COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

DIRECT TESTIMONY OF
TOM C. RIETH
VICE PRESIDENT, GAS OPERATIONS
ON BEHALF OF
LOUISVILLE GAS AND ELECTRIC COMPANY

Filed: May 30, 2025

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INTRODUCTION

Q. Please state your name, position, and business address.

A. My name is Tom C. Rieth. I am Vice President of Gas Operations for Louisville Gas and Electric Company ("LG&E" or "Company") and an employee of LG&E and KU Services Company. My business address is 6900 Enterprise Drive, Louisville, Kentucky 40214. A complete statement of my education and work experience is attached to this testimony as Appendix A.

Q. Have you previously testified before this Commission?

A. Yes. I recently testified before the Commission in Case No. 2024-00125 regarding LG&E's Local Gas Delivery Service tariff.[1] I have also sponsored data responses in other proceedings.[2]

Q. What is the purpose of your direct testimony?

A. I will first provide an overview of LG&E's gas operations, including an explanation of the significant capital improvements the Company is making to enhance safety and reliability. I will then describe the operating efficiencies LG&E has implemented. Next, I will describe the Company's Gas Line Tracker ("GLT") and the operating conditions that have caused LG&E to request changes to the GLT. I will then provide an overview of the Company's development of a Pipeline Safety Management System ("SMS") and how it enhances safety in the communities we serve. I will also describe and support the Company's proposed tariff changes that pertain to operational issues. Finally, I will identify the filing requirement I am sponsoring in this proceeding.

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[1] *In the Matter of: Electronic Tariff Filing of Louisville Gas and Electric Company to Revise Its Local Gas Delivery Service Tariff* (Case No. 2024-00125).

[2] *In the Matter of: Electronic Application of Louisville Gas and Electronic Company for Approval of Revised Gas Line Tracker Rates Effective for Services Rendered on and After May 1, 2021* (Case No. 2021-00091).

OVERVIEW OF GAS SYSTEM

Q. Please describe LG&E's gas system.

A. LG&E's gas business serves approximately 335,000 customers in Jefferson and sixteen surrounding counties in Kentucky. LG&E owns significant infrastructure used to distribute gas to its customers, including four[3] underground storage fields and two compressor stations. LG&E operates approximately 4,400 miles of gas distribution pipe and 340 miles of gas transmission pipe. The net book value of LG&E's gas system assets in Kentucky is approximately $1.3 billion. LG&E's total annual throughput is estimated to be 45 billion cubic feet (Bcf).

Q. Can you describe the Company's safety performance?

A. Certainly. LG&E views safety as the physical safety of its employees, the public, and the operating safety of its pipeline system, as shown through its implementation of a SMS. LG&E's performance in several key metrics reflects its commitment to a holistic and systematic approach to improving pipeline safety. With respect to our employees, in 2024 the Recordable Injury Incident Rate in gas operations was 1.46, which is below LG&E's target rate of 1.58 and the 2024 Bureau of Labor Statistics (BLS) 1.70 average rate for gas utilities. Also, the Company's gas operations did not have any serious injury events in 2024, including 0 Lost Work Day injuries. As to public safety, the Company responded promptly to emergency calls with an average response time of just over 31 minutes. LG&E received over 133,000 requests to locate its gas facilities with an on-time response rate of 99.4% and a damage rate of only 1.53 damages/1,000 locates. LG&E's damage rate is consistently among the best as compared to other gas

[3] LG&E has a fifth storage field, Doe Run, which is in the process of being closed. This closure is discussed later in my testimony.

utilities in Kentucky. With respect to gas system safety, in 2024 LG&E did not have any gas incidents requiring notification to the Pipeline and Hazardous Materials Safety Administration ("PHMSA"), or experience significant customer outages or gas supply interruptions. LG&E has also continued in-line inspection ("ILI") work to support its maximum allowable operating pressure ("MAOP") reconfirmation efforts to ensure compliance with PHMSA regulations, and started a multi-year plan to perform enhanced risk assessment at larger gas facilities within the system as part of its SMS to identify potential risks.

INVESTMENTS IN THE GAS SYSTEM

Q. Can you please describe the capital investments LG&E is making to ensure that the Company continues to provide reliable and safe operations?

