COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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**

RESPONSE OF
LOUISVILLE GAS AND ELECTRIC COMPANY
TO
THE COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
DATED APRIL 28, 2025

FILED: June 13, 2025

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Lonnie E. Bellar**, being duly sworn, deposes and says that he is Executive Vice President of Engineering, Construction and Generation 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 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.

Lonnie E. Bellar

Lonnie E. Bellar

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 9th day of June 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

VERIFICATION

COMMONWEALTH OF PENNSYLVANIA)
)
COUNTY OF LEHIGH)

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

Julissa Burgos

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 11th day of June, 2025.

Michelle L. Bartolomei

Notary Public

Notary Public, ID No. 1333990 (SEAL)

My Commission Expires: 7/10/2026

Commonwealth of Pennsylvania - Notary Seal
Michelle L. Bartolomei, Notary Public
Lehigh County
My commission expires July 10, 2026
Commission number 1333990
Member, Pennsylvania Association of Notaries

VERIFICATION

COMMONWEALTH OF KENTUCKY)

COUNTY OF JEFFERSON)

The undersigned, **Chad E. Clements**, being duly sworn, deposes and says that he is the Director – Regulated Utility Tax for PPL Services Corporation and currently provides tax related services to Louisville Gas and Electric Company and Kentucky Utilities Company, that he has personal knowledge of the matters set forth in the responses for which he is identified as a witness, and that the answers contained therein are true and correct to the best of his information, knowledge, and belief.

Chad E. Clements

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 10th day of June 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

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

Robert M. Conroy

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 10th day of June 2025.

Tammy J. Elzy
Notary Public

Notary Public ID No. KYNP61560

My Commission Expires:

November 9, 2026

TAMMY J. ELZY
COMM EXPIRES 11/09/2026
NOTARY PUBLIC
ID # KYNP61560
STATE AT LARGE, KENTUCKY

VERIFICATION

STATE OF NEW JERSEY)
)
COUNTY OF CAMDEN)

The undersigned, **Dylan W. D'Ascendis**, 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.

Dylan W. D'Ascendis

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 9th day of June 2025.

Notary Public

Notary Public ID No. 2416714

My Commission Expires:

2/1/2027

Joyce E Kelly
NOTARY PUBLIC
State of New Jersey
ID # 2416714
My Commission Expires 2/1/2027

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

Andrea M. Fackler

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 12th day of June 2025.

Caroline J. Davison

Notary Public

Notary Public ID No. KYNP63286

My Commission Expires:

January 22, 2027

CAROLINE J. DAVISON
COMM EXPIRES 1/22/2027
NOTARY PUBLIC
ID # KYNP63286
STATE AT LARGE, KENTUCKY

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

Christopher M. Garrett

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 10th day of June 2025.

Tammy J. Elzy

Notary Public

Notary Public ID No. KYNP61560

My Commission Expires:

November 9, 2026

TAMMY J. ELZY
COMM EXPIRES 11/09/2026
NOTARY
PUBLIC
ID # KYNP61560
STATE AT LARGE, KENTUCKY

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 9th day of June 2025.

Notary Public

Notary Public ID No. KYNP63286

My Commission Expires:

January 22, 2027

VERIFICATION

STATE OF RHODE ISLAND)

)

COUNTY OF Providence)

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.

6/9/25

Daniel J. Johnson

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 9th day of June, 2025.

Notary Public

Notary Public, ID No. 01BA63644
(SEAL)

My Commission Expires: 8/21/2025

DANIELLE BALZAN
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01BA6363644
Qualified in Albany County
Commission Expires August 21,2025

VERIFICATION

STATE OF VERMONT)
)
COUNTY OF CHITTENDEN)

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 11 day of June, 2025, before me, the undersigned notary public, personally appeared **Timothy S. Lyons**, proved to me through satisfactory evidence of identification, which were VT Drivers License, to be the person whose name is signed on the preceding or attached document in my presence.

(seal)

ROBERT CUNNINGHAM
Notary Public, State of Vermont
Commission No. 157.0007925
My Commission Expires 01/31/2027

Notary Public Signature

VERIFICATION

COMMONWEALTH OF KENTUCKY)

COUNTY OF JEFFERSON)

The undersigned, **Drew T. McCombs**, being duly sworn, deposes and says that he is Director - Regulatory Accounting 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, and that the answers contained therein are true and correct to the best of his information, knowledge, and belief.

Drew T. McCombs

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 10th day of June 2024.

Notary Public

Notary Public ID No. KYNP61560

My Commission Expires:

November 9, 2026

TAMMY J. ELZY
COMM EXPIRES 11/09/2026
NOTARY PUBLIC
ID # KYNP61560
STATE AT LARGE, KENTUCKY

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

Elizabeth J. McFarland

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 11th day of June 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

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Heather D. Metts**, being duly sworn, deposes and says that she is Director – Financial Planning and Budgeting 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.

Heather D. Metts

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 10th day of June 2025.

Notary Public

Notary Public, ID No. KYNP61560

My Commission Expires:

November 9, 2026

TAMMY J. ELZY
COMM EXPIRES 11/09/2026
NOTARY PUBLIC
ID # KYNP61560
STATE AT LARGE, KENTUCKY

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 Montgomery

Shannon L. Montgomery

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 9th day of June 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

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 Poplaski
Vincent Poplaski (Jun 10, 2025 07:53 EDT)
Vincent T. Poplaski

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 10 day of June, 2025.

Commonwealth of Pennsylvania - Notary Seal
Sharon L. Fazio, Notary Public
Bucks County
My commission expires January 31, 2027
Commission number 1343431
Member, Pennsylvania Association of Notaries

Sharon L. Fazio
Notary Public

Notary Public, ID No. 1343431
(SEAL)

My Commission Expires: Jan. 31, 2027

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Tom 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 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.

Tom Rieth

Tom Rieth

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 11th day of June 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

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Charles R. Schram**, being duly sworn, deposes and says that he is Vice President –Energy Supply and Analysis for Kentucky Utilities Company and Louisville Gas and Electric Company and is 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.

Charles R Schram
Charles R. Schram

Subscribed and sworn to before me, a Notary Public in and before said County and State this 9th day of June 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

VERIFICATION

COMMONWEALTH OF PENNSYLVANIA)
)
COUNTY OF CUMBERLAND)

The undersigned, **John J. Spanos**, being duly sworn, deposes and says that he is the President for Gannett Fleming Valuation and Rate Consultants, LLC, 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.

John J. Spanos
John J. Spanos

Subscribed and sworn to before me, a Notary Public in and before said County and Commonwealth, this 9th day of June 2025.

Notary Public

Notary Public ID No. 1143028

My Commission Expires:

February 20, 2027

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

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Peter W. Waldrab**, being duly sworn, deposes and says that he is Vice President, Electric Distribution, 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.

Peter W Waldrab

Peter W. Waldrab

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 9th day of June 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

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated April 28, 2025

Case No. 2025-00114

Question No. 1

Responding Witness: Lonnie E. Bellar / Robert M. Conroy / Daniel Johnson / Drew T. McCombs / Elizabeth J. McFarland / Shannon L. Montgomery / Tom C. Rieth / Peter W. Waldrab

Q-1. Provide the following expense account data:

a. Separate electric and gas schedules, in comparative form, showing the operating expense account balance for the base period and each of the three most recent calendar years for each account or subaccount included in LG&E's annual report. Show the percentage of increase or decrease of each year over the prior year.

b. A listing, with descriptions, of all activities, initiatives or programs undertaken or continued by LG&E since its last general rate case for the purpose of minimizing costs or improving the efficiency of its operations or maintenance activities. Include all quantifiable realized and projected savings.

A-1.

a. See attachment being provided in a separate file.

b. See the direct testimonies of Lonnie E. Bellar, Robert M. Conroy, Daniel Johnson, Elizabeth J. McFarland, Shannon L. Montgomery, Tom C. Rieth, and Peter W. Waldrab.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated April 28, 2025

Case No. 2025-00114

Question No. 2

Responding Witness: Drew T. McCombs

Q-2. Provide, in the format provided in Schedule A, separate electric and gas schedules showing a comparison of the balance in the revenue accounts for each month of the base period to the same month of the immediately preceding 12-month period for each revenue account or subaccount included in LG&E's chart of accounts. Include appropriate footnotes to show the month each rate change was approved and the month the full impact of the change was recorded in the accounts.

