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VIA ELECTRONIC FILING

Ms. Linda Bridwell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601-8294

March 20, 2026

Re: Electronic Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Rates and Approval of Certain Regulatory and Accounting Treatments - Case No. 2025-00114

Dear Ms. Bridwell:

In accordance with the Commission's Order dated February 16, 2026 in Case No. 2025-00114 ("Order") and subject to the terms of the Commission's July 22, 2021 Order in Case No. 2020-00085 (Electronic Emergency Docket Related to the Novel Coronavirus COVID-19), Louisville Gas and Electric Company ("LG&E") is filing its Pilot Generation Recovery Adjustment Clause ("PGR") Report for the expense month of February 2026. Pursuant to the Order, LG&E limited expenses incurred and the return on rate base to the period on and after the date of the Order. Included within the PGR Report are the calculation and supporting documentation of LG&E's PGR Billing Factors, which will be billed during the April 2026 billing cycle beginning March 31, 2026.

Please contact me if you have any questions regarding this filing.

Sincerely,

A handwritten signature in black ink that reads "Andrea M. Fackler". The signature is written in a cursive style with a loop at the end of the last name.

Andrea M. Fackler

**LOUISVILLE GAS AND ELECTRIC COMPANY
PILOT GENERATION RECOVERY REPORT**

**Summary of Group E(m) and Group PGR Billing Factors
For the Expense Month of February 2026**

GROUP 1 (Total Revenue)

Group 1 E(m) -- PGR Form 1.10, line 12	=	\$	109,437
Group 1 PGR Billing Factor -- PGR Form 1.10, line 14	=		0.23%

GROUP 2 (Net Revenue)

Group 2 E(m) -- PGR Form 1.10, line 12	=	\$	132,841
Group 2 PGR Billing Factor -- PGR Form 1.10, line 14	=		0.32%

Effective Date for Billing: April billing cycle beginning March 31, 2026

Submitted by: Andrea M. Sackler

Title: Manager, Revenue Requirement/Cost of Service

Date Submitted: March 20, 2026

**LOUISVILLE GAS AND ELECTRIC COMPANY
PILOT GENERATION RECOVERY REPORT**

**Calculation of E(m) and
Group PGR Billing Factors
For the Expense Month of February 2026**

Calculation of E(m)

$E(m) = [(RB / 12) (ROR + (ROR - DR)(TR / (1 - TR)))] + OE$, where

- RB = Total Rate Base for all generation units (including energy storage facilities and Mill Creek 2 incremental stay-open rate base) approved for cost recovery ("PGR Units")
- ROR = Company's overall rate of return (cost of short-term debt, long-term debt, and common equity based on the electric base rate return on equity most recently approved grossed up for income taxes) for the most recent twelve months
- DR = Debt Rate (cost of short-term debt and long-term debt)
- TR = Composite Federal & State Income Tax Rate
- OE = Non-fuel Operating Expenses of all PGR Units and the incremental stay-open Operating Expenses of Mill Creek 2 not otherwise recovered through base rates or other cost-recovery mechanisms

	<u>PGR</u>
(1) RB -- PGR Form 2.00	= \$ 3,074,295
(2) RB / 12	= \$ 256,191
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	= 8.87%
(4) OE -- PGR Form 2.00	= \$ 231,728
(5) E(m) -- (2) x (3) + (4)	= \$ 242,278

Calculation of Adjusted Net Jurisdictional E(m)

(6) Jurisdictional Allocation Factor for Expense Month -- PGR Form 3.10	= 100.00%
(7) Jurisdictional E(m) = E(m) x Jurisdictional Allocation Factor -- (5) x (6)	= \$ 242,278
(8) Adjustment for (Over)/Under Recovery from Prior Expense Month -- PGR Form 2.00	= \$ -
(9) Prior Period Adjustment (if necessary)	= \$ -
(10) Adjusted Net Jurisdictional E(m) -- (7) + (8) + (9)	= \$ 242,278