A. Certainly. LG&E is engaged in a number of capital projects to expand and improve safe and reliable gas service to its customers. The three most significant capital investments in the forecast period in this case are: (1) the construction of an approximately 12-mile pipeline in Bullitt County, Kentucky ("Bullitt County Pipeline"); (2) the relocation of gas infrastructure due to public works projects; and (3) the continued deployment of ILI technologies and MAOP reconfirmation work that supports the Company's compliance with federal safety requirements.

Q. Please provide an update on the Bullitt County Pipeline.

A. LG&E notified the Commission in January 2025 and began construction of the pipeline in April 2025 and plans to be in operation by the end of the year. By way of background, in 2017 LG&E obtained a Certificate of Public Convenience and Necessity ("CPCN") to construct a new, approximately 12-mile pipeline to improve reliability and provide capacity needed to serve increasing demand for gas service in

the Bullitt County area.[4] When it obtained the CPCN, LG&E estimated completing the pipeline by 2019 but encountered delays in acquiring the necessary easements and permits.

The demand for gas in the Bullitt County area has continued to grow. Due to LG&E's inability to construct the pipeline according to its planned timeline, LG&E has deferred approximately 600 requests for new and expanded commercial and residential gas service in that part of its system for six years. Once the pipeline is in operation, LG&E will have the capacity available to serve new and expanded service including this deferred demand and return to normal practices for new business requests. In addition, the pipeline will significantly enhance the reliability for thousands of existing customers in the area. Once the pipeline is constructed, these customers will have a second source of supply, which will significantly reduce the likelihood of these customers losing gas service in the event of damage or disruption to the pipeline presently serving customers.

At this time, LG&E has all of the necessary permits and authorizations to install the pipeline, including those from the Army Corps of Engineers. LG&E has obtained easements from all but two landowners. However, the Company has obtained the right of entry on these properties through condemnation actions.

Q. What is the anticipated cost to construct the Bullitt County Pipeline?

A. The estimated cost to construct the pipeline is $103 million. The cost has increased from the $74 million estimate provided in LG&E's 2020 rate case primarily as a result

[4] *In the Matter of: Electronic Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Rates and for Certificates of Public Convenience and Necessity* (Case No. 2016-00371) (Ky. PSC June 22, 2017).

of contractors increasing charges for their services over the last five years.[5] In September 2024, LG&E received bids from seven contractors to construct the pipeline. After analyzing the bids, LG&E selected the contractor who submitted the lowest bid to construct the pipeline.

Q. Is constructing the Bullitt County Pipeline the least cost option to solve the reliability and capacity concerns that are affecting the Bullitt County area?

A. Yes, it is. When LG&E obtained a CPCN for the Bullitt County Pipeline in 2017, it did not anticipate the delays it later encountered in obtaining property rights and authorizations to construct the pipeline. The Company has reexamined whether the pipeline remains the least cost reasonable option to alleviate the reliability and capacity problems affecting the area multiple times since 2017. LG&E most recently reexamined the alternatives in 2025. Although the cost of the Bullitt County Pipeline has increased due to the delay in constructing the pipeline, it remains the best option. Once complete, LG&E will have additional capacity to serve new and expanded load requests including the demand it has deferred over the last six years and existing customers will have enhanced reliability.

Q. Can you describe LG&E's other investments to continue providing reliable and safe gas service?

A. Yes. Another significant area of investment for the Company is associated with public works projects. A material portion of LG&E's gas infrastructure is located in the right-of-way of state and local governments. When the state, county, or municipality decides

[5] *In the Matter of: 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) at LG&E's Response to Staff's Post-Hearing Request, Item 9.

to widen a road or make other changes to its right-of-way, LG&E is often required by statute, ordinance, or franchise to relocate its infrastructure. The pace of these public works projects has increased over the past few years. The table below shows the increasing cost trend for these projects experienced by the Company over the last 6 years:

Public Works capital, $millions					
2020	2021	2022	2023	2024	2025
$3.7	$2.5	$5.9	$8.5	$11.1	$17.0

These projects benefit our customers, as the safe relocation of gas infrastructure is an integral component of providing reliable service in the communities we serve.