A-2. See attachments being provided in separate files. Separate Electric and Gas schedules are provided in which the data is shown in two six-month periods. Information for the first six months of the Base Period is actual data at the account level per the Chart of Accounts and is compared to actual data from the preceding year. The second six months of the Base Period is forecasted data, from the Company's forecasting tool, which aggregates certain accounts. This is compared to actual data from the preceding year that has been aggregated in the same manner.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated April 28, 2025

Case No. 2025-00114

Question No. 3

Responding Witness: Drew T. McCombs

Q-3. As the historical data becomes available, provide detailed monthly income statements for each forecasted month of the base period including the month in which the Commission hears this case.

A-3. See attachment being provided in a separate file. Additional historical data will be provided as it becomes available.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information Dated April 28, 2025

Case No. 2025-00114

Question No. 4

Responding Witness: Drew T. McCombs

Q-4. Provide LG&E's cash account balances at the beginning of the most recent calendar year and at the end of each month through the date of this request.

A-4.

Date	Amount
January 1, 2025	7,677,607.52
January 31, 2025	13,773,256.12
February 28, 2025	19,592,181.37
March 31, 2025	9,593,286.64
April 30, 2025	7,698,579.49

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated April 28, 2025

Case No. 2025-00114

Question No. 5

Responding Witness: Drew T. McCombs

Q-5. Separately for electric and gas operations, provide the following monthly account balances and a calculation of the average (13-month) account balances for the 12 months preceding the base period:

a. Plant in service (Account No. 101);

b. Plant purchased or sold (Account No. 102);

c. Property held for future use (Account No. 105);

d. Completed construction not classified (Account No. 106);

e. Construction work in progress (Account No. 107);

f. Depreciation reserve (Account No. 108);

g. Materials and supplies (include all accounts and subaccounts);

h. Computation and development of minimum cash requirements;

i. Balance in accounts payable applicable to amounts included in utility plant in service (if actual is indeterminable, provide a reasonable estimate.);

j. Balance in accounts payable applicable to amounts included in plant under construction (if actual is indeterminable, provide a reasonable estimate.); and

k. Balance in accounts payable applicable to prepayments by major category or subaccount.

A-5.

a.-g. See attachment being provided in a separate file.

h. The Company is not required to compute minimum cash requirements; therefore, this information is not available.

i. The Company records are not maintained in a manner to determine the amount applicable to accounts payable or to reasonably estimate the balance in accounts payable for the accounts requested.

j. See response to part (a).

k. The Company records are not maintained in a manner to determine the amount applicable to accounts payable or to reasonably estimate the balance in accounts payable for the accounts requested.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated April 28, 2025

Case No. 2025-00114

Question No. 6

Responding Witness: Drew T. McCombs

Q-6. Provide a detailed analysis of expenses for professional services during the 12 months preceding the base period, as shown in Schedule B, and all workpapers supporting the analysis. At a minimum, the workpapers should show the payee, dollar amount, reference (i.e., voucher no., etc.), account charged, hourly rates and time charged to the company according to each invoice, and a description of the services provided.

A-6. See attachment being provided in a separate file.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated April 28, 2025

Case No. 2025-00114

Question No. 7

Responding Witness: Drew T. McCombs

Q-7. Provide the following information separately for electric and gas operations. If any amounts were allocated, show a calculation of the factor used to allocate each amount.

a. A detailed analysis of charges booked for advertising expenditures during the 12 months preceding the base period. Include a complete breakdown of Account No. 913 – Advertising Expenses, and any other advertising expenditures included in any other expense accounts, as shown in Schedule C1. The analysis should specify the purpose of the expenditure and the expected benefit to be derived.

b. An analysis of Account No. 930 – Miscellaneous General Expenses for the 12 months preceding the base period. Include a complete breakdown of this account as shown in Schedule C2 and provide detailed workpapers supporting this analysis. At a minimum, the analysis should show the date, vendor, reference (i.e., voucher no., etc.), dollar amount, and brief description of each expenditure of $500 or more, provided that lesser items are grouped by classes as shown in Schedule C2.

c. An analysis of Account No. 426 – Other Income Deductions for the 12 months preceding the base period. Include a complete breakdown of this account as shown in Schedule C3, and provide detailed workpapers supporting this analysis. At a minimum, the analysis should show the date, vendor, reference (i.e., voucher no., etc.), dollar amount, and a brief description of each expenditure of $500 or more, provided that lesser items are grouped by classes as shown in Schedule C3.

A-7.

a.-c. See attachments being provided in separate files.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated April 28, 2025

Case No. 2025-00114

Question No. 8

Responding Witness: Lonnie E. Bellar / Elizabeth J. McFarland / Tom C. Rieth / Peter W. Waldrab

Q-8. Separately for electric and gas operations, provide an analysis of LG&E's expenses for research and development activities for the base period and the three most recent calendar years. The analysis should include the following:

a. The basis of fees paid to research organizations and LG&E's portion of the total revenue of each organization; including where the contribution is monthly and the current rate and effective date;

b. Details of the research activities conducted by each organization;

c. Details of services and other benefits provided to LG&E by each organization;

d. Annual expenditures of each organization with a basic description of the nature of costs incurred by the organization; and

e. Details of the expected benefits to LG&E.

A-8. The largest recipient of Research, Development and Demonstration funding is the Electric Power Research Institute ("EPRI"). The EPRI expenses are for collaborative research studies, technology development, and demonstration projects. Other expenses associated with specific projects include the University of Kentucky Research Foundation ("UK RF"), which includes the University of Kentucky Center for Applied Energy Research ("UK CAER"), the College of Engineering, and the University of Kentucky Power and Energy Institute of Kentucky ("UK PEIK"), and other research and development projects. The following amounts for these projects are provided for 2022, 2023, 2024, and the base year (LG&E's portion).

Year 2022	$1,952,722
Year 2023	$2,605,811
Year 2024	$1,582,807
Base Year	$1,604,896

a. Payments to EPRI vary depending on the project sets in which each company wishes to participate. EPRI's pricing is based on different metrics specific to each program. See attachment being provided in a separate file for the details of each project set. Other payments for research are specific to the work being conducted. For the calendar year 2024, LG&E's payments represented ~0.21% of EPRI's revenues. For UK RF, LG&E's payments represented ~0.11% of UK RF's revenues for the fiscal year ended June 30, 2024.

b. Research projects are related to the operational needs of the different lines of business, such as generation, environmental, transmission, distribution, and customer end-use. See attachment being provided in a separate file for the details of each project set.

c. EPRI's portfolio of research and development projects is extensive and covers the complete spectrum of activities of interest to most energy suppliers. The purpose of their research program is to find answers and solutions to short and long-term problems or questions. A description of the projects LG&E has elected to fund are provided in an attachment being provided in a separate file, both for EPRI and the other organizations.

d. EPRI's total expenses in calendar year 2024, the most current information available, were approximately $508.8 million. The University of Kentucky Research Foundation total operating revenues for the fiscal year ended June 30, 2024 were approximately $467.8 million.

e. The expected benefits are included in the program descriptions in the attachment being provided in a separate file.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated April 28, 2025

Case No. 2025-00114

Question No. 9

Responding Witness: Daniel Johnson / Elizabeth J. McFarland / Shannon L. Montgomery / Peter W. Waldrab

Q-9. Regarding what are commonly referred to as smart grid initiatives, provide the following information:

a. Identify all smart grid costs LG&E has incurred since the start of the test year in its last general rate case. Identify the specific projects LG&E has undertaken, the accounts in which the costs have been recorded, and state whether the costs were expensed or capitalized.

b. Provide the level of smart grid costs LG&E has included in its forecasted test period and the amounts to be expensed and capitalized.

A-9.

a. The following expense accounts reflect project costs for smart grid initiatives: 408, 426, 562, 566, 569, 570, 571, 586, 588, 592, 597, 878, 903, 908, 920, 921, 923, 925, 926, and 935. The following capital accounts reflect projects costs for smart grid initiatives: 107 and 108. See attachment being provided in a separate file for the breakdown of the smart grid initiatives since the start of the test year in the last general rate case.

b. See attachment being provided in a separate file for the breakdown of costs for smart grid investments in the forecasted test period. See also the Application Exhibit 1 for a summary of projected smart grid investments by year.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated April 28, 2025**

Case No. 2025-00114

Question No. 10

Responding Witness: Shannon L. Montgomery

Q-10. Regarding demand-side management, conservation, and energy-efficiency programs, provide the following, separately for electric and gas operations:

a. A list of all programs currently offered by LG&E.

b. The total cost incurred for these programs by LG&E in each of the three most recent calendar years.

c. The total energy and demand reductions realized through these programs in each of the three most recent calendar years.

d. The total cost for these programs included in the forecasted test period and the expected energy reductions to be realized therefrom.

