.00 percent movement toward cost-based rates.

The Company has taken steps in the current rate filing to remove intraclass subsidies. For example, see Schedule M-2.3, page 2, that shows the Company's proposed increase in the residential basic service charge from \$0.53 per day to \$0.64 per day, or 20.75 percent, as compared to the overall residential class increase of 14.10 percent, as shown on Exhibit TSL-4, page 3. The increase reflects a movement toward the cost-based, basic service charge of \$0.815 per day, as shown in Exhibit TSL-4, page 5.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 26

Responding Witness: Charles R. Schram

- Q-26. Refer to KU's response to Staff's Third Request, Items 26 and 27. Reconcile the two responses with specific reference to the forecast increase in sales and the information that Blue Oval SK will reach only initial contract level demand in 2026.
- A-26. Developing a load forecast requires assumptions to be made based on information available at the time the forecast is completed. The load forecast used in this filing was developed in mid-2024 with information regarding BlueOval SK that was the most up-to-date at that time. Since then, as mentioned in the response to PSC 3-27, updated information suggests BlueOval SK will reach Phase 1 contract demand levels at a time later than assumed in the load forecast used in this filing. Therefore, the revenues assumed from BlueOval SK are not likely to be achieved in the forecasted test period.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 27

Responding Witness: Charles R. Schram

- Q-27. Refer to KU's response to Staff's Third Request, Item 28. In light of the uniformity between the Integrated Resource Plan and this proceeding's load forecast, confirm that the load forecast in Case No. 2025-00045 was not the basis for financial planning in this case.
- A-27. Confirmed, but the IRP and CPCN load forecasts are the same through the forecasted test period in this case. The only difference between the forecasts beyond the forecasted test period is the Economic Development load assumption.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 28

Responding Witness: Lonnie E. Bellar

Q-28. Refer to KU's response to Staff's Third Request, Item 33.

- a. Provide the projected useful life of Selective Catalytic Reduction (SCR) catalysts.
- b. For each unit listed in this response that SCR catalyst(s) replacement is planned, provide the installation date of the catalyst(s).

A-28.

- a. KU specifies a minimum of 40,000 operating hours or 5 years of activity above the replacement threshold when bidding replacement catalyst layers. However, the actual catalyst life can vary due to numerous operational factors such as exposure to certain flue gas constituents or detrimental physical conditions. Extreme high and low temperature operation of the SCR can also lead to reduced activity. By employing prudent catalyst management practices the minimum operating hours specified in the procurement of catalyst can be extended while maintaining required SCR performance.
- b. The planned catalyst replacements for referenced units are:

Unit	Project	Estimated In-Service Date
Ghent 1	156606	12/31/2025
Ghent 3	147877	4/30/2026
Mill Creek 3	151273	4/30/2026
Mill Creek 4	143596	6/30/2025
Mill Creek 4	143597	3/31/2027

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 29

Responding Witness: Christopher M. Garrett

- Q-29. Refer to KU's response to Staff's Third Request, Item 40. Confirm that the company plans to record a regulatory asset for vegetation management operating and maintenance costs (O&M) over the forecasted \$31.4 million. If not confirmed, explain the response.
- A-29. Confirmed.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 30

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

- Q-30. Refer to KU's response to Staff's Third Request, Items 45 and 47. Explain the factors, such as addition and retirement activity, that would result in units like Trimble 2, Ghent 1, and the Brown reduction in useful life by five years as those generation stations have neither been approved for new units nor retirements at this time.
- A-30. Based on the wording of the question, it is important to point out that the overall useful lives proposed for the Trimble County Unit 2 and Ghent 1 did not change since the 2020 Depreciation Study. The overall useful life of Brown Unit 3 was extended 7 years from 2028 to 2035. However, the 5-year shorter interim life characteristics associated with Account 311, Structures and Improvements, and Account 312, Boiler Plant Equipment, referenced in this request is associated with the retirement of assets prior to the final probable retirement date of each generating unit, or the end of the overall useful lives of the generating units. The interim life characteristic component is determined by analyzing all of the retirements recorded in each account, not just those associated with Trimble County Unit 2, Ghent Unit 1 and Brown Unit 3. Approximately 29% of the total retirements analyzed in the Depreciation Study for Accounts 311 and 312 were recorded during the 2020 to 2024 period. This volume of interim retirements in turn produced interim life characteristics in both Accounts 311 and 312 that were 5 years shorter than those proposed in the prior Depreciation Study.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Fourth Request for Information