Q. Are there other investments that you would like to highlight?

A. Yes, I would like to describe the continued use of ILI technologies and MAOP reconfirmation work that are critical to LG&E's compliance with PHMSA's Mega Rule Part 1.[6]. ILI is a technique used to assess the integrity of pipelines from the inside of the pipe and is being used by the Company to verify material properties and gather other information required for reconfirming MAOPs. LG&E has used ILI tools such as geometry, axial and circumferential magnetic flux leakage, electromagnetic acoustic transducer, and pipe grade sensors. These inspections are providing crucial data about the Company's infrastructure, and aid LG&E in determining the pipeline components that will require additional work to meet the standards established in the Mega Rule Part 1.

[6] "Mega Rule 1" refers to The Safety of Gas Transmission Pipelines: Maximum Allowable Operating Pressure Reconfirmation, Expansion of Assessment Requirements, and Other Related Amendments, which was finalized in October 2019.

On November 18, 2024, PHMSA issued an advisory bulletin to notify pipeline operators of the importance of evaluating their pipeline facilities for the existence and potential threat of hard spots in the pipe body. LG&E has reviewed key portions of its gas transmission system for hard spot susceptibility, and intends to begin using hard spot ILI tools in pipelines as early as 2026.

CAPITAL INVESTMENT SUMMARY

Q. Please summarize the capital investments being made for Transmission-related projects.

A. From January 1, 2022 to June 30, 2026, LG&E has spent and plans to spend $387 million in capital on Gas-related projects.

LG&E Gas	**Jan. 1, 2022 – June 30, 2026 ($mm)**
Connect New Customers	
New Business Services	$13
New Business Main Extensions	9
Glendale	8
Other	2
Enhance the Network	
Bullitt County System Reinforcement	90
Public Works	45
Retire Doe Run Field	9
Mt. Washington Phase 1	7
Other	38
Maintain the Network	
ILI Program and MAOP Confirmation	48
Preston City Gate	9
Other	78
Repair the Network	5
Miscellaneous	26
Total	**$387**

OPERATING EFFICIENCIES

Q. Please describe LG&E's commitment to operating efficiently.

A. LG&E has analyzed its operations to look for opportunities to enhance its operating efficiencies. Gas operations were included in this examination. The Company rigorously reviewed its operations to identify, and then successfully implement, efficiencies that benefit customers. I am very proud of these efforts.

Q. Can you describe how LG&E has achieved efficiencies in line locating?

A. Yes. LG&E has a robust damage prevention plan, of which line locating is a crucial component. In its last rate case, the Company explained that it had completed 99% of the locate requests within the 2-day statutory timeframe. LG&E also explained in that proceeding that it had invested significant cost and effort to obtain 99% compliance. Since that time, LG&E analyzed whether there are efficiencies it could obtain with line locating while maintaining near 100% compliance. LG&E was engaging contractors on an hourly basis to perform locating services. The Company decided to shift its contractual arrangement from an hourly model to a ticket completion model. This shift requires the contractor to manage the timely completion of the locate requests, as compared to an hourly model which may not optimize staffing levels. Compared to the test year in the last rate case, LG&E has been able to reduce this expense by $2.1 million for the test year in this case while maintaining 99.4% compliance in 2024. This change has proven to be a material efficiency improvement for LG&E that allows the Company to continue its robust damage prevention efforts at a reduced cost, both of which benefit our customers.

Q. Please explain the closure of the Doe Run storage field.

A. The closure of the Doe Run storage field is another operational efficiency implemented since the last rate case. Doe Run is an aquifer formation storage field that began

operation in 1946. In the last decade, Doe Run has been LG&E's highest cost storage field to operate. The high cost of operating Doe Run as compared to the Company's other four storage fields was primarily driven by the high volume of gas losses associated with changes in the geological formation that are unique to water aquifer storage fields. Since 2005, annual natural gas loss volumes steadily increased year over year. LG&E's other storage fields are not aquifer fields. They are depleted gas production fields that have not experienced similar gas losses.