Calculation of Group PGR Billing Factors

	<u>GROUP 1</u> <u>(Total Revenue)</u>	<u>GROUP 2</u> <u>(Net Revenue)</u>
(11) Revenue as a Percentage of 12 Month Total Revenue Ending with the Current Expense Month -- PGR Form 3.00	= 45.17%	54.83%
(12) Group E(m) -- (10) x (11)	= \$ 109,437	\$ 132,841
(13) Group R(m) = Average Monthly Group Revenue for the 12 Months ending with the Current Expense Month -- PGR Form 3.00	= \$ 47,463,981	\$ 40,999,180
(14) Group PGR Billing Factors -- (12) / (13)	= 0.23%	0.32%

**LOUISVILLE GAS AND ELECTRIC COMPANY
PILOT GENERATION RECOVERY REPORT**

**Revenue Requirements
For the Expense Month of February 2026**

Determination of PGR Rate Base

(1)	Eligible Plant in Service	\$	1,859,274	
(2)	Eligible CWIP Excluding AFUDC		657,131	
(3)	Retirement Work In Progress		408,530	
(4)	Subtotal			\$ 2,924,935
	Additions:			
(5)	Cash Working Capital Allowance		1,072	
(6)	Eligible Inventory		-	
(7)	WACC Regulatory Asset(s)		-	
(8)	Subtotal			\$ 1,072
	Deductions:			
(9)	Accumulated Depreciation		(134,561)	
(10)	Deferred Income Taxes		(13,727)	
(11)	Unamortized Investment Tax Credits		-	
(12)	Subtotal			\$ (148,288)
(13)	Total Rate Base			\$ 3,074,295

Determination of PGR Operating Expenses

(14)	Operations & Maintenance Expense	\$	227,671	
(15)	Depreciation Expense		3,913	
(16)	Investment Tax Credit (ITC) Amortization with gross-up	\$	-	1.33245
(17)	Deficient (Excess) ADIT Amortization with gross-up	\$	-	1.33245
(18)	Production Tax Credits Amortization with gross-up	\$	-	1.33245
(19)	WACC Regulatory Asset Amortization			-
(20)	Property Tax Expense			144
(21)	Administrative Expenses			-
(22)	Total Operating Expenses			\$ 231,728

Calculation of Prior Expense Month PGR (Over)/Under Recovery

(23)	Revenue Requirement for the December 2025 Expense Month	\$	-
(24)	PGR Revenues in the February 2026 Expense Month	\$	-
(25)	Net PGR (Over)/Under Recovery	\$	-

**LOUISVILLE GAS AND ELECTRIC COMPANY
PILOT GENERATION RECOVERY REPORT**

Capital and Related Costs
For the Expense Month of February 2026

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
PGR Unit Description	Eligible Plant In Service	Eligible Accumulated Depreciation	Eligible CWIP Excluding AFUDC	Retirement Work In Progress	Eligible Inventory	WACC Regulatory Asset	Deferred Income Taxes	Unamortized Investment Tax Credits	Depreciation Expense	Investment Tax Credit Amortization	Deficient (Excess) ADIT Amortization	Production Tax Credit Amortization	WACC Regulatory Asset Amortization	Property Tax Expense
Mill Creek Unit 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
E.W. Brown BESS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mercer County Solar	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marion County Solar	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mill Creek Unit 2	2,707,521	31,760	657,131	408,530	-	-	23,643	-	5,823	-	-	-	-	185
Less: Retirements from Base Rates	(848,247)	(166,321)	-	-	-	-	(37,370)	-	(1,910)	-	-	-	-	(41)
Total:	\$ 1,859,274	\$ (134,561)	\$ 657,131	\$ 408,530	\$ -	\$ -	\$ (13,727)	\$ -	\$ 3,913	\$ -	\$ -	\$ -	\$ -	\$ 144

**LOUISVILLE GAS AND ELECTRIC COMPANY
PILOT GENERATION RECOVERY REPORT**

**Cash Working Capital Allowance
For the Expense Month of February 2026**

Monthly O&M Expenses

Mar-2025	\$	-
Apr-2025		-
May-2025		-
Jun-2025		-
Jul-2025		-
Aug-2025		-
Sep-2025		-
Oct-2025		-
Nov-2025		-
Dec-2025		-
Jan-2026		-
Feb-2026		227,671
Total 12 Month O&M Expenses	\$	227,671

Determination of Cash Working Capital Allowance

12 Months PGR O&M Expenses	\$	227,671
Daily Amount O&M	\$	623
Expense (Lead) Days		(42.77)
Revenue Lag Days		44.49
Net Expense (Lead)/Lag Days		1.72
Cash Working Capital Allowance	\$	1,072