A-10.

a. The Demand-Side Management (DSM) / Energy-Efficiency (EE) programs currently offered by LG&E are:

- WeCare for homeowners and renters
- WeCare for apartment building owners
- Bring Your Own Device Program
- Business Demand Response Program
- Optimized Electric Vehicle Charging Program
- Business Rebates Program
- Online Marketplace Program
- Peak Time Rebates Program
- Program Development & Administration
- Residential and Small Nonresidential Demand Conservation Program
- Residential Online Audit and Rebates Program
- Small Business Audit & Direct Install Program

b. The total cost incurred for the DSM/EE programs by the utility in each of the three most recent calendar years is in the table below:

LG&E DSM Cost of Programs ('000)			
	2022	2023	2024
Electric	$6,826	$7,244	$6,803
Gas	$524	$570	$1,962
Total	$7,350	$7,814	$8,765

c. The total energy, demand, and natural gas reductions realized through the programs in each of the three most recent calendar years is in the table below.

LG&E DSM Energy and Demand Reductions			
	2022	2023	2024
Energy (MWh)	35,605	36,224	21,090
Demand (MW)	4.9	0.3*	22.1
Natural Gas (CCF)	88,441	78,785	107,529

**Note: 2023 Demand savings were offset by the removal of obsolete 3G Demand Conservation devices.*

d. All DSM expenditures are removed from the forecasted test period in the determination of the revenue requirement for base rates. The energy reduction expected to be realized for LG&E is included in the load forecast. For the forecasted test year, 1/1/2026 to 12/31/2026, the expected energy reduction associated with LG&E DSM is 65,083 MWh and 219,645 CCF.

LOUISVILLE GAS AND ELECTRIC COMPANY

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Case No. 2025-00114

Question No. 11

Responding Witness: Drew T. McCombs

Q-11. Separately for electric and gas operations, provide the following information for the most recent calendar year concerning LG&E and any affiliated service corporation or corporate service division/unit:

a. A schedule detailing the costs charged, either directly or allocated, by LG&E to the service corporation. Indicate LG&E's accounts in which these costs were originally recorded. For costs that are allocated, include a description of the allocation factors utilized.

b. A schedule detailing the costs charged, either directly or allocated, by the service corporation to LG&E. Identify LG&E's accounts in which these costs were recorded. For costs that are allocated, include a description of the allocation factors utilized.

A-11.

a. See attachment being provided in a separate file. For allocation methodologies, refer to the Cost Allocation Manual filed within the Filing Requirements at Tab 51.

b. See attachment being provided in a separate file. For allocation methodologies, refer to the Cost Allocation Manual filed within the Filing Requirements at Tab 51.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated April 28, 2025**

Case No. 2025-00114

Question No. 12

Responding Witness: Drew T. McCombs

Q-12. Separately for electric and gas operations, provide the following information for the most recent calendar year concerning all affiliate-related activities not identified in response to Item 11:

a. Provide the names of affiliates that provided some form of service to LG&E and the type of service LG&E received from each affiliate.

b. Provide the names of affiliates to whom LG&E provided some form of service and the type of service LG&E provided to each affiliate.

c. Identify the service agreement with each affiliate, state whether the service agreement has been previously filed with the Commission and identify the proceeding in which it was filed. Provide each service agreement that has not been previously filed with the Commission.

A-12.

a. See attachment being provided in a separate file.

b. See attachment being provided in a separate file.

c. Service agreements are listed below for each affiliate for calendar year 2024. See attachments being provided in separate files.

Affiliate	Service Agreement	Filing Reference
LG&E and KU Services Company settling LG&E and KU Energy LLC charges	• PPL and Consenting Members of its Consolidated Group Agreement for Filing Consolidated Income Tax Returns and for Allocation of Consolidated Income Tax Liabilities and Benefits	• Attachment 1
LG&E and KU Services Company settling LG&E and KU Capital LLC charges	• Comprehensive Utility Goods and Services Agreement	• Attachment 2

Affiliate	**Service Agreement**	**Filing Reference**
Kentucky Utilities Company	• 2011 Utility Money Pool Agreement and Amendment No. 1 to 2011 Money Pool Agreement o Amendment No. 2 to 2011 Money Pool Agreement o Amendment No. 3 to 2011 Money Pool Agreement o Amendment No. 4 to 2011 Money Pool Agreement • Comprehensive Utility Goods and Services Agreement • Power Supply System Agreement • Transmission Coordination Agreement	• Filed in Case No. 2018-00294 o Attachment 3 o Attachment 4 o Attachment 5 • Attachment 2 • Filed in Case No. 2025-00114, Filing Requirement Tab 51 16(7)(u)(1) • Filed in Case No. 2020-00349
The Narragansett Electric Company	• Comprehensive Utility Goods and Services Agreement	• Attachment 2
PPL Electric Utilities Corporation	• Comprehensive Utility Goods and Services Agreement	• Attachment 2

LOUISVILLE GAS AND ELECTRIC COMPANY

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Case No. 2025-00114

Question No. 13

Responding Witness: Robert M. Conroy

Q-13. Separately for electric and gas operations, describe LG&E's lobbying activities and provide a schedule showing the name, salary, and job title of each individual whose job function involves lobbying on the local, state, or national level.

A-13. LG&E charges expenses for lobbying activities to account 426, Expenditures for Certain Civic, Political and Related Activities, a "below-the-line" account not deducted in arriving at net operating income. The expenses recorded in this account, which include all expenses of External Affairs, are not included in rates and are not proposed to be included in rates.

During the test year, these amounts are projected to be $670,573. Of this amount, $357,405 represents the salary and associated benefits of D. J. Freibert, C. P. Clark, and J. Lehn whose duties include, but are not limited to, representation before governmental agencies and legislative bodies at local, state and federal levels on matters directly related to the Company and the conduct of its business. These employees also provide functional representation of the Company at and participation in civic, charitable and community events, monitoring the legislative and regulatory processes, responding to inquiries by federal, state and local governmental agencies and legislative bodies and participation in industry meetings and conferences.

The remaining $313,167 budgeted to this account is associated with administrative support and business expenses (e.g., travel and office expenses) for D. J. Freibert, C. P. Clark, and J. Lehn.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
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Case No. 2025-00114

Question No. 14

Responding Witness: Drew T. McCombs

Q-14. Separately for electric and gas operations, provide the following information concerning the costs for the preparation of this case:

a. A detailed schedule of expenses incurred to date for the following categories:

(1) Accounting;

(2) Engineering;

(3) Legal;

(4) Consultants; and

(5) Other Expenses (Identify separately).

b. For each category identified in Item 14a, the schedule should include the date of each transaction, check number or other document reference, the vendor, the hours worked, the rates per hour, amount, a description of the services performed, and the account number in which the expenditure was recorded. Provide copies of contracts or other documentation that support charges incurred in the preparation of this case. Identify any costs incurred for this case that occurred during the base period.

c. An itemized estimate of the total cost to be incurred for this case. Expenses should be broken down into the same categories as identified in Item 14a, with an estimate of the hours to be worked and the rates per hour. Include a detailed explanation of how the estimate was determined, along with all supporting workpapers and calculations.

d. Provide monthly updates of the actual costs incurred in conjunction with this rate case, reported in the manner requested in Items 14a and 14b, and a cumulative total of cost incurred to date for each category. Updates will be due when LG&E files its monthly financial statements with the Commission, through the month of the public hearing.

A-14.

a. See attachment being provided in a separate file.

b. See attachment being provided in a separate file.

c. See attachment being provided in a separate file.

d. The Company will provide monthly updates as requested.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
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Case No. 2025-00114

Question No. 15

Responding Witness: Drew T. McCombs

Q-15. Provide the following information with regard to uncollectible accounts for the three most recent calendar years separately for electric and gas operations:

a. Reserve account balance at the beginning of the year;

b. Charges to the reserve account (accounts charged off);

c. Credits to reserve account;

d. Current year provision;

e. Reserve account balance at the end of the year; and

f. Percent of provision to total revenue.

A-15.

a.–f. See attachment being provided in a separate file.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
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Question No. 16

Responding Witness: Chad E. Clements

Q-16. Provide the amount of excess deferred federal income taxes resulting from the reductions in the corporate tax rate in 1986 and 2018, as of the end of the most recent calendar year. Show the amounts associated with each reduction separately.