Due to being an aquifer and the higher levels of water, Doe Run experienced more issues with internal corrosion of the pipelines associated with the field. In order to mitigate the risk from internal corrosion, LG&E would need to significantly increase the annual capital expenditures for Doe Run to replace all the legacy pipeline and wellheads and evaluate operational changes to mitigate the corrosive environment.

Because of the gas losses and corrosion concerns, LG&E determined the best course of action was to retire the Doe Run storage field, which involved plugging all wells and abandoning the associated pipelines. Retiring the storage field, as compared to continuing to operate it with minimal capital improvements, saves over $41 million by 2072. The retirement savings increase to approximately $94 million as compared to continuing to operate the field and making the capital investments necessary to mitigate the internal corrosion. The recommendation to retire the field included replacing winter season storage deliveries from the field with firm winter season gas supply and interstate pipeline transportation service.

GAS LINE TRACKER

Q. Please provide an overview of LG&E's GLT.

A. Since its creation in 2012, the GLT allows for cost recovery outside of rate cases for approved projects that address safety concerns. The Company annually files a forecast of its expected costs to perform the required work for the next year which is then trued-up the following year once actual costs are known. The Commission approved the GLT in Case No. 2012-00022 to mitigate safety concerns related to service risers, customer service line ownership, and leak mitigation through the main replacement program and replacing company services.[7] The GLT was modified in Case No. 2015-00360 to include the replacement of Aldyl-A plastic pipe for which there were known safety concerns.[8] In Case No. 2016-00371, with the conclusion of the service riser and main replacement projects, the Commission permitted LG&E to include the replacement of customer steel service lines and certain transmission lines through the GLT, in addition to retaining projects related to customer service line ownership and replacing company services.[9] In LG&E's most recent rate case, Case No. 2020-00350, the Commission ordered LG&E to file testimony in its next base rate case regarding the continuation of the GLT and whether the primary purposes of the mechanism have been completed.[10]

Q. Is it important for the GLT to continue?

[7] *In the Matter of: Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Rates, a Certificate of Public Convenience and Necessity, Approval of Ownership of Gas Service Lines and Risers, and a Gas Line Surcharge* (Case No. 2012-00222).
[8] *In the Matter of: Application of Louisville Gas and Electric Company for Approval of Revised Rates to be Recovered Through Its Gas Line Tracker Beginning with the First Billing Cycle for January, 2016* (Case No. 2015-00360).
[9] *In the Matter of: Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Rates and for Certificates of Public Convenience and Necessity* (Case 2016-00371).
[10] *In the Matter of: 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) (Ky. PSC June 30, 2021) at 68, 74.

A. Yes. The GLT was established to provide cost recovery outside of rate cases for gas infrastructure projects that alleviate safety concerns. The mechanism has facilitated LG&E's accelerated capital investment in safety-based projects, which has benefited our customers through the focused deployment of pipeline replacement initiatives. As mentioned earlier in my testimony, the GLT approved in 2012 included taking ownership of customer service lines and replacing company services, both of which remain in progress. Since the GLT was implemented, the regulatory requirements and industry best practices have continued to evolve. As I will further explain, LG&E proposes to continue its GLT and add the ability to recover the Company's investments associated with its leak detection and repair requirements. This proposal includes transitioning the Company's current leak detection and repair costs to the GLT, as well as the incremental expense associated with upcoming regulatory changes regarding leak detection and repair.

Q. Please describe LG&E's expanded leak detection and repair requirements.

A. On May 4, 2023, the Pipeline and Hazardous Materials Safety Administration ("PHMSA") issued a Notice of Proposed Rulemaking Docket No. PHMSA-2021-0039, informally named the Leak Detection and Repair ("LDAR") Rule. The LDAR Rule is expected to be the comprehensive regulation regarding leak detection and repair, consisting of practices that LG&E presently performs while also introducing new requirements. While many of the proposed changes in the LDAR Rule are already part of LG&E's operations, the Company will have to adjust its operations to comply with the leak monitoring, repair timeframes, and leak quantification in preparation to be

compliant when the LDAR Rule becomes final, which is currently anticipated in January 2028.