Dated September 11, 2025

Case No. 2025-00113

Question No. 31

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

Q-31. Refer to KU's response to Staff's Third Request, Items 45, 47, 49, and 50. Provide a definition for "addition and retirement activity" in this context. For each unit included in these responses, provide at least two examples of activities contained in this definition.

A-31. Addition activity would relate to the capitalization of new assets and/or significant improvements to existing assets. Retirement activity would relate to the removal of an asset from service and the reversal of its capitalized costs on the Company's books. Examples of addition and retirement activities are noted below.

Projects 157115KU and 165919KU were to replace multiple assets at Trimble County Unit 2 in account E311. These items included the installation of siding on multiple structures and critical heating for a total addition cost of \$114,827.83.

Projects 155443KU, 159254KU, 161494KU, and 162791KU were to replace multiple assets at Trimble County Unit 2 in account E311. The retirement cost of the replaced assets was \$716,718.89 and included removing the existing conveyor room steel, HVAC, mooring cells, and structures.

Projects 147992, 157464, and 164390 were for the installation and replacement of multiple assets at E W Brown Steam Unit 1, 2, 3 FGD in account E312. This included installing a gypsum dewatering belt, limestone slurry feed pump, and a quench pump for a total addition cost of \$165,208.37.

Projects 135116, 147992, 151997, 159633, 159634, 160686, and 160687 were to install or replace multiple assets at E W Brown Steam Unit 1, 2, 3 FGD in account E312. The retirement cost of the replaced assets was \$1,377,496.29 and included removing part of the existing FGD recycle system, dewatering system, and absorber tower/agitators.

Project 162879 at Ghent Unit 1 Scrubber was to replace the gearbox and mechanical seal on the 1-5 absorber agitator. An addition of 58,226.46 was performed to install the gearbox and seal on the agitator.

Projects 149GH, 164640, and 164749 were to install or replace multiple assets at Ghent Unit 1 Scrubber in account E312. The retirement cost of \$158,936.36 included removing part of the existing FGD insulation and absorber tower.

Project 165090 at E W Brown Steam Unit 3 was to replace relay controls on the boiler feed pump turbines. An addition of \$337,240.95 was performed to install the relay controls. Part of the existing turbine controls were retired at a cost of \$208,421.75.

Project 169102 at Ghent Unit 4 was for the installation of a cooling tower blowdown line from the main building to the underground tunnel for a cost of \$328,587.40.

Project 159827 at Ghent Unit 4 was to replace the circulating water return piping liner. Part of the existing circulating water system was retired at a cost of \$612,049.98.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 32

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

- Q-32. Refer to KU's response to Staff's Third Request, Item 51. The response was not completely responsive. Provide the current termination date for the land rights' contract listed in the account, Other Production Plant, Land Rights.
- A-32. The land rights in Other Production Plant, Land Rights are perpetual in nature. They will not terminate until the plant has closed and all assets are removed from the location. For Account 340.1, Land Rights, the assets relate to the Brown location which has a probable retirement date of 2041. The probable retirement date associated with Other Production Plant, Land Rights as referenced in Spanos Direct Testimony, Exhibit JJS-KU-1 is 2041.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 33