**LOUISVILLE GAS AND ELECTRIC COMPANY
PILOT GENERATION RECOVERY REPORT**

**Operations & Maintenance Expenses
For the Expense Month of February 2026**

O&M Expense Account	Mill Creek Unit 5	E.W. Brown BESS	Mercer County Solar	Marion County Solar	Mill Creek Unit 2 (Note 1)	Total
408020 MC2 - TAX-NON INC-UTIL OPR	\$ -	\$ -	\$ -	\$ -	\$ 21,395	\$ 21,395
500020 MC2 - OPERATION SUPERVISION/ENGINEERING	-	-	-	-	(24,026)	(24,026)
501290 MC2 - FUEL HANDLING	-	-	-	-	7,142	7,142
502020 MC2 - STEAM EXPENSES	-	-	-	-	27,780	27,780
505020 MC2 - ELECTRIC EXPENSES	-	-	-	-	16,352	16,352
506020 MC2 - MISCELLANEOUS STEAM EXPENSE	-	-	-	-	68,674	68,674
507020 MC2 - RENTS-STEAM	-	-	-	-	394	394
510020 MC2 - MAINTENANCE SUPERVISION/ENGINEERING - STEAM	-	-	-	-	9,373	9,373
511020 MC2 - MAINTENANCE STRUCTURES	-	-	-	-	(1,654)	(1,654)
512020 MC2 - MAINTENANCE BOILER PLANT	-	-	-	-	34,589	34,589
513020 MC2 - MAINTENANCE ELECTRIC	-	-	-	-	(8,425)	(8,425)
514020 MC2 - MAINTENANCE MISCELLANEOUS STEAM	-	-	-	-	16,193	16,193
925020 MC2 - WORKERS COMP EXPENSE - BURDENS	-	-	-	-	1,159	1,159
926020 MC2 - LABOR BURDENS	-	-	-	-	58,724	58,724
546030 PGR - OPER SUPER/ENG - TURBINES	-	-	-	-	-	-
548030 PGR - GENERATION EXP	-	-	-	-	-	-
549030 PGR - MISC OTH PWR GEN EXP	-	-	-	-	-	-
551030 PGR - MTCE-SUPER/ENG - TURBINES	-	-	-	-	-	-
552030 PGR - MTCE-STRUCTURES - OTH PWR	-	-	-	-	-	-
553030 PGR - MTCE-GEN/ELECT EQ	-	-	-	-	-	-
554030 PGR - MTCE-MISC OTH PWR GEN	-	-	-	-	-	-
558021 PGR - OP GENERATION/OTHER-SOLAR	-	-	-	-	-	-
558113 PGR - MTCE-MISC SOLAR PLANT	-	-	-	-	-	-
558630 PGR - MTCE-SUPER/ENG-SOLAR	-	-	-	-	-	-
558730 PGR - MTCE-SOLAR PANELS, STRUCTURES, AND EQUIP	-	-	-	-	-	-
578130 PGR - MTCE-SUPER/ENG-ENERGY STORAGE-GENERATION	-	-	-	-	-	-
578230 PGR - MTCE-EQUIP AND STRUCTURES-ENERGY STORAGE-GENERATION	-	-	-	-	-	-
578630 PGR - MTCE-MISC OTHER PLANT-ENERGY STORAGE-GENERATION	-	-	-	-	-	-
Total Current Month PGR O&M Expenses	\$ -	\$ -	\$ -	\$ -	\$ 227,671	\$ 227,671

Note 1: Includes only incremental stay-open O&M expenses in excess of amounts recovered through current base rates.