A-16. The amount of excess deferred federal income taxes are as follows:

1986 - $0; 2018 - $326,149,689

The amount shown above is the gross excess deferred federal income tax and does not include the federal benefit of the state excess deferred income taxes related to prior state corporate tax rate changes and impact of federal corporate tax rate changes on state taxes. Below is the combined federal and state excess deferred tax balances as of 12/31/2024 as reported on the Company's 2024 FERC Form 1.

Federal (per above)	$ 326,149,689
State	21,934,920
Federal Benefit of State	(18,534,096)
Total Excess Deferred Tax	$ 329,550,513

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
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Question No. 17

Responding Witness: Chad E. Clements

Q-17. Provide the following tax data for the most recent calendar year:

a. Income taxes:

(1) Federal operating income taxes deferred – accelerated tax depreciation.

(2) Federal operating income taxes deferred – other (explain).

(3) Federal income taxes – operating.

(4) Income credits resulting from prior deferrals of federal income taxes.

(5) Investment tax credit net.

(a) Investment credit realized.

(b) Investment credit amortized – Revenue Act of 1971.

(6) The information in Item 17a(1–4) for state income taxes.

(7) A reconciliation of book to federal taxable income as shown in Schedule D1 and a calculation of the book federal income tax expense for the base period using book taxable income as the starting point.

(8) A reconciliation of book to state taxable income as shown in Schedule D2 and a calculation of the book state income tax expense for the base period using book taxable income as the starting point.

b. An analysis of Kentucky Other Operating Taxes as shown in Schedule D3.

A-17.

a. Income Taxes:

(1) Federal operating income taxes deferred – accelerated tax depreciation:

Account 410101	$68,454,572
Account 411101	($87,196,073)
Total	($18,741,501)

(2) Federal operating income taxes deferred – other:

Account 410101	$40,847,280
Account 411101	($21,064,098)
Total	$19,783,182

The $19,783,182 represents taxes on all temporary differences other than depreciation-related items (e.g. employee benefits differences, regulatory adjustments, cash basis adjustments, etc.).

(3) Federal Income Tax – operating:

Account 409.1	$59,909,778

(4) Income Credits:

From A-17 (a)(1) above - Account 411101	($87,196,073)
From A-17 (a)(2) above - Account 411101	($21,064,098)
Total	($108,260,171)

(5) Investment tax credit:

(a) Realized $114,258

(b) Amortized – Revenue Act of 1971: ($905,250)

(6) State operating income taxes deferred – accelerated tax depreciation:

Account 410102	$19,046,229
Account 411102	($17,486,250)
Total	$1,559,979

State operating income taxes deferred – other:

Account 410102	$11,145,178
Account 411102	($6,435,970)
Total	$4,709,208

The $4,709,208 represents taxes on all temporary differences other than depreciation-related items (e.g. employee benefits differences, regulatory adjustments, cash basis adjustments, etc.).

State income taxes – operating:
Account 409.1 $10,591,076

Income credits:

From state "depreciation" above - Account 411102	($17,486,250)
From state "other" above - Account 411102	($6,435,970)
Total	($23,922,220)

(7) See attachment being provided in a separate file. See Tab 58 of the Filing Requirements for the base period.

(8) See attachment being provided in a separate file. See Tab 58 of the Filing Requirements for the base period.

b. See attachment being provided in a separate file.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
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Question No. 18

Responding Witness: Chad E. Clements

Q-18. Provide a copy of federal and state income tax returns for the most recent tax year, including supporting schedules.

A-18. The 2023 pro forma federal and state income tax returns are attached being provided in separate files and provided under seal. The tax returns are considered confidential and are being produced under seal pursuant to a Petition for Confidential Protection.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
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Question No. 19

Responding Witness: Chad E. Clements

Q-19. Provide a schedule of franchise fees paid to cities, towns, or municipalities, including the basis of these fees.

A-19. Franchise fees are a pass through from customers to the city or municipality; therefore, they are not included in the forecasted test year. The below information is for calendar year 2024.

For the cities of Bardstown, Radcliff and Vine Grove, 2024 franchise payments were calculated based on 3.00% of LG&E sales to gas customers within the boundaries of the franchise area and then remitted to the City.

For the City of Pleasureville, 2024 franchise payments were calculated based on 1.00% of LG&E sales to gas customers within the boundaries of the franchise area and then remitted to the City.

For the cities of Muldraugh, West Point and Douglass Hills, 2024 franchise payments were calculated based on 3.00% of LG&E sales to electric and gas customers within the boundaries of the franchise area and then remitted to the respective City.

For the City of Hodgenville, 2024 franchise payments were calculated based on 4.00% of LG&E sales to gas customers within the boundaries of the franchise area and then remitted to the City.

For the cities of Mt. Washington and West Buechel, 2024 franchise payments were calculated based on 5.00% of LG&E sales to electric and gas customers within the boundaries of the franchise area and then remitted to the respective City.

Franchise Location	2024 Franchise Payments ($)
Bardstown	125,490
Radcliff	70,012
Vine Grove	27,288
Pleasureville	2,541
Muldraugh – Electric	30,774
Muldraugh – Gas	7,908
West Point – Electric	25,154
West Point – Gas	7,286
Douglass Hills – Electric	123,109
Douglass Hills – Gas	46,023
Hodgenville	29,869
Mt. Washington – Electric	191,983
Mt. Washington – Gas	180,060
West Buechel – Electric	133,230
West Buechel – Gas	31,257
Total	1,031,984

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
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Case No. 2025-00114

Question No. 20

Responding Witness: Drew T. McCombs

Q-20. Separately for electric and gas operations, provide the journal entries relating to the purchase of utility plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise currently included in rate base. Also, provide a schedule showing the calculation of the acquisition adjustment at the date of purchase for each item of utility plant, the amortization period, and the unamortized balance at the beginning of the base period.

A-20. LG&E has not included in rate base any significant electric or gas utility plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation or otherwise.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
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Question No. 21

Responding Witness: Drew T. McCombs / Heather D. Metts

Q-21. Separately for electric and gas operations, provide LG&E's rate base, capital structure, and statement of income for the most recent 12 months preceding the base period and for the base period. Provide a reconciliation with detailed explanations.

A-21. See attachment being provided in a separate file.

LOUISVILLE GAS AND ELECTRIC COMPANY

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Question No. 22

Responding Witness: Julissa Burgos

Q-22. Provide the capital structure at the end of the five most recent calendar years and each of the other periods shown in Schedule E1 and Schedule E2.

A-22. See attachment being provided in a separate file.

LOUISVILLE GAS AND ELECTRIC COMPANY

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Question No. 23

Responding Witness: Julissa Burgos

Q-23. Provide the following:

a. A list of all outstanding issues of long-term debt as of the end of the latest calendar year together with the related information as shown in Schedule F1.

b. An analysis of short-term debt as shown in Schedule F2 as of the end of the latest calendar year.

A-23.

a. See attachment being provided in a separate file.

b. See attachment being provided in a separate file.

LOUISVILLE GAS AND ELECTRIC COMPANY

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Question No. 24

Responding Witness: Andrea M. Fackler

Q-24. Separately for electric and gas operations, provide a reconciliation and detailed explanation of each difference, if any, in LG&E's capitalization and net investment rate base for the base period and forecast period.

A-24. See attachment being provided in a separate file for the reconciliation of LG&E's capitalization and net investment rate base for the base period. See Tab 13 of the Filing Requirements for the forecast period.

LOUISVILLE GAS AND ELECTRIC COMPANY

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Question No. 25

Responding Witness: Heather D. Metts

Q-25. Separately for electric and gas operations, provide the information shown in Schedule G for each construction project in progress, or planned to be in progress, during the 12 months preceding the base period, the base period, and the forecasted test period.

A-25. See attachment being provided in a separate file.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
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Case No. 2025-00114

Question No. 26

Responding Witness: Heather D. Metts

Q-26. Separately for electric and gas operations, provide, in the format provided in Schedule H, an analysis of LG&E's Construction Work in Progress (CWIP) as defined in the Uniform System of Accounts for each project identified in Schedule G.

A-26. See attachment being provided in a separate file.

