

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF)	
KENTUCKY UTILITIES COMPANY FOR)	
AN ADJUSTMENT OF ITS ELECTRIC)	CASE NO. 2025-00113
RATES AND APPROVAL OF CERTAIN)	
REGULATORY AND ACCOUNTING)	
TREATMENTS)	

In the Matter of:

ELECTRONIC APPLICATION OF)	
LOUISVILLE GAS AND ELECTRIC)	
COMPANY FOR AN ADJUSTMENT OF ITS)	CASE NO. 2025-00114
ELECTRIC AND GAS RATES, AND)	
APPROVAL OF CERTAIN REGULATORY)	
AND ACCOUNTING TREATMENTS)	

**JOINT NOTICE OF KENTUCKY UTILITIES COMPANY AND
LOUISVILLE GAS AND ELECTRIC COMPANY
OF THEIR INTENT TO PLACE RATES INTO EFFECT
SUBJECT TO REFUND UNDER KRS 278.190(2) AND
MOTION TO SCHEDULE A REMOTE INFORMAL CONFERENCE**

Kentucky Utilities Company (“KU”) and Louisville Gas and Electric Company (“LG&E”) (collectively, the “Companies”) hereby notify the Kentucky Public Service Commission (“Commission”) of their intent to place rates into effect subject to refund under KRS 278.190(2) effective January 1, 2026. While the Companies believe that implementation of the rates filed with the October 20, 2025 Stipulation and Recommendation is better for customers and consistent with KRS 278.190(2), if the Commission does not agree, the Companies will place the rates initially filed with the application in effect subject to refund under KRS 278.190(2) instead. The Companies also respectfully move the Commission to schedule a remote informal conference at the Commission’s earliest convenience to discuss the issues addressed in this notice.

I. ABSENT A FINAL ORDER IN EACH OF THESE CASES BY DECEMBER 31, 2025, THE COMPANIES INTEND TO PLACE INTO EFFECT THE RATES FILED WITH THE STIPULATION BEGINNING JANUARY 1, 2026, WHICH WOULD BE CONSISTENT WITH KRS 278.190(2) AND WOULD BE IN CUSTOMERS' BEST INTEREST.

The Commission's June 18, 2025 Order in each of these cases suspended the effective date of the Companies' proposed rates for six months, up to and including December 31, 2025, under KRS 278.190(2). If the Commission does not issue a final order in each of these cases by that date, KRS 278.190(2) entitles the Companies to place their "proposed change of rate, charge, classification, or service in effect" after notifying the Commission in writing of their intention so to do.

On October 20, 2025, the Companies filed with the Commission a Stipulation and Recommendation ("Stipulation") that would result in net annual increases in the Companies' revenues of \$132 million (KU), \$57.8 million (LG&E electric), and \$44.8 million (LG&E gas).¹ These increases are significantly lower than the Companies' initially requested annual revenue increases (as adjusted) of \$219.9 million (KU), \$106.8 million (LG&E electric), and \$60.3 million (LG&E gas).² Therefore, placing into effect subject to refund the rates filed with the Stipulation rather than the rates filed with the initial application would benefit customers regardless of the rates the Commission ultimately approves in these proceedings.

Thus, consistent with KRS 278.190(2), the Companies hereby notify the Commission of their intent to place into effect for service rendered on and after January 1, 2026, the rates that were filed with and resulting from the Stipulation, subject to any refunds the Commission may later order.

¹ Joint Motion of Kentucky Utilities Company and Louisville Gas and Electric Company for Leave to File Joint Stipulation Testimony of Robert M. Conroy and Christopher M. Garrett (Oct. 20, 2025); Joint Stipulation Testimony of Robert M. Conroy and Christopher M. Garrett, Stipulation Testimony Exhibit at 7 and 10 (Oct. 20, 2025).

² *Id.*

The Companies acknowledge that the Commission declined to allow Kentucky Power Company to place settled rates into effect subject to refund in Case No. 2023-00159, finding Kentucky Power could place only its originally filed rates into effect under KRS 278.190(2).³ The Companies respectfully ask the Commission to reconsider its position for three reasons.