Q. Can you explain the specific changes in the proposed LDAR Rule regarding leak monitoring and repair timeframes?

A. Certainly. Based on the January 17, 2025 version of the proposed final rule, the LDAR Rule proposes significant changes to leak survey frequencies, requirements, investigation, quantification, and grading activities. This will require the Company to change when surveys are performed, what equipment is used, and how each leak is graded. For example, current regulations define a Grade 3 leak as a leak that is non-hazardous at the time of detection and can be reasonably expected to remain non-hazardous, such as a minor leak on an above ground threaded fitting. Grade 3 leaks can be monitored indefinitely without the need to repair. Under the proposed LDAR Rule, all Grade 3 leaks must be eliminated within three years, except for those that have an emission rate less than 5 SCFH[11]. The Company currently has about 300 Grade 3 leaks on gas mains that will likely have to be repaired under the proposed rule, that are not presently in the scope of the current GLT mechanism.

The LDAR Rule also introduces the concept of post repair rechecks for all leaks, including Grade 1 and Grade 2, which have not been a regulatory requirement or part of LG&E's operating practices. Under the proposed rule, this recheck may be conducted immediately after the repair is complete for a Grade 3 leak repair, a repair on an aboveground or submerged pipeline facility, or for an excavation damage caused leak where the extent of the damage is known. A leak repair that is not eligible for

[11] Docket No. PHMSA-2021-0039; Amdt. Nos. 191-33, 192-138, 193-26] RIN 2137-AF51, January 17, 2025 version submitted for final publication.

immediate recheck, such as a Grade 1 or Grade 2 leak, will be required to be rechecked no sooner than 14 days but no later than 30 days after the date of repair.

Q. What are the changes LG&E is proposing to the GLT in light of these regulatory changes that are anticipated to become final?

A. The Company proposes to include costs for leak survey, investigation, and repair activities in the GLT mechanism to facilitate both the inspection, discovery and grading of leaks and the associated repair activities, which will range from minor repair activity (i.e., tightening a fitting) to asset replacement (i.e., replacing a service or section of main). This includes transitioning its current expenses for these activities, as well as the incremental expense associated with the new requirements, to the GLT. Since its inception, the GLT has been premised on the Company's efforts to enhance the safety of its system for the benefit of our customers and the communities in which we operate. The leak-related activities LG&E is proposing to include in the GLT align with the purpose of this mechanism and facilitate LG&E complying with these new regulations, whose purpose is to reduce leaks and associated emissions.

Several proposed components of the LDAR Rule will require significant changes to LG&E's repair-related operations. The LDAR rule will have an incremental capital and O&M cost component. Incremental capital includes eliminating applicable Grade 3 leaks and purchasing equipment necessary to quantify leaks and is estimated at about $10 million from 2026-2028. Ongoing incremental capital necessary to repair on-going Grade 3 leaks is anticipated to be about $1 million annually. Incremental O&M is anticipated to be about $2.5 million annually. The costs are presently challenging to accurately forecast given that LG&E does not yet have operating

experience with the new requirements. Including these costs in the GLT allows LG&E to recover its cost for preparing to and performing these necessary leak activities, with timely true-ups that will protect customers should the costs be less than anticipated.

PIPELINE SAFETY MANAGEMENT SYSTEM

Q. Please explain the Company's approach to system integrity and the safety of its assets.

A. As a company that transports a flammable product that is critical to the communities we serve, safety is—and must be—our core operating value. We demonstrate our adherence to safe operations in numerous ways, which include compliance with federal and state regulations, providing sufficient training to our employees, and educating the public about gas safety.

Q. Can you describe LG&E's decision to implement a Pipeline Safety Management System?

A. Certainly. The U.S. National Transportation Safety Board ("NTSB") recommended the gas pipeline industry develop guidance for safety management systems for pipeline operations. Safety management systems have proven to aid other industries, such as aviation and nuclear power. An SMS is useful for highly complex organizations in which there is a risk of a catastrophic incident. Pipeline operators, through the American Petroleum Institute ("API") and in partnership with PHMSA, developed API Recommended Practice ("RP") 1173 to bring the benefits of SMS to pipeline operations. Implementing an SMS is voluntary. LG&E made the decision to implement an SMS because of the numerous improvements it will bring to its operating practices. Additionally, just recently in March 2025, PHMSA issued an Advisory Bulletin (Docket No. PHMSA-2025-0018) to promote the implementation of an SMS by