**LOUISVILLE GAS AND ELECTRIC COMPANY
PILOT GENERATION RECOVERY REPORT**

**Monthly Average Revenue Computation of R(m) for GROUP 1 and GROUP 2
For the Expense Month of February 2026**

GROUP 1 Total Revenues						
(1)	(2)	(3)				(4)
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component				Total
						(2) + (3)
Mar-25	33,050,535	9,280,121				\$ 42,330,656
Apr-25	27,694,928	7,374,424				\$ 35,069,352
May-25	28,686,584	7,663,683				\$ 36,350,267
Jun-25	34,271,466	9,699,109				\$ 43,970,575
Jul-25	49,729,902	15,135,154				\$ 64,865,056
Aug-25	49,805,576	15,254,736				\$ 65,060,312
Sep-25	38,949,467	11,317,471				\$ 50,266,938
Oct-25	32,865,599	9,189,466				\$ 42,055,065
Nov-25	26,958,568	7,131,984				\$ 34,090,552
Dec-25	35,986,471	10,281,234				\$ 46,267,704
Jan-26	41,226,803	11,100,327				\$ 52,327,130
Feb-26	44,859,674	12,054,488				\$ 56,914,163
Average Monthly Base Revenues for 12 Months Ending Current Expense Month						\$ 47,463,981
Average Base Revenues for 12 Months Ending Current Expense Month						\$ 105,084,275
GROUP 1 Revenues as a Percentage of Total Base Revenues for 12 Months Ending Current Expense Month						45.17%

GROUP 2 Net Revenues							
(1)	(2)	(3)				(4)	(5)
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component				Total	Total Non-Fuel Revenues
						(2) + (3)	(4) - (3)
Mar-25	37,944,982	15,250,530				\$ 53,195,512	\$ 37,944,982
Apr-25	37,584,047	15,354,537				\$ 52,938,584	\$ 37,584,047
May-25	37,574,724	14,851,622				\$ 52,426,347	\$ 37,574,724
Jun-25	42,648,236	17,534,002				\$ 60,182,238	\$ 42,648,236
Jul-25	47,028,717	19,599,918				\$ 66,628,634	\$ 47,028,717
Aug-25	47,068,616	19,884,802				\$ 66,953,418	\$ 47,068,616
Sep-25	45,541,146	18,913,783				\$ 64,454,929	\$ 45,541,146
Oct-25	40,619,577	16,854,114				\$ 57,473,691	\$ 40,619,577
Nov-25	33,897,418	12,883,819				\$ 46,781,237	\$ 33,897,418
Dec-25	40,129,337	16,823,309				\$ 56,952,646	\$ 40,129,337
Jan-26	38,664,227	15,448,197				\$ 54,112,425	\$ 38,664,227
Feb-26	43,289,129	16,054,736				\$ 59,343,865	\$ 43,289,129
Average Monthly Base Revenues and Non-Fuel Revenues for 12 Months Ending Current Expense Month						\$ 57,620,294	\$ 40,999,180
Average Base Revenues for 12 Months Ending Current Expense Month						\$ 105,084,275	
GROUP 2 Revenues as a Percentage of Total Base Revenues for 12 Months Ending Current Expense Month						54.83%	

**LOUISVILLE GAS AND ELECTRIC COMPANY
PILOT GENERATION RECOVERY REPORT**

**Reconciliation of Reported Revenues
For the Expense Month of February 2026**

	Applicable Revenues	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 116,258,028	\$ 116,169,425
(2) Fuel Adjustment Clause including Off System Sales Tracker	1,380,722	\$ 1,380,722
(3) DSM	889,503	\$ 889,503
(4) Environmental Surcharge	(1,715,940)	\$ (1,715,940)
(5) RAR	(338,400)	\$ (338,400)
(6) PGR	-	\$ -
(7) CSR Credits		\$ (94,187)
(8) EDR Credits		\$ -
(9) Business and Community Solar		\$ 34,174
(10) Total Kentucky Jurisdictional Revenues for PGR Purposes =	\$ 116,473,912	
Non -Jurisdictional Revenues		
(11) InterSystem (Total Less Transmission Portion Booked in Account 447) (Note 1)	\$ -	\$ 11,813,973
(12) Total Non-Jurisdictional Revenues for PGR Purposes =	-	
(13) Total Company Revenues for PGR Purposes [(10) + (12)] =	\$ 116,473,912	
(14) Jurisdictional Allocation Factor for Current Month [(10) / (13)] =	100.00%	
Reconciling Revenues		
(15) Brokered		\$ -
(16) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(17) Unbilled		\$ (16,115,201)
(18) Miscellaneous		\$ 2,589,257
(19) Total Company Revenues per Income Statement =		\$ 114,613,325

Note 1: InterSystem Revenues are excluded as the PGR is a cost recovery mechanism with no offsets included in base rates for off-system sales purposes.