First, the Commission approved Union Light, Heat and Power Company's ("Union") request to place settled rates into effect subject to refund at the end of the suspension period in Case No. 8850, which was beneficial for customers because Union's settled rates were significantly lower than their filed rates.⁴ At the time of the Union case, KRS 278.190(2) was materially identical in all relevant respects to the current statute.⁵ Both then and now, the statute says "the utility may place *the proposed change* of rate, charge, classification, or service in effect,"⁶ but it does not say what "the proposed change" must be. Crucially, KRS 278.190(2) does not say "the *filed* change" or "the *new* rate, charge, classification, or service." This is important because KRS 278.190(1) discusses a utility "*fil[ing]* ... any schedule stating *new* rates" and the Commission holding a hearing on "the reasonableness of the *new* rates," which suggests the "proposed" rates addressed in KRS 278.190(2) may differ from the utility's "fil[ed]" or "new" rates. This interpretation of KRS 278.190(2) would be consistent with the Commission's order allowing Union to place *settled* rates into effect subject to refund rather than filed rates.

Second, this broader understanding of KRS 278.190(2) is consistent with the Commission's plenary ratemaking authority,⁷ which it has used at least once to authorize "interim

³ *Electronic Application of Kentucky Power Company for (1) a General Adjustment of Its Rates for Electric Service; (2) Approval of Tariffs and Riders; (3) Approval of Accounting Practices to Establish Regulatory Assets and Liabilities; (4) a Securitization Financing Order; and (5) All Other Required Approvals and Relief*, Case No. 2023-00159, Order (Ky. PSC Jan. 16, 2024).

⁴ *An Adjustment of Electric Rates of the Union Light, Heat and Power Company*, Case No. 8850, Order (Ky. PSC Dec. 20, 1983) (a copy of which is appended hereto for ease of reference).

⁵ KRS 278.190(2); 1982 Ky. Acts Ch. 82, Sec. 24 (a copy of which is appended hereto for ease of reference).

⁶ Emphasis added.

⁷ *Ky. Pub. Serv. Com'n v. Com. ex rel. Conway*, 324 S.W.3d 373, 383 (Ky. 2010).

rates” while a utility’s rate case was pending.⁸ In that case, the Commission had opened a rate investigation to address tax reductions for Atmos Energy Corp. (“Atmos”) resulting from the federal Tax Cuts and Jobs Act (“TCJA”) while there was a pending rate case for Atmos.⁹ Rather than waiting to address TCJA effects at the end of Atmos’s then-pending rate case, the Commission chose to ensure customers would receive TCJA benefits sooner by approving “on an interim basis” base rate reductions for Atmos “subject to retroactive adjustment.”¹⁰ Thus, although the Commission’s exercise of its plenary ratemaking authority in the Atmos case was in the context of a rate investigation, it did affect a pending rate case, and it is substantively consistent with construing KRS 278.190(2) more broadly here.

Third, allowing the Companies to implement subject to refund the rates that were filed with and resulting from the Stipulation would significantly benefit customers as compared to implementing filed rates, just as the Commission’s order allowing Union to implement settled rates subject to refund did, and just as the Commission’s order approving an interim rate reduction for Atmos while its rate case was pending did. Customers would benefit because implementing subject to refund the rates that were filed with and resulting from the Stipulation would provide greater rate continuity and minimize refunds compared to implementing filed rates; indeed, if the Commission ultimately approved the rates that were filed with and resulting from the Stipulation,

⁸ *Electronic Investigation of the Impact of the Tax Cuts and Jobs Act on the Rates of Atmos Energy Corporation*, Case No. 2018-00039, Order at 3 (Ky. PSC Mar. 19, 2018) (“Based on a review of the Settlement Agreement and being otherwise sufficiently advised, the Commission finds that the Settlement Agreement will allow current gas rates to be reduced on an interim basis until the correct methodology to calculate the impacts of the tax rate reduction is determined in Atmos’s pending general rate case. Thus, accepting the Settlement Agreement and allowing the proposed interim rates to become effective immediately will not set any precedent as to any claim, theory, or methodology utilized to calculate the interim rates.”). *Id.* at 4 (“Within 20 days of the date of the entry of this Order, Atmos shall, using the Commission’s electronic Tariff Filing System, file its revised tariffs setting out the interim rates authorized herein and reflecting that they were approved on an interim basis, subject to retroactive adjustment, pursuant to this Order.”).

