

Andrea M. Fackler

Manager, Revenue Requirement/Cost of Service
State Regulation and Rates
502-627-3442
andrea.fackler@lge-ku.com



VIA ELECTRONIC FILING

Mr. Justin McNeil
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601-8294

August 21, 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 Mr. McNeil:

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 July 2026 expense month. Included within the PGR Report are the calculation and supporting documentation of LG&E's PGR Billing Factors, which will be billed during the September 2026 billing cycle beginning August 31, 2026.

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

Sincerely,

A handwritten signature in blue ink that reads "Andrea M. Fackler". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

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 July 2026

GROUP 1 (Total Revenue)

Group 1 E(m) -- PGR Form 1.10, line 12	=	\$	303,781
Group 1 PGR Billing Factor -- PGR Form 1.10, line 14	=		0.63%

GROUP 2 (Net Revenue)

Group 2 E(m) -- PGR Form 1.10, line 12	=	\$	367,558
Group 2 PGR Billing Factor -- PGR Form 1.10, line 14	=		0.88%

Effective Date for Billing: September billing cycle beginning August 31, 2026

Submitted by: Andrea M. Backler

Title: Manager, Revenue Requirement/Cost of Service

Date Submitted: August 21, 2026

LOUISVILLE GAS AND ELECTRIC COMPANY PILOT GENERATION RECOVERY REPORT

Calculation of E(m) and Group PGR Billing Factors For the Expense Month of July 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	= \$	7,495,269
(2) RB / 12	= \$	624,606
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	=	8.87%
(4) OE -- PGR Form 2.00	= \$	723,371
(5) E(m) -- (2) x (3) + (4)	= \$	778,773

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)	= \$	778,773
(8) Adjustment for (Over)/Under Recovery from Prior Expense Month -- PGR Form 2.00	= \$	(107,435)
(9) Prior Period Adjustment (if necessary)	= \$	-
(10) Adjusted Net Jurisdictional E(m) -- (7) + (8) + (9)	= \$	671,338

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	= 45.25%	54.75%
(12) Group E(m) -- (10) x (11)	= \$ 303,781	\$ 367,558
(13) Group R(m) = Average Monthly Group Revenue for the 12 Months ending with the Current Expense Month -- PGR Form 3.00	= \$ 48,346,238	\$ 41,943,742
(14) Group PGR Billing Factors -- (12) / (13)	= 0.63%	0.88%

LOUISVILLE GAS AND ELECTRIC COMPANY PILOT GENERATION RECOVERY REPORT

Revenue Requirements For the Expense Month of July 2026

Determination of PGR Rate Base

(1)	Eligible Plant in Service	\$	2,140,853	
(2)	Eligible CWIP Excluding AFUDC		4,591,241	
(3)	Retirement Work In Progress		443,532	
(4)	Subtotal			\$ 7,175,626
Additions:				
(5)	Cash Working Capital Allowance		11,882	
(6)	Eligible Inventory		-	
(7)	WACC Regulatory Asset(s)		-	
(8)	Subtotal			\$ 11,882
Deductions:				
(9)	Accumulated Depreciation		(299,536)	
(10)	Deferred Income Taxes		(8,226)	
(11)	Unamortized Investment Tax Credits		-	
(12)	Subtotal			\$ (307,761)
(13)	Total Rate Base			\$ 7,495,269

Determination of PGR Operating Expenses

(14)	Operations & Maintenance Expense			\$ 714,555
(15)	Depreciation Expense			8,508
(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			308
(21)	Administrative Expenses			-
(22)	Total Operating Expenses			\$ 723,371

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

(23)	Revenue Requirement for the May 2026 Expense Month	\$	456,962
(24)	PGR Revenues in the July 2026 Expense Month	\$	564,396
(25)	Net PGR (Over)/Under Recovery	\$	(107,435)