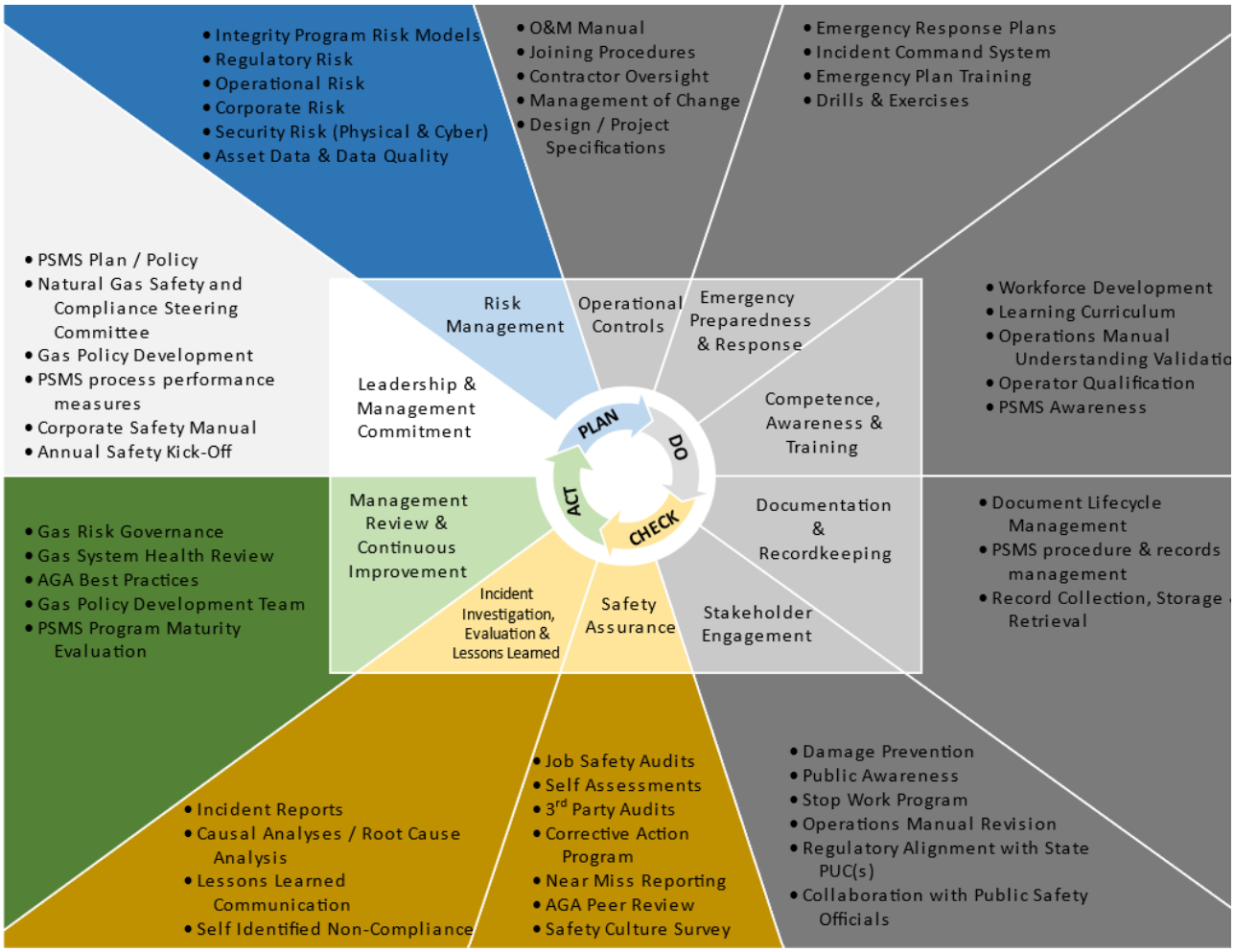
regulated pipeline owners and operators fulfilling a congressional mandate from section 205 of the PIPES Act of 2020 as well as addressing a safety recommendation from the NTSB.