⁹ *Id.* at 1.

¹⁰ *Id.* at 4.

there would be no need for refunds at all, which would be a benefit for customers and the Companies. Moreover, it would be to *nobody's* benefit to constrain the Companies to placing their initially filed rates into effect subject to refund; it would result only in making customers worse off. Such an approach could place an even greater burden on customers, particularly during the peak winter heating season when energy usage and bills can be at their highest. Thus, the Commission should not construe KRS 278.190(2) to require such a result; it is unnecessary to do so (as the Commission demonstrated in the Union case), and nobody would benefit from it.

For all these reasons, the Companies respectfully ask the Commission to accept their notice of intent to place the rates that were filed with and resulting from the Stipulation into effect subject to refund for service rendered on and after January 1, 2026, if the Commission does not issue a final order in each of these proceedings by December 31, 2025. The Companies further ask the Commission to affirmatively state in its order requiring the Companies to maintain their records to enable possible refunds whether the Commission approves the Companies' implementation of the rates that were filed with and resulting from the Stipulation.

II. IN THE ALTERNATIVE, THE COMPANIES HEREBY PROVIDE THEIR NOTICE OF INTENT TO PLACE THEIR FILED RATES INTO EFFECT SUBJECT TO REFUND.

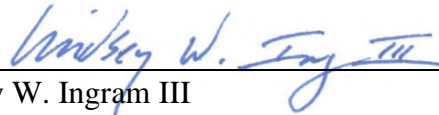
If the Commission does not issue a final order in each of these proceedings by December 31, 2025, and it determines it cannot accept the notice given above, the Companies hereby provide the notice under KRS 278.190(2) of their intent to place their filed rates into effect subject to refund for service rendered on and after January 1, 2026.

III. DUE TO THE IMPORTANCE OF THESE ISSUES, THE COMPANIES RESPECTUFLLY MOVE THE COMMISSION TO SCHEDULE A REMOTE INFORMAL CONFERENCE AT THE COMMISSION'S EARLIEST CONVENIENCE.

The Companies believe the benefits to customers of allowing rates filed with the Stipulation to go into effect subject to refund merit a discussion among Commission Staff and the parties to address any questions or concerns Commission Staff might have. The Companies therefore respectfully ask the Commission to schedule a remote informal conference to discuss these issues at its earliest convenience.

Dated: December 8, 2025

Respectfully submitted,



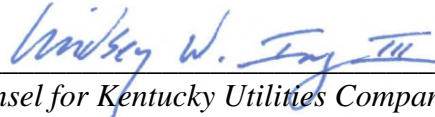
Lindsey W. Ingram III
Stoll Keenon Ogden PLLC
300 West Vine Street, Suite 2100
Lexington, Kentucky 40507
Telephone: (859) 231-3000
Fax: (859) 253-1093
l.ingram@skofirm.com

Allyson K. Sturgeon
Vice President and Deputy
General Counsel – Regulatory
Sara V. Judd
Senior Counsel
PPL Services Corporation
2701 Eastpoint Parkway
Louisville, Kentucky 40223
Telephone: (502) 627-2088
Fax : (502) 627-3367
ASturgeon@pplweb.com
SVJudd@pplweb.com

*Counsel for Kentucky Utilities Company and
Louisville Gas and Electric Company*

CERTIFICATE OF SERVICE

In accordance 807 KAR 5:001, Section 8 as modified by the Commission's Order of July 22, 2021 in Case No. 2020-00085 (Electronic Emergency Docket Related to the Novel Coronavirus COVID-19), this is to certify that the electronic filing has been transmitted to the Commission on December 8, 2025; and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means.

A handwritten signature in blue ink, reading "Lindsey W. Foy III", is written over a horizontal line.

*Counsel for Kentucky Utilities Company
and Louisville Gas and Electric Company*

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ADJUSTMENT OF ELECTRIC RATES)	
OF THE UNION LIGHT, HEAT AND)	CASE NO. 8850
POWER COMPANY)	

O R D E R

On June 29, 1983, the Union Light, Heat and Power Company ("ULH&P") filed its Notice with the Commission wherein it proposed to increase its rates for electric service rendered on and after the 19th day of July, 1983. The filing was designed to increase annual revenues by \$8,240,388 to track the proposed increase in the wholesale electric rate to ULH&P by the Cincinnati Gas & Electric Company ("CG&E") in a pending proceeding before the Federal Energy Regulatory Commission ("FERC").