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

**Capital and Related Costs
For the Expense Month of July 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	3,238,590	104,523	4,591,241	443,532	-	-	30,206	-	13,461	-	-	-	-	398
Less: Retirements from Base Rates	(1,097,737)	(404,059)	-	-	-	-	(38,432)	-	(4,953)	-	-	-	-	(90)
Total:	\$ 2,140,853	\$ (299,536)	\$ 4,591,241	\$ 443,532	\$ -	\$ -	\$ (8,226)	\$ -	\$ 8,508	\$ -	\$ -	\$ -	\$ -	\$ 308

LOUISVILLE GAS AND ELECTRIC COMPANY PILOT GENERATION RECOVERY REPORT

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

Monthly O&M Expenses

Aug-2025	\$ -
Sep-2025	-
Oct-2025	-
Nov-2025	-
Dec-2025	-
Jan-2026	-
Feb-2026	227,671
Mar-2026	601,889
Apr-2026	434,874
May-2026	318,771
Jun-2026	225,458
Jul-2026	714,555
Total 12 Month O&M Expenses	\$ 2,523,218

Determination of Cash Working Capital Allowance

12 Months PGR O&M Expenses	\$ 2,523,218
Daily Amount O&M	\$ 6,908
Expense (Lead) Days	(42.77)
Revenue Lag Days	44.49
Net Expense (Lead)/Lag Days	1.72
Cash Working Capital Allowance	\$ 11,882

LOUISVILLE GAS AND ELECTRIC COMPANY PILOT GENERATION RECOVERY REPORT

Operations & Maintenance Expenses
For the Expense Month of July 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	\$ -	\$ -	\$ -	\$ -	\$ 47,087	\$ 47,087
500020	MC2 - OPERATION SUPERVISION/ENGINEERING	-	-	-	-	(47,153)	(47,153)
501290	MC2 - FUEL HANDLING	-	-	-	-	12,283	12,283
502020	MC2 - STEAM EXPENSES	-	-	-	-	52,466	52,466
505020	MC2 - ELECTRIC EXPENSES	-	-	-	-	32,720	32,720
506020	MC2 - MISCELLANEOUS STEAM EXPENSE	-	-	-	-	132,847	132,847
507020	MC2 - RENTS-STEAM	-	-	-	-	872	872
510020	MC2 - MAINTENANCE SUPERVISION/ENGINEERING - STEAM	-	-	-	-	23,501	23,501
511020	MC2 - MAINTENANCE STRUCTURES	-	-	-	-	57,880	57,880
512020	MC2 - MAINTENANCE BOILER PLANT	-	-	-	-	262,808	262,808
513020	MC2 - MAINTENANCE ELECTRIC	-	-	-	-	(23,483)	(23,483)
514020	MC2 - MAINTENANCE MISCELLANEOUS STEAM	-	-	-	-	28,086	28,086
925020	MC2 - WORKERS COMP EXPENSE - BURDENS	-	-	-	-	9,186	9,186
926020	MC2 - LABOR BURDENS	-	-	-	-	125,457	125,457
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		\$ -	\$ -	\$ -	\$ -	\$ 714,555	\$ 714,555

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

Reconciliation of Reported Revenues For the Expense Month of July 2026

	Applicable Revenues	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 131,160,522	\$ 131,080,000
(2) Fuel Adjustment Clause including Off System Sales Tracker	1,961,735	\$ 1,961,735
(3) DSM	1,192,117	\$ 1,192,117
(4) Environmental Surcharge	631,526	\$ 631,526
(5) RAR	1,976,295	\$ 1,976,295
(6) PGR	564,396	\$ 564,396
(7) CSR Credits		\$ (310,380)
(8) EDR Credits		\$ -
(9) Business and Community Solar		\$ 26,000
(10) Total Kentucky Jurisdictional Revenues for PGR Purposes =	\$ 137,486,592	
Non -Jurisdictional Revenues		
(11) InterSystem (Total Less Transmission Portion Booked in Account 447) (Note 1)	\$ -	\$ 1,038,432
(12) Total Non-Jurisdictional Revenues for PGR Purposes =	-	
(13) Total Company Revenues for PGR Purposes [(10) + (12)] =	\$ 137,486,592	
(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		\$ 3,156,015
(18) Miscellaneous		\$ 1,962,381
(19) Total Company Revenues per Income Statement =		\$ 143,278,518

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.