LOUISVILLE GAS AND ELECTRIC COMPANY

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Question No. 27

Responding Witness: Heather D. Metts

Q-27. Concerning LG&E's construction projects:

a. For each project started during the last five calendar years, provide the information requested in the format contained in Schedule I1, separately for electric and gas operations. For each project, include the amount of any cost variance and delay encountered, and explain in detail the reasons for such variances and delays.

b. Using the data included in Schedule I1, calculate the annual "Slippage Factor" associated with those construction projects. The Slippage Factor should be calculated as shown in Schedule I2 separately for electric and gas operations.

c. In determining the capital additions reflected in the base period and forecasted test period, explain whether LG&E recognized a Slippage Factor.

A-27.

a. See attachment being provided in a separate file. The Company has provided the requested data for Base Capital Construction Projects, Mechanism Capital Construction Projects and New Generation and AMI Construction Projects eligible for AFUDC. Due to the voluminous number of projects over a 5-year period, the Company has provided the variance explanations for variances greater than $500,000.

b. See attachment being provided in a separate file for the requested calculations of the Slippage Factor. The Company recommends the weighted average, as opposed to the simple average, be used in the requested calculation to reflect the relationship of the size of the budget and associated variance.

c. No. LG&E did not recognize a Slippage Factor for capital additions in either the base period or the forecasted test period. The requested calculation resulted in a slippage factor of 103.859% on capital projects that are recovered in base rates and demonstrates the reasonableness of LG&E's accuracy in projecting capital additions.

Given the reasonable accuracy demonstrated with years of being both over and under budget, the need to apply a Slippage Factor does not exist and the Commission should decline to do so. If a purely numeric slippage factor calculation based on historic results is used to either reduce or increase the projected capital construction costs, it can provide a disincentive for utilities to continue their efforts to reduce capital costs after having established its annual budget. In forward-looking test period rate cases, a utility is required to provide their actual forecast for capital spend "made in good faith". If a utility has historically been successful in managing down capital cost estimates, it would not be allowed to recover its then best estimate of capital spend for its forward-looking test period. In contrast, a utility that has been less effective in managing to or below its costs estimates and have incurred significant overruns on capital projects would be rewarded by being provided a revenue requirement above its best estimate of capital construction costs.

The Slippage Factors for the mechanism capital and AFUDC eligible capital are different than base rate capital because these projects are typically larger projects that are subject to delays caused by environmental permitting; ongoing, frequent, and contentious environmental regulation; and greater exposure to commodity and skilled labor availability variables. The projects to be included in base rates, are typically smaller in size and are not subject to the same exposure by such variables. In addition, mechanism projects and AFUDC eligible projects are explicitly reviewed and approved. To the extent there are delays or the Company can complete those projects at costs less than original estimates, that unexpected available capital is not redeployed to other prudent projects as the Company may do with respect to base rate capital projects.

Finally, mechanism capital and AFUDC eligible capital slippage is irrelevant for ratemaking in the current base rate case as they have been removed from the revenue requirement. Therefore, any consideration of a slippage factor, if any, should be limited to capital projects to be recovered in base rates. For the reasons previously stated, the Company believes the need to apply a Slippage Factor does not exist and the Commission should decline to do so.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
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Case No. 2025-00114

Question No. 28

Responding Witness: Heather D. Metts

Q-28. Describe in detail how the base period capitalization rate was determined. If different rates were used for specific expenses (i.e., payroll, clearing accounts, depreciation, etc.), indicate the rate and how it was determined. Indicate all proposed changes to the capitalization rate and how the changes were determined.

A-28. There is no predetermined capitalization rate. Employees charge their labor to either expense or capital based on activity performed. The clearing account overheads are distributed between capital and operating expense based on the labor charged. Non-labor costs are charged to capital or operating expense based on the type of activity (i.e., in support of a capital project or normal operating expenses).

LOUISVILLE GAS AND ELECTRIC COMPANY

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Question No. 29

Responding Witness: Drew T. McCombs

Q-29. Provide a calculation of the rate or rates used to capitalize interest during construction for the three most recent calendar years. Explain each component entering into the calculation of the rate(s).

A-29. See attachment being provided in a separate file for AFUDC rates.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
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Case No. 2025-00114

Question No. 30

Responding Witness: Drew T. McCombs

Q-30. State whether any changes have been made to LG&E's internal accounting manuals, directives, and policies and procedures since LG&E's most recent rate case. If so, provide each item that was changed and identify the changes.

A-30. Since the most recent rate case, LG&E has made several minor updates to its internal accounting policies as a result of various changes including updating systems, internal control references, applicable departments and job titles. Additionally, LG&E has made changes to accounting policies as described below:

1) LG&E updated its AFUDC policy to incorporate changes related to AFUDC recorded at the weighted average cost of capital related to Advanced Metering Infrastructure assets and new generation construction.

2) LG&E updated its asset retirement obligation (ARO) policy to institute a minimum threshold of $100,000 for recording ARO liabilities.

3) LG&E updated its hardware and software capitalization policy to specify that license fees for hosted applications can only be capitalized if the license fee covers a multi-year term and is prepaid in full. The policy was also updated to define "without significant penalty" in the context of the capitalization of hosted software as total costs greater than $100,000 or 10% of contract costs, whichever is greater.

4) LG&E updated its policy for accounting for office furniture and tools by lowering the capitalization threshold of these assets from $5,000 to a range of $200-$500.

5) LG&E updated its manual accruals policy to clarify that the milestones/progress payments shall be accrued when the milestone aligns with the level of work performed.

6) LG&E updated its reserve for bad debts policy to adjust the calculation of the bad debt reserve from an income statement approach to a balance sheet approach. The calculation determines a monthly charge-off amount based on historical charge-offs. The estimated charge off amount is assigned to

each Accounts Receivable aging bucket utilizing a waterfall approach to determine the monthly charge off percentages for each aging bucket (i.e . 0-30 days, 31-60 days, etc.). The monthly charge off percentages for each aging bucket are then applied to the current period's accounts receivable and accrued revenue balances, by aging bucket, in order to determine the bad debt reserve. Additionally, the policy was updated to adjust sundry receivable reserve processes to ensure that these receivables were fully reserved after 360 days, rather than 120 days.

7) LG&E updated its prepaids policy to institute a minimum threshold of $100,000 for IT prepaids.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
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Case No. 2025-00114

Question No. 31

Responding Witness: Lonnie E. Bellar / Daniel Johnson / Elizabeth J. McFarland / Tom C. Rieth / Charles R. Schram / Peter W. Waldrab

Q-31. Provide LG&E's long-term construction planning program.

A-31. KU and LG&E's business plans are used to inform senior management of future capital-spending projections. These plans are prepared annually on a line of business ("LOB") basis and include the forecast of capital projections during the most current annual planning period.

There are seven primary areas of long-term construction planning:
1. Generation Planning
2. Environmental Planning
3. Power Production Planning
4. Electric Transmission Planning
5. Electric Distribution Planning
6. Gas System Planning
7. Information Technology

1. KU and LG&E's integrated resource planning process consists of the following activities: 1) assessment of demand-side options, 2) development of a robust forecast of system energy requirements and peak demands, 3) determination of a target reserve margin criterion, 4) adequacy assessment of existing resources, and 5) assessment of supply-side options. The impact of KU and LG&E's non-dispatchable demand-side management programs are reflected in the forecast of energy requirements and peak demands. Then, KU and LG&E's resource assessment combines key elements of the remaining activities into a plan for reliably meeting future energy requirements at the lowest reasonable cost.

   KU and LG&E continually evaluate their resource needs. The Integrated Resource Plan ("IRP") represents a snapshot of this planning process using current business assumptions and assessment of risks. Because the planning process is constantly evolving, KU and LG&E's resource plan may be revised as conditions change and as new information becomes available. Even though the IRP represents KU and LG&E's analysis of the best options to meet customer needs at a given point in time, this plan is reviewed, reevaluated, and assessed against other market available alternatives prior to commitment and implementation.

2. Environmental planning is based on known and expected future environmental requirements. Each year in the Business Planning Process these requirements are updated in terms of assumptions, and the Business Plans include the most current estimates of the timing of future requirements and the capital and O&M spend associated with those requirements. To the extent the environmental regulations impact future generation, that planning is also included in the IRP discussed in the preceding paragraph.

3. Power Production planning, apart from what is already covered in Generation planning and Environmental planning, covers the long-term needs of current and future generating facilities. A 10-year plan for replacing key components in each power station is updated each year as part of the Business Planning process. This includes replacing key components of the boiler circuitry within each unit, adding equipment that reduces future risk, and assessing potential upgrades for existing units that may result in heat rate and/or generating capacity improvements.