Q. Please describe, at a high level, what an SMS is designed to do.

A. An SMS is an organization-wide approach to managing safety risk to reduce the likelihood of an organizational accident through systematic policies, processes, procedures, and improved feedback. An organizational accident refers to a once in a lifetime incident that is high consequence and impact. These accidents happen in organizations that have complex processes with numerous hand-offs. Organizational accidents typically have many contributing factors and a build-up or history of issues that cause them. This makes them hard to predict – they happen "out of the blue." An example of an organizational accident is the San Bruno pipeline explosion that occurred in 2010 in California, in which multiple issues, such as welding deficiencies and MAOP inconsistencies, led to a devastating pipeline rupture.

Q. What are the components of LG&E's SMS?

A. LG&E chose to adopt the API 1173 framework for an SMS which includes the following ten components: (1) risk management; (2) operational controls; (3) emergency preparedness and response; (4) competence, awareness and training; (5) documentation and recordkeeping; (6) stakeholder engagement; (7) safety assurance; (8) incident investigation, evaluation, and lessons learned; (9) management review and continuous improvement; and (10) leadership and management commitment. Each of these components is illustrated below, along with the topics that fall within each component:



Q. Please describe the anticipated benefits of the SMS.

A. As mentioned, the preeminent goal of an SMS is to mitigate the risk of an organizational accident. In addition, the SMS will provide many other daily benefits in furtherance of this goal. For example, the refinement of the Operation & Maintenance Manual ensures that LG&E is defining and implementing its practices consistently throughout the Company. When an unusual or concerning operational condition arises, the SMS will enable employees to quickly assess the situation and determine the necessary next steps.

Q. What is the status of LG&E's implementation of its SMS?

A. Implementing an SMS is a multi-year process given the breadth and scope of the operations and processes that are included. To date, LG&E' implementation is at approximately 40% of a mature SMS.

TARIFF REVISIONS

Q. Is LG&E proposing changes to its gas tariff?

A. Yes, the Company is proposing changes to its gas tariff. Many of those changes are discussed in Mr. Hornung's testimony. My testimony will explain the tariff revisions that pertain to operational issues.

Q. Please explain the Company's revisions to Firm Transportation Service (Rate FT) at Sheet Nos. 30.1, 30.7, and 30.9.

A. Under Rate FT, the Company provides firm transportation to customers that purchase their own gas and interstate pipeline transportation service to deliver that gas to LG&E's city-gate. LG&E transports the customer's gas from its city-gate (receipt point) to the customer's facility (delivery point). The tariff currently makes clear that LG&E has no obligation to deliver to the customer a volume of gas, either daily or monthly, which differs from the volume delivered to Company at the receipt point. LG&E has proposed language that permits LG&E to install remote flow equipment at the customer's expense in order to control and limit the amount of gas taken by a Rate FT customer. This equipment helps LG&E ensure that a Rate FT customer cannot consume significantly more gas than the customer has purchased for delivery if such additional consumption will jeopardize the reliable provision of service to other customers.

The Company is also proposing that any optional sales and purchase transactions will be made between Customer's Pool Manager and Company rather than

between Customer and Company. Because most Rate FT customers purchase natural gas from a Pool Manager, it would be more efficient to work with a Pool Manager in the event this type of transaction is required to respond to a supply emergency.

The Company is also proposing that any nominated volumes shall be provided to LG&E no later than 8:00 a.m. prevailing Eastern Time on the day prior to the day for which the volumes are scheduled to flow, as compared to 10:00 a.m. as is currently in the tariff. LG&E is proposing this change because the Company must make its gas purchases by 9:00 a.m., and thus needs to know the volumes to be delivered by or on behalf of Rate FT customers prior to that time to ensure adequate supply for all customers. For the same reasons, the Company is proposing to change the nomination deadline in Pooling Service – Rider TS-2 (PS-TS-2) to 8:00 a.m. prevailing Eastern Time for pool managers delivering gas on behalf of Gas Transportation Service/Firm Balancing Service (Rider TS-2) customers at Sheet No. 59.4.