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

- Q-33. Refer to KU's response to Staff's Third Request, Item 54. Explain how Gas In-Line Inspection costs are expected to depreciate. Include in this response specific assets in this account that will depreciate.
- A-33. The Gas In-Line Inspection costs are primarily labor charges and inspection equipment associated with the inspections of gas transmission lines providing gas to the Cane Run, Trimble County and Brown generating stations required by the Pipeline and Hazardous materials Safety Administration (PHMSA). These pipelines are expected to be reinspected every 8 years. Therefore, the depreciable life characteristic of these assets is represented by the 8-S4 Iowa Survivor Curve as presented in Exhibit JJS-KU-1.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 34

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

- Q-34. Refer to KU's response to Staff's Third Request, Item 57(c). This response was not responsive. Refer to Spanos Direct Testimony, Exhibit JJS-KU-1, Transmission Plant, Accounts 352.10 and 352.20. Explain why the two accounts were not listed as such in the 2020 Depreciation Study.
- A-34. Account 352.20 was not represented in the 2020 Depreciation Study as there were no assets in service as of the 2020 Depreciation Study date. Per the response to the Staff's Third Request, Item 57(c), KU inadvertently recorded assets into this account during the 2021 to 2024 period. As a result, Account 352.20 was presented in Exhibit JJS-KU-1 and a depreciation rate was calculated. This resulted in an overstatement of depreciation expense in the test year of \$12,886.54. The assets represented in Account 352.20 have since been reclassified to Account 352.10.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 35

Responding Witness: Elizabeth J. McFarland

- Q-35. Refer to KU's response to Staff's Third Request, Item 34. Explain why the longer-term goal of Transmission System Improvement Program (TSIP) could not be achieved in the period of 2032-2037.
- A-35. As mentioned in KU's response to Staff's Third Request, Item 34, TSIP was primarily a 5-year capital plan designed to elevate LG&E and KU to second quartile performance by 2021 – 2026, which was successfully achieved. To reach the longer-term goal of first quartile performance within 15-20 years – targeting the 2032-2037 timeframe, the Transmission System Hardening and Resiliency Plan ("TSHARP") was developed to continue and build upon the progress made by TSIP.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 36

Responding Witness: Vincent Poplaski / Peter W. Waldrab

- Q-36. Refer to KU's response to Staff's Third Request, Item 36. Provide the justification for KU increasing wages from 7 to 11 percent for distribution line tech employees when the labor rates for distribution line tech employees have increased, on average, by 4.4 percent from 2020-2025.
- A-36. Line tech wages have increased on average 4.4% per year over the time period 2020-2025, as shown in the table below. In 2022 and 2023 the Companies saw a sharp increase in line technician turnover, with employees reporting higher paid external opportunities. The Companies implemented more significant wage increases in 2023 in response to these higher wages within the region.

Line Technician Wages Year over Year Change	
2021	2.6%
2022	3.0%
2023	8.1%
2024	5.1%
2025	3.0%
Avg.	4.4%

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 37

Responding Witness: Shannon L. Montgomery

- Q-37. Refer to KU's response to the Attorney General's First Request for Information, Item 49. Refer also to KU's response to Staff's Second Request, Item 95. Explain whether KU anticipates meter contractor expense considering the anticipated 2025 completion date of the advanced metering infrastructure project.
- A-37. No future meter reading and field service contractor expense is anticipated.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 38

Responding Witness: Shannon L. Montgomery

- Q-38. Refer to the Montgomery Direct Testimony page 16, lines 10-12. Explain how much of this reduction was the result of the deviations from regulations related to meters and meter testing granted in the final Order in Case Nos. 2020-00349/350.
- A-38. The primary reason for this reduction is the reduction in manual meter reading and field service visits from the implementation of smart meters related to AMI. Meter testing requires a different skillset and is performed by other personnel. These higher skilled resources have been deploying smart meters in complex metering configurations for the AMI project while the deviations are in place.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 39

Responding Witness: Shannon L. Montgomery

Q-39. Refer to the Montgomery Direct Testimony, page 17, lines 18-21. Explain how KU intends to make customers aware of these two opportunities to explore saving on their bill.