4. Transmission develops its long-term construction plan annually with input from multiple sources. The Transmission Expansion Plan ("TEP"), Generator Interconnection Requests ("GI Request"), Transmission Service Requests ("TSR"), and other processes set forth in the LG&E/KU Open Access Transmission Tariff ("OATT") may result in construction projects needed to reliably operate the transmission system. In addition, KU and LG&E use a risk adjusted portfolio of transmission system investments called the Transmission System Hardening and Resiliency Plan ("TSHARP"). TSHARP is a data-driven, risk-based investment strategy that guides replacement of end-of-life assets, eliminates obsolete technology, and builds a resilient grid, all while efficiently delivering value to the Companies' customers. Additional construction projects in the Companies long term plans may also include interconnections with neighboring transmission systems, projects to meet NERC Reliability Standards, customer driven projects, and line relocation projects to support infrastructure plans such as road widenings and relocations.

   The TEP is an annual transmission planning assessment, completed in accordance with NERC Reliability Standard TPL-001, that evaluates whether the transmission system can accommodate generation, customer demand, and other long-term transmission service for the next 10 years. This annual assessment identifies constraints during this time period and recommends solutions – which may include new construction projects - to eliminate these constraints.

A GI Request is required to be submitted for a new generator to connect to the transmission system, or for an existing generator connected to the transmission system to increase its electric power output. Following a request from an Interconnection Customer, a study is conducted to assess whether enhancements to the transmission system are required to accommodate the request. A Transmission Customer is required to submit a TSR to serve new load or to deliver power to the transmission system. For long-term TSRs (i.e., longer than 18 months), a study is conducted to assess whether enhancements to the transmission system are required to accommodate the new service. The results of these requests may identify the need for upgrades to the transmission system, which could include the need to construct new transmission lines and/or substation equipment.

The TEP, GI, and TSR studies are performed by KU and LG&E's Independent Transmission Organization ("ITO"), using the KU and LG&E Transmission Planning Guidelines and associated study criteria. TranServ International is the current ITO under contract to perform this work.

TSHARP includes both system modernization and integrity plans (asset replacements) that harden the system against disruptions, and resiliency programs that help minimize the frequency and impact of outages. The end-of-life asset replacements included are: (1) circuit rebuilds involving wood to steel; (2) power transformer replacements; (3) power circuit breaker replacements; and (4) electromechanical relay panel replacements. This infrastructure makes up most of the core transmission assets that provide high levels of reliability and support regional transmission stability. The resiliency programs included in TSHARP are: (1) hardening of radial taps and (2) continued expansion of automatic remote sectionalizing through installation of motor-operated switching.

5. For the Electric Distribution planning process, each year KU and LG&E substation and circuit loads (where available) are gathered and analyzed. Ten years of historical data on peak summer and winter loads are used to forecast distribution substation loading for a ten-year period. This analysis becomes the basis for planning for system wide capacity additions. Using actual data on current loads, forecasted load growth, and known new load additions, each substation with loads exceeding 90 percent of the substation transformer's capacity during the next ten years is analyzed to determine the need and timing for capacity additions. Other capacity additions are driven by the need to serve large new loads such as a new industrial customer or an existing industrial customer planning a significant expansion. Substation and circuit additions are also evaluated and planned where there is significant value in providing contingency capacity and improved reliability in high risk areas.

Substations and circuit additions or improvements for load are planned for completion in the year when a substation or circuit is expected to exceed its allowable summer or winter rating. New distribution circuits or distribution circuit improvements such as increasing the size of a circuit's conductor are also considered to allow load transfers between substations to relieve substation or circuit loading and/or to improve power quality, reliability and/or contingency in an area.

In addition, KU and LG&E evaluate their existing assets and target certain replacements and/or enhancements that may require construction to improve reliability of service to customers.

6. For Gas System Planning, there is a construction plan that is updated periodically, identifying projects to maintain or improve reliability in various subsystems of the LG&E gas system. Subsystems are identified by their pressure class and geographical area they serve. LG&E utilizes industry recognized commercial gas system planning software (Synergi Gas software from DNV GL) to analyze the system and help develop capital options to improve reliability for the subsystems. The gas system model is updated to include changes to the system and modified as necessary based on actual system data for large system load and includes gas load for transportation customers. The gas construction plan is a documented summary of the proposed gas construction projects for LG&E's distribution and transmission systems based on gas system planning modeling, used to predict and recognize low pressure points and potential problem areas to be resolved on a long-term basis. The plan helps ensure a safe and reliable operation of the gas distribution and transmission systems for future growth. The results from the plan are used in LG&E's business planning process.

7. For Information Technology ("IT"), the IT Value Stream Leads work with business leaders to develop a five-year IT Strategic Plan for the company. IT Projects identified during the strategy discussion are incorporated into an IT Business Plan which also includes IT Infrastructure, Security, and Data/AI projects necessary to maintain the security and reliability of the IT environment. The IT Strategic Plan is evaluated and approved by the Strategic Decisioning Board ("SDB"). The SDB is an executive leader board that reviews, prioritizes and approves the IT strategic direction, including the IT Investment Portfolio and IT Spending Plans for LG&E and KU. The board's primary focus is to assess business IT plans and projects to ensure alignment with Company goals. The board has the authority to approve and prioritize IT investment requests for the business. Once the SDB has approved the plan, the results are used in KU's and LG&E's business planning process.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated April 28, 2025

Case No. 2025-00114

Question No. 32

Responding Witness: Drew T. McCombs

Q-32. Provide a copy of LG&E's most recent depreciation study. If no such study exists, provide a copy of LG&E's most recent depreciation schedule. The schedule should include a list of all facilities by account number, service life and accrual rate for each plant item, the methodology that supports the schedule, and the date the schedule was last updated.

A-32. See the direct testimony of John J. Spanos and the depreciation study attachment being provided in a separate file.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated April 28, 2025

Case No. 2025-00114

Question No. 33

Responding Witness: Drew T. McCombs / Heather D. Metts

Q-33. For each of the following Accounting Standards Codification (ASC), provide the information listed concerning implementation by LG&E.

a. ASC 410-20, "Asset Retirement Obligations."

(1) The effect on the financial statements.

(2) Whether the base period or forecasted test period includes any impact of the implementation. If so, provide a detailed description of the impact.

b. A schedule comparing the depreciation rates utilized by LG&E prior to and after the adoption of ASC 410-20. The schedule should identify the assets corresponding to the affected depreciation rates.

c. ASC 715-20, "Defined Benefit Plans - General."

(1) The effect on the financial statements.

(2) Whether the base period or forecasted test period includes any impact of the implementation. If so, provide a detailed description of the impact.

A-33.

a.

(1) Asset Retirement Obligations ("AROs") are the projected fair value of the legal obligations associated with the retirement of tangible, long-lived assets. ARO liabilities are recorded in Account 230-Asset Retirement Obligations on the Balance Sheet. An offsetting asset representing Asset Retirement Costs ("ARCs") is recorded in Account 101-Plant In Service on the Balance Sheet. Depreciation is calculated on the ARCs and recorded in Account 108-Accumulated Provision for Depreciation on the Balance Sheet and in Account 403.1- Depreciation Expense on the Income Statement.

The ARO liability increases over time through accretion expense which is recorded in Account 411.10-Accretion Expense on the Income Statement. Accretion and depreciation expense is reversed on the income statement and recorded as a Regulatory Asset in Account 182. In Case No. 2016-00027, the PSC approved the amortization of the Regulatory Asset, for actual incurred surface-impoundment-closure costs in order to comply with the federal Coal Combustion Residuals final rule for its active generating stations. The amortization is based on the non-levelized actual costs incurred over 25 years. The monthly amortization amounts are being collected through the environmental cost recovery mechanism.

(2) No, the base period and forecasted test period do not include any impact from the implementation. The amortization of the regulatory asset discussed in response 1 above, included in the base period and forecasted test period, is eliminated through the environmental cost recovery pro forma adjustment.

b. See attachment being provided in a separate file.

c. ASC 715-20, "Defined Benefit Plans – General."

(1) LG&E adopted SFAS No. 158, now referred to as Accounting Standards Codification ("ASC") 715-20, effective December 31, 2006. The impact of the implementation of this standard is discussed in Question No. 35.

(2) Neither the base period nor the forecasted test period include any impact from the implementation.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated April 28, 2025

Case No. 2025-00114

Question No. 34

Responding Witness: Vincent Poplaski

Q-34. Provide a complete description of LG&E's Other Post-Employment Benefits package(s) provided to its employees.