On July 13, 1983, the FERC suspended CG&E's proposed rates for 5 months to be effective December 20, 1983. On July 18, 1983, this Commission suspended ULH&P's proposed rates for 5 months on and after July 19, 1983.

On December 15, 1983, ULH&P filed a motion requesting authorization to collect, subject to refund, interim rates for retail electric service rendered on and after December 20, 1983, until such time as the FERC authorizes a final wholesale electric rate for ULH&P. The interim rates are designed to increase annual

revenues by \$773,704. The basis for the motion is that a settlement agreement has been entered into by all parties to CG&E's wholesale rate proceeding and the agreement has been filed with the FERC. The retail interim rates will produce only the revenues authorized by that settlement agreement.

The interim rates provide a uniform percentage increase in energy and demand charges to reflect the increased wholesale electric settlement rate based on actual data for the 12 months ending December 31, 1982, the test year in this proceeding. The interim rates should be collected subject to refund in the event the FERC authorizes a lower wholesale rate for ULH&P.

Intervenors Newport Steel Corporation and the Attorney General's Office filed notices that they have no objection to ULH&P's motion to collect interim rates.

IT IS THEREFORE ORDERED that the interim rates filed by ULH&P on December 15, 1983, be and they hereby are approved, subject to refund, for service rendered on and after December 20, 1983.

IT IS FURTHER ORDERED that ULH&P shall maintain its records in such manner as will enable a determination of the amounts to be refunded and to whom due in the event a refund is ordered.

IT IS FURTHER ORDERED that within 30 days from the date of this Order, ULH&P shall file with the Commission the tariff sheets as set out in the docket filing of December 15, 1983.

Done at Frankfort, Kentucky, this 20th day of December, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

(2) The commission, upon application of any utility, may prescribe a less time within which a reduction of rates may be made.

Section 23. KRS 278.185 is amended to read as follows:

278.185 Notification to customers of proposed rate change by sewerage corporations [Eff. 7-15-82]

(1) The *public service* [utilities] commission shall require that all sewerage corporations under its jurisdiction shall, when submitting an application for a rate change, notify all its customers of the application.

(2) Notification to the customers of the rate change application shall be in writing and shall include an estimate of the probable financial impact upon the customers.

(3) The cost of notifying customers of a rate change shall be borne by the sewerage corporation.

(4) The [utilities] commission shall make such reasonable rules and regulations as are deemed necessary to further the purpose of this section.

Section 24. KRS 278.190 is amended to read as follows:

278.190 Procedure when new schedule of rates filed; suspension of new rate schedule; burden of proof; refunds [Eff. 7-15-82]

(1) Whenever any utility files with the [appropriate] commission any schedule stating new rates, the commission may, upon its own motion, or upon complaint as provided in KRS 278.260, and upon reasonable notice, enter upon a hearing concerning the reasonableness of the new rates.

(2) Pending such hearing and the decision thereon, and after notice to the utility, the commission may, at any time before said schedule becomes effective, suspend the operation of said schedule and defer the use of such rate, charge, classification or service, but not for a longer period than five (5) months beyond the time when it would otherwise go into effect; and after such hearing, either completed before or after the rate, charge, classification or service goes into effect, the commission may make such orders with reference thereto as it deems proper in the matter. If the proceeding has not been concluded and an order made at the expiration of such five (5) months the utility may place the proposed change of rate, charge, classification or service in effect at the end of such period after notifying the commission, in writing, of its intention so to do. Where increased rates or charges are thus made effective, the commission may, by order, require the interested utility or utilities to maintain their records in such manner as will enable them, or the commission, or any of its customers, to determine the amounts to be refunded and to whom due in the event a refund is ordered, and upon completion of the hearing and decision may, by further order, require such utility or utilities to refund to the persons in whose behalf such amounts were paid such portion of such increased rates or charges as by its decision shall be found unreasonable. Provided, however, if the commission, at any time, during said five (5) months' suspension period, finds that an emergency exists or that the company's credit or operations will be materially impaired or damaged by the failure to permit said rates to become effective during said five (5) months' period, said commission may, after any hearing or hearings, permit all or a portion of said rates to become effective under such terms and conditions as the commission may, by order, prescribe.