A-39. The Company utilizes multiple methods to build customer awareness of the energy efficiency programs and encourage participation. Those methods include, but are not limited to, articles in the customer newsletter, bill inserts, messages on the bill copy, paid digital and printed advertising, employee involvement in community events (e.g., Kentucky State Fair, local festivals, Homearama), social media posts, corporate webpage information, engagement with trade allies and community action agencies, and cross-promotion through other Company offerings. The budget for these communications and marketing strategies are included within the DSM Cost Recovery Mechanism.

The Company's customer service representatives also share information about the programs, as appropriate, when serving customer inquiries.

KENTUCKY UTILITIES COMPANY

Response to Commission Staff's Fourth Request for Information

Dated September 11, 2025

Case No. 2025-00113

Question No. 40

Responding Witness: Robert M. Conroy / Timothy S. Lyons

Q-40. Refer to KU's response Staff's Second Request, Item 35.

- a. Explain whether the 6 CP method has been accepted methodology by the Commission. Include in the response whether KU has ever proposed this methodology before. For the response, include the full case.
- b. Provide the results of the cost of service study when using 12 CP methodology in place of 6 CP.
- c. Provide examples of any other utility that utilizes the 6 CP method in Kentucky for its cost of service study.
- d. Provide examples of any parent company or other subsidiary of the parent company that utilizes the 6 CP method.

A-40.

- a. The Company is unaware of any order in which the Commission has explicitly accepted the 6 CP method.

In the Company's 2020 base rate case, it filed cost allocations using three different methods: 6 CP, 12 CP, and LOLP.²³ The Commission's June 30, 2021 order stated the Company "shall not file a LOLP cost of service study in future rate case filings and shall file a NARUC-approved fully embedded cost of service study," but it did not state which cost allocation method to use.²⁴ Notably, no party to that case testified in support of the 12 CP method.²⁵

Therefore, in preparing its application in this case, the Company chose to use the 6 CP method, which a number of intervenors supported in the

²³ *Electronic Application of Kentucky Utilities Company for an Adjustment of Its Electric Rates, a Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and Establishment of a One-Year Surcredit*, Case No. 2020-00349, Direct Testimony of William Steven Seelye at 104-108 (Nov. 25, 2020).

²⁴ Case No. 2020-00349, Order at 68 (Ky. PSC June 30, 2021).

²⁵ Case No. 2020-00349, Apr. 27, 2021 V.R. at 10:26:34 a.m. – 10:27:11 a.m.

Company's 2020 rate case.²⁶ Moreover, Commission Staff stated in the Company's 2020 rate case that 6 CP is a "NARUC approved approach[]" to a COSS."²⁷

- b. See the table below that compares class revenue target increases under the 6 CP and 12 CP methods.

KU Rate Schedule	6 CP Target Rev Increase	12 CP Target Rev Increase	Current Revenues	6 CP Class Increase	12 CP Class Increase
RS	104,186,935	99,552,572	741,466,479	14.1%	13.4%
GS	26,744,962	27,699,433	272,241,062	9.8%	10.2%
AES	1,519,896	1,565,249	13,171,291	11.5%	11.9%
PS-Sec	17,648,181	18,445,216	179,971,469	9.8%	10.2%
PS-Pri	995,692	1,008,997	10,183,697	9.8%	9.9%
TOD-Sec	18,780,068	19,910,406	163,839,995	11.5%	12.2%
TOD-Pri	35,383,292	36,454,072	308,400,771	11.5%	11.8%
RTS - Trans.	14,267,780	14,774,388	122,988,078	11.6%	12.0%
FLS	2,715,057	2,932,244	23,206,906	11.7%	12.6%
LS & RLS	3,808,994	3,711,963	31,822,538	12.0%	11.7%
LE	44,729	40,523	382,365	11.7%	10.6%
TE	27,692	28,215	252,098	11.0%	11.2%
OSL	484	486	94,429	0.5%	0.5%
EV	5,093	5,093	45,249	11.3%	11.3%
SSP	181,347	181,347	189,766	95.6%	95.6%
BS	5,716	5,716	53,798	10.6%	10.6%
Total	226,315,920	226,315,920	1,868,309,993	12.1%	12.1%