A-34. **Post-Retirement Medical**

- Future retirees, age 55 with at least 10 years of service, with a hire or rehire date between 1/1/2006 and 12/31/23 are eligible for a retiree medical premium account that is credited with a one-time contribution credit equal to $2,500 multiplied by the retiree's full years of service after age 45, but not to exceed $37,500. In addition, for the retiree's dependents, a separate premium account equal to fifty percent of the retiree's premium account is provided. Retirees can only use the premium account to pay for the full cost or partial cost for retiree medical coverage sponsored by the Company; however, when the premium account is depleted, the retiree pays the full monthly cost of the retiree medical coverage.

- Future retirees, age 55 with at least 10 years of service, with a hire or rehire date before 1/1/2006 are eligible to receive a fixed monthly retiree medical premium credit ($240/mo. between ages 55 and 60, $530/mo. between ages 60 and 65, and $240/mo. after age 65.). Also, retiree dependents covered by the retiree medical plan receive a fixed $100 monthly dependent medical premium credit to apply toward company sponsored medical options. The retiree pays the difference between the monthly premium cost of the medical coverage and the monthly medical premium credit.

- Retirees who retired prior to 1/1/2012 with the retiree medical premium credit received a fixed $230 monthly retiree premium credit and a fixed $100 monthly dependent medical premium credit under similar plan provisions in effect at their retirement.

Post-Retirement Dental & Vision

- Other than COBRA, post-retirement dental and vision are not offered.

Post-Retirement Life Insurance

- Future retirees, age 55 with at least 10 years of service, retired on or after 1/1/2000, and hired before 1/1/2024 (non-LG&E IBEW employees only) are entitled to coverage equal to one hundred percent of their base annual salary with a $10,000 maximum benefit. At age 65, the retiree life benefit reduces to 50% of the annual base pay, with a $50,000 maximum benefit. At age 70, the retiree life benefit reduces to a $10,000 death benefit.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated April 28, 2025

Case No. 2025-00114

Question No. 35

Responding Witness: Drew T. McCombs

Q-35. Provide a complete description of the financial reporting and ratemaking treatment of LG&E's pension costs.

A-35. The financial accounting and reporting of pension costs for LG&E are as follows:

LG&E's pension costs for the year are determined by an actuarial firm (Willis Towers Watson) and follow the requirements of Statement of Financial Accounting Standards ("SFAS") No. 87, "Employers' Accounting for Pensions" as amended by SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans – An Amendment of FASB Statements No. 87, 88, 106 and 132(R)". These standards were codified under Accounting Standards Codification ("ASC") 715. Pension costs are applied to all labor charged during the year to distribute the costs between capital, expense, and regulatory assets.

For ratemaking, the pension costs projected for the test period covers 12 months ending December 31, 2026.

Under SFAS 87, employer's providing pension benefits is recognized, as a minimum pension liability in the statement of financial position, as an amount equivalent to the unfunded accumulated benefit obligation ("unfunded ABO"). The unfunded ABO is the amount by which the accumulated benefit obligation (based on employees' history of service and compensation without an estimate of future compensation levels) exceeds the fair value of plan assets. Since the unfunded ABO was subject to market price fluctuations in the value of plan assets, the unfunded ABO could result in a reduction in equity for a loss, or an increase in equity for a gain, that may never be incurred. Under SFAS 87, those gains and losses would be recognized in future periods and subject to inclusion in future base rates. Accordingly, it was appropriate to record a regulatory asset related to that future recovery, rather than impact current rates through the reduction in capital.

In its Order in Case No. 2003-00433, the Commission granted the Company's request to record the unfunded ABO calculated under SFAS 87, as a regulatory asset instead of an adjustment to equity in other comprehensive income under the provisions of SFAS No. 71, "Accounting for the Effects of Certain Types of Regulation", which is now ASC 980-10.

In applying the provisions of SFAS 158 (which amended SFAS 87 and is also codified under ASC 715), effective December 31, 2006, LG&E adjusted the regulatory asset related to Pensions. Under FAS 158, no minimum pension liability is recorded, rather the funded status of pension plan is now recorded as the pension prepaid or liability on the balance sheet. Funded status of a benefit plan is measured as the difference between the fair value of plan assets and the Projected Benefit Obligation ("PBO"). The PBO is based on employees' history of service and compensation adjusted to reflect future compensation levels to the extent that the pension benefit formula defines pension benefits wholly or partially as a function of future compensation levels.

The Company continues to record a regulatory asset for the portion of the obligation that will be recognized in future periods and subject to inclusion in future base rates. The regulatory asset represents the expected future recovery of accumulated prior service costs and actuarial gains and losses, and it is adjusted as prior service cost and actuarial gains and losses are amortized in net periodic benefit cost.

On November 26, 2014, LG&E filed a request with the Kentucky Public Service Commission ("KPSC") for an increase in annual base rates for LG&E's electric and gas operations (Case No. 2014-00372). On April 20, 2015, LG&E and other parties to the proceedings filed a unanimous settlement agreement with the KPSC. The settlement agreement was approved by the KPSC on June 30, 2015. Among other things, the agreement required amortization of accumulated actuarial gains and losses over 15 years. The difference between a) pension costs recorded in accordance with LG&E's pension accounting policy on record with the Securities and Exchange Commission and in accordance with Generally Accepted Accounting Principles ("GAAP") and b) pension costs as recorded using the 15 year amortization period was recorded as a regulatory asset. The new rates and all elements of the settlement became effective July 1, 2015.

LG&E and KU Services Company ("LKS") allocates a portion of its pension costs (including amortization of gains and losses) to LG&E. LKS records amortization costs based on the 15 year amortization methodology agreed upon in the June 30, 2015 KPSC settlement.

Trimble County 2 ("TC2") and the Cane Run 7 ("CR7") units are operated by LG&E personnel, but KU owns a significant share of the units. Consequently, LG&E allocates a portion of its pension costs (including amortization of gains and losses) to KU through the burdening process. LG&E records amortization costs based on the 15 year amortization methodology agreed upon in the June 30, 2015 KPSC settlement to KPSC jurisdictional customers and based on the GAAP amortization methodology to non-jurisdictional customers. The related pension cost charged from KU to LG&E for the jointly owned combustion turbines at the E.W. Brown plant is considered immaterial and no adjustments are made for pension amortization related to this labor.

GAAP requirements for settlement accounting, absent regulatory asset treatment, require the pro rata share of the actuarial gain/(loss) to be recognized immediately. Given the regulatory construct, when settlement occurs LG&E preserves existing accounting treatment by continuing regulatory asset treatment and fifteen-year amortization of the regulatory asset. This regulatory treatment was discussed with KPSC staff at a meeting on August 10, 2017. LKS allocates a portion of amortization of gains and losses to LG&E. When settlement occurs, the portion of the settlement allocated to LG&E is recorded as a regulatory asset for LG&E and is subject to the fifteen-year amortization methodology.

On March 10, 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2017-07 ("ASU 2017-07"). This guidance amends ASC 715 regarding the presentation of net periodic pension costs. Under previous guidance, all components of pension costs were presented, net, as an operating cost and were eligible for capitalization. Beginning in 2018, ASU 2017-07 requires bifurcation of pension costs into service costs and non-service costs. Service costs are presented as a component of employee compensation or capital assets, as appropriate. The non-service costs are presented as a component of other income and expense. Non-service costs are no longer eligible for capitalization under GAAP.

Accounting requirements for pension costs under the FERC Uniform System of Accounts have not been modified to incorporate the impact of ASU 2017-07. In FERC guidance issued December 28, 2017, FERC stated that companies can elect to change their capitalization policy for FERC accounting and reporting purposes consistent with ASC 715 or companies can continue to capitalize all the components of net pension costs.

Consistent with the accounting reviewed with KPSC staff in a meeting on December 11, 2017, for regulatory accounting purposes, FERC accounting standards for pension costs allow LG&E and entities that provide services to LG&E, such as LKS, to continue capitalization of non-service costs for regulatory reporting.

LG&E makes GAAP accounting adjustments to the regulatory accounting records to eliminate the capitalized non-service costs through consolidation. A contra fixed asset is recorded to reduce the fixed asset balances for GAAP reporting purposes with an offsetting entry to a regulatory asset. The regulatory asset is amortized over the weighted average life of the assets put into service within each calendar year and the contra fixed asset is depreciated in concert with the regulatory asset. There is no change to net income or retained earnings for

LG&E using this approach. The expensed portion of the pension costs are mapped to operations and maintenance expense for regulatory reporting and other income and expense for GAAP reporting.