(3) At any hearing involving the rate or charge sought to be increased, the burden of proof to show that the increased rate or charge is just and reasonable shall be upon the utility and the commission shall give to the hearing and decision of such questions preference over other questions pending before it and decide the same as speedily as possible, and in any event not later than ten (10) months after the filing of such schedules.

(4) In the event the commission, by order, directs any utility to make a refund, as hereinabove provided, of all or any portion of such increased rates or charges, the utility shall make the same within sixty (60) days after a final determination of the proceeding by an order of the court or commission with or without interest in the discretion of the commission. If the utility fails to make such refund within sixty (60) days after such final determination, any party entitled to such refund may, after ten (10) days' written demand, bring an action therefor in any court of competent jurisdiction of this state, and may recover, in addition to the amount of the refund due, legal interest, court costs and reasonable attorney's fees. No such action may be maintained unless instituted within one (1) year after such final determination. Any number of persons entitled to such refunds

may join in as plaintiffs in a single action and the court shall render a judgment severally for each plaintiff as his interest may appear.

Section 25. KRS 278.200 is amended to read as follows:

278.200 Power to regulate rates and service standards fixed by agreement with city [Eff. 7-15-82]

The commission [having jurisdiction over the affected utility] may, under the provisions of this chapter, originate, establish, change, promulgate and enforce any rate or service standard of any utility that has been or may be fixed by any contract, franchise or agreement between the utility and any city, and all rights, privileges and obligations arising out of any such contract, franchise or agreement, regulating any such rate or service standard, shall be subject to the jurisdiction and supervision of the commission, but no such rate or service standard shall be changed, nor any contract, franchise or agreement affecting it abrogated or changed, until a hearing has been had before the commission in the manner prescribed in this chapter.

Section 26. KRS 278.210 is amended to read as follows:

278.210 Examination and testing of meters and meter-testing devices [Eff. 7-15-82]

(1) The [appropriate] commission may provide instruments for, and carry on, the examination and testing of any meter or appliance used to measure the product or service of any utility, and the examination and testing of any instrument used by a utility to test the accuracy of any meter or appliance used to measure its products or services.

(2) Any patron of a utility may, upon request and payment of the fees fixed by the [appropriate] commission, have a test made of the meter or appliance by which his use of the products or services of the utility is measured.

(3) The [appropriate] commission may establish reasonable fees for testing such meters and appliances at the request of a patron of a utility. If the appliance is found to be commercially defective or inaccurate to the extent of more than two per cent (2%) to the disadvantage of the patron, the fees shall be repaid to the patron and paid by the utility.

Section 27. KRS 278.220 is amended to read as follows:

278.220 Uniform system of accounts for utilities [Eff. 7-15-82]

The [Each] commission may establish a system of accounts to be kept by utilities subject to its jurisdiction, or may classify utilities and establish a system of accounts for each class, and may prescribe the manner in which such accounts shall be kept. The system established shall conform as nearly as practicable to the uniform system of accounts prescribed by the National Association of Railway and Utilities Commissioners, except that the system established for telephone and telegraph companies shall conform as nearly as practicable to the system adopted or approved by the Interstate Commerce Commission or other federal agency regulating telephone and telegraph companies.

Section 28. KRS 278.230 is amended to read as follows:

278.230 Access to property, books and records of utilities; reports and information may be required [Eff. 7-15-82]

(1) The commissioners and the officers and employees of the [each] commission may, during all reasonable hours, enter upon the premises of any utility subject to its jurisdiction for the purpose of examining any books or records, or for making any examination or test, or for exercising any power provided for in this chapter, and may set up and use on such premises apparatus and appliances necessary for any such examination or test. The utility shall have the right to be represented at the making of any such examination, test or inspection.

(2) The books, accounts, papers and records of the utility shall be available to the commission for inspection and examination. If the books, accounts, papers and records are not within the state, the commission may, by notice and order, require their production or the production of verified copies at such time and place as it designates, any expense incurred to be borne by the utility so ordered.