- c. The Company is unaware of another utility that uses the 6 CP method in Kentucky for its cost of service study.
- d. It is unclear to which "parent company" this request intends to refer. That aside, the Company is unaware of any parent company or other subsidiary of the parent company that uses the 6 CP method.

²⁶ *Id.*

²⁷ Case No. 2020-00349, Commission Staff's First Request for Information to Mountain Association, Kentuckians for the Commonwealth, Kentucky Solar Energy Society, and Metropolitan Housing Coalition No. 8(a) (Mar. 19, 2021) ("There are several NARUC approved approaches to a COSS, including but not limited to the 6-CP, 12-CP, BIP, and Peak and Excess.").

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 41

Responding Witness: Timothy S. Lyons

Q-41. Refer to KU's response to Staff's Third Request, Item 23.

- a. Confirm that rates were calculated to reach the cost of service study supported revenue increase for each rate class and not based upon the cost-based rates supported by the study.
- b. If confirmed, explain the rationale behind the decision. Additionally, explain why KU chose not to propose rates based upon the cost-based rate for each rate class.

A-41.

- a. Confirmed, in part. Confirmed that the rates were calculated to recover the class revenue targets; however, the proposed rates were informed by the results of the cost-of-service study. Specifically, the rates reflect movement toward cost-based rates in a manner that balances rate continuity and customer bill impact considerations, as discussed in the response to Question No. 25.
- b. See the response to part (a).

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 42

Responding Witness: Andrea M. Fackler / Timothy S. Lyons

Q-42. Provide a detailed table with the following:

- a. Current class revenue and rates.
- b. Proposed class revenue and rates.
- c. Cost of service study class revenue and rates.

A-42.

- a-b. See the attachment being provided in a separate file, which also contains information responsive to part (c). Certain information requested is confidential and proprietary and is being provided under seal pursuant to a petition for confidential protection.
- c. The Company is unclear as to what cost of service study class revenue and rates are being requested. The Company assumes the request seeks the revenues by class that would be needed for each class's current rate of return to equal the system average proposed rate of return of 8.10%, which the Company is providing in the second tab of the attachment referred to above. In addition to revenues by class, the Company is providing customer, demand, and commodity unit costs where appropriate. The Company has not attempted to subdivide demand costs into seasonal or time-of-day charges.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 43

Responding Witness: Timothy S. Lyons

Q-43. Provide a detailed table with the following:

- a. Current class rate of return on rate base.
- b. Proposed class rate of return on rate base.

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

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 44

Responding Witness: Andrea M. Fackler / Timothy S. Lyons

- Q-44. Provide a detailed table with the following:
- a. Current class share of revenue in dollars and percentage.
 - b. Current class share of energy usage in kWhs and percentage.
 - c. Proposed class share of revenue in dollars and percentage.
 - d. Proposed class share of energy in kWhs and percentage.
- A-44. See the attachment to the response to Question No. 42.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Fourth Request for Information
Dated September 11, 2025**

Case No. 2025-00113

Question No. 45

Responding Witness: Julissa Burgos

- Q-45. Refer to the Direct Testimony of Richard A. Baudino in which the Attorney General recommended a decrease to KU's cost of debt due to an actual debt issuance securing a lower interest rate than the projected interest rate. Confirm whether the referenced debt issuance occurred. If confirmed, provide the date of the debt issuance, the actual principal amount, and the actual interest rate that was secured.
- A-45. See attachment being provided in a separate file.