Q. Please explain the proposed revisions to Rate Distributed Generation Gas Service (Rate DGGS), Sheet No. 35.

A. Under Rate DGGS, LG&E provides gas service to customers that install generators with a connected load of 2,000 or more cubic feet per hour. Customers that request this service generally specify their maximum requirements in Btu per hour. Therefore, LG&E is proposing to specify the conversion ratio between Btu per hour and cubic feet per hour. This clarification matches LG&E's application of the tariff to existing customers.

LG&E is also proposing to add a provision explaining that if the Company needs to install or alter any facilities to provide Rate DGGS, LG&E and the customer

will enter into a separate contract, with the customer paying for the costs before LG&E commences construction.

LG&E is also proposing to clarify that it will not accept generators with a connected load of more than 8,000 cubic feet per hour. Generators in general, and large generators in particular, make it more challenging to balance system loads and maintain reliable service. For example, generators on Rate DGGS generally provide "standby" service to the customer during an electric outage, and it is difficult to predict when the generator will go almost instantly from zero gas use to maximum gas use.

Q. Please describe the proposed changes to the Standard Facility Contribution (SFC) Rider at Sheet No. 64.

A. The SFC Rider allows a customer that is required to pay a contribution for its main extension costs to pay that contribution over a period of five years. LG&E is proposing to modify the maximum amount that a customer could pay over a period of five years for a main extension from $2,000,000 to $4,000,000 due to the potential cost of longer main extensions. There are presently no customers taking service under the SFC Rider. Mr. Michael Hornung's testimony describes additional changes to this tariff provision.

Q. Please explain the changes to the Terms and Conditions Curtailment Rules at Sheet Nos. 109.1 – 109.3.

A. LG&E is proposing changes to modernize the terms and conditions of curtailment or discontinuance of service made necessary by a deficiency in gas supply, capacity, or unforeseen emergency circumstances. The curtailment provisions currently address a monthly, longer-term curtailment, as the conditions were initially approved when gas shortages of extended duration were a concern. Under LG&E's proposed revisions,

the curtailment rules have been modernized to more easily accommodate a daily curtailment, which is more likely to occur than a longer-term curtailment. The revisions also clarify how pro rata curtailment would be implemented, if necessary.

SUPPORTED SCHEDULES

Q. Please identify the schedules you are supporting in LG&E's Application.

A. I am supporting Section 16(7)(h)(8), which is the mix of gas supply.

CONCLUSION

Q. Does this conclude your testimony?

A. Yes, it does.

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Tom C. Rieth**, being duly sworn, deposes and says that he is Vice President – Gas Operations for Louisville Gas and Electric Company and Kentucky Utilities Company and an employee of LG&E and KU Services Company, that he has personal knowledge of the matters set forth in the foregoing testimony, and that the answers contained therein are true and correct to the best of his information, knowledge and belief.

Tom C. Rieth
Tom C. Rieth

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 27th day of May 2025.

Caroline J. Davison
Notary Public

Notary Public ID No. KYNP63286

My Commission Expires:

January 22 2027

CAROLINE J. DAVISON
COMM EXPIRES
01/22/2027
NOTARY
PUBLIC
ID # KYNP63286
STATE AT LARGE, KENTUCKY

APPENDIX A

Tom C. Rieth
Vice President, Gas Operations
LG&E and KU Services Company
6900 Enterprise Drive
Louisville, Kentucky 40214

Previous Positions (all LG&E)

Director, Gas Operations, Construction and Engineering	Jun 2013 – Mar 2024
Manager, Gas Storage Operations	Aug 2008 – Jun 2013
Group Leader, Gas Regulatory	Nov 2007 – Aug 2008
Senior Engineer	Dec 2004 – Nov 2007
Engineer III	Jul 2002 – Dec 2004
Engineer II	Jun 2001 – Jul 2002

Professional/Trade Memberships

American Gas Association

Southern Gas Association

Kentucky Gas Association

Education & Certifications

University of Louisville, Master of Engineering in Chemical Engineering	1997
University of Louisville, Bachelor of Science in Chemical Engineering	1995

Civic Activities

Neighborhood House, Board of Directors	2020 – Present