Pension costs from PPL Services are allocated to LKS (and subsequently LG&E, KU or LKC) consistent with direct and indirect charges in accordance with the Cost Allocation Manual. Conversely, pension costs from LKS, LG&E and KU are allocated to other affiliates consistent with direct and indirect charges in accordance with the Cost Allocation Manual.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated April 28, 2025

Case No. 2025-00114

Question No. 36

Responding Witness: Vincent Poplaski

Q-36. Provide detailed descriptions of all early retirement plans or other staff reduction programs LG&E has offered or intends to offer its employees during either the base period or the forecasted test period. Include all cost-benefit analyses associated with these programs.

A-36. There are no anticipated early retirement plans or staff reduction programs for LG&E employees occurring during the base period or the forecasted test period.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated April 28, 2025

Case No. 2025-00114

Question No. 37

Responding Witness: Vincent Poplaski

Q-37. Provide all current labor contracts and the most recent labor contracts previously in effect.

A-37. The current contract between LG&E and IBEW Local 2100 was effective November 27, 2023, see Attachment 1. The most recent previous contract is Attachment 2.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated April 28, 2025

Case No. 2025-00114

Question No. 38

Responding Witness: Vincent Poplaski

Q-38. Separately for electric and gas operations, provide the information requested in Schedule J for budgeted and actual numbers of full- and part-time employees, regular wages, overtime wages, and total wages by employee group, by month, for the three most recent calendar years, the base period, and the forecasted test period. Explain any variance exceeding 5 percent.

A-38. See attachment being provided in a separate file. In addition, the Company currently does not capture wage information by employee group for the budget in the calendar years provided. Monthly variances in total that exceed 5% during the periods provided are attributed to open positions, storm outage work, unplanned outages, and timing differences of planned outage work and off-duty compared to budget.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated April 28, 2025

Case No. 2025-00114

Question No. 39

Responding Witness: Vincent Poplaski

Q-39. For each employee group, state the amount, percentage increase, and effective dates for general wage increases and, separately, for merit increases granted or to be granted in the past two calendar years, the base period, and the forecasted test period.

A-39. See attachment being provided in a separate file. The attached shows for each employee group, the annual increase amount, percentage increase and effective dates for 2023, 2024, base period and budgeted increases for the forecasted test periods. The response reflects LG&E and LKS employees that charged labor to LG&E. Merit is not applicable since individual performance is recognized through the short-term incentive award.

Certain information is considered confidential and is being filed under seal pursuant to a Petition for Confidential Protection.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated April 28, 2025

Case No. 2025-00114

Question No. 40

Responding Witness: Vincent Poplaski

Q-40. For the base period and three most recent calendar years, provide a schedule reflecting the job title, duties and responsibilities of each executive officer, the number of employees who report to each officer, and to whom each officer reports, and the percentage annual increase and the effective date of each increase. For employees elected to executive officer status since the test year in LG&E's most recent rate case, provide the salaries for the persons they replaced.

A-40. Attachment 1 provides the percentage annual increase, effective date of the increase, job title, duties and responsibility, number of employees who report to each officer and to whom each officer reports. For officers elected since the test year in the 2020 rate case, the salary is provided for the person they replaced.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated April 28, 2025

Case No. 2025-00114

Question No. 41

Responding Witness: Vincent Poplaski

Q-41. Separately for electric and gas operations, provide, in the format provided in Schedule K, the following information for LG&E's compensation and benefits, for the three most recent calendar years and the base period. Provide the information individually for each corporate officer and by category for Directors, Managers, Supervisors, Exempt, Non-Exempt, Union, and Non-Union Hourly. Provide the amounts, in gross dollars, separately for total company operations and jurisdictional operations.

a. Regular salary or wages.

b. Overtime pay.

c. Excess vacation payout.

d. Standby/Dispatch pay.

e. Bonus and incentive pay.

f. Any other forms of incentives, including stock options or forms of deferred compensation (specify).

g. Other amounts paid and reported on the employees' W-2 (specify).

h. Healthcare benefit cost.

(1) Amount paid by LG&E.

(2) Amount paid by the employee.

i. Dental benefits cost.

(1) Amount paid by LG&E.

(2) Amount paid by the employee.

j. Vision benefits cost.

(1) Amount paid by LG&E.

(2) Amount paid by the employee.

k. Life insurance cost.

(1) Amount paid by LG&E.

(2) Amount paid by the employee.

l. Accidental death and disability benefits.

(1) Amount paid by LG&E.

(2) Amount paid by the employee.

m. Defined Benefit Retirement cost.

(1) Amount paid by LG&E.

(2) Amount paid by the employee.

n. Defined Contribution – 401(k) or similar plan cost. Provide the amount paid by LG&E.

o. Cost of any other benefit available to an employee, including fringe benefits (specify).

A-41.

a.-o. On an annual basis, LG&E and KU Energy relies on benchmark information in calibrating the level of its primary components of compensation and benefits arrangements. See Mr. Poplaski's direct testimony.

With regard to compensation, various third-party benchmarking and salary planning surveys from the energy services and general industries are utilized. The 50th percentile is used to establish the market midpoint of the annual salary ranges. Compensation is then managed within the low (80% of midpoint) and high (120% of midpoint) based on various factors including education, experience, performance, time in job and tenure. Compensation is considered competitive or "at market" if it is within +/- 10% of the competitive range. A separate compensation study from Willis Towers Watson was filed as part of Filing Requirement 807 KAR 5:001 Sec. 16(8)(g) with the Company's Application at Tab 60.

See Attachment 1 for a detail of costs for the requested periods of 2022-2024 and base period broken down in the lowest level possible consistent with budgeting practices. The LG&E budgeting process does not allow

LG&E to provide the data requested in the exact employment types (Officers, Directors, etc.) requested in the question; however, all labor dollars requested in this case are reflected in Attachment 1. An explanation for how compensation is budgeted is provided in Filing Requirement 807 KAR 5:001 Sec. 16 (7)(C) – Item A Financial Planning Modeling Process.

In an attempt to be fully responsive to the question and provide the information by the employment types requested (Officers, Directors, etc.), LG&E has also provided the wage and salary information as reported on W-2's for each group requested for 2022-2024 and the base period through February, 2025 by those employment types as reflected in Attachment 2. (These will not tie to Attachment 1 due to accrual based accounting versus the cash basis reported on the W-2). See Attachment 2 for salary (a-g) information as a group in total by category. Attachments 1 and 2 do not include a separate grouping for supervisors as the database field that is used to categorize employees does not include a unique identifier for supervisors. Therefore, LG&E is unable to identify the supervisor only compensation within the data set.

As for benefits, LG&E and KU Energy provides an array of benefits designed to attract, retain and develop a diverse and high-caliber workforce. Since 2001, we have participated in healthcare benchmarking surveys to ensure our medical benefits are in alignment. The survey comparisons include national and local employers as well as utilities. Adjustments are made in premiums and plan structure in order to keep benefits in-line with benchmarks. Benchmark data, medical claim information and medical trend data is utilized in structuring plan offerings and medical premiums. A separate study from WTW reflecting relevant national, local, general industry and utility benchmark data was filed in support of the competitive level of benefit offerings. See Attachment 4 to Filing Requirement 807 KAR 5:001 Sec. 16(8)(g) at Tab 60.

The benefit plans described below are offered to all employees of the Company regardless of salary plan. Employees in the IBEW collective bargaining unit have different premiums than employees not in the IBEW collective bargaining unit. It should be noted that certain supplemental retirement plans are exclusively offered to officers and directors but are not recovered in rates.

Attachments 4 and 5 are the 2025 Benefits Enrollment Guides which explain each benefit including the employee cost as well as plan design (deductibles, maximum out of pocket cost, co-pays, etc.)

- Healthcare (pages 4-7, 9-10)
- Dental (page 11)

- Vision (page 12)
- Life and Accidental Death and Disability (pages 13-14)
- Dependent Care Reimbursement Account (page 15)
- Health Care Reimbursement Account (page 15)
- Health Savings Account if enrolled in the High Deductible Health Plan option (page 8)
- Defined Contribution – 401(k) (pages 16)
- Group Legal (page 17)
- Life Solutions (page 18)

<u>Healthcare Benefits</u>
Employees are eligible for health coverage upon date of hire, which includes both medical and prescription drug coverage. Anthem is the claims administrator for the medical options, and Express Scripts is the claims administrator for our prescriptions drug coverage. The medical coverage – medical and Rx claims experience - is self-insured. The company is billed for all claims and administrative fees.

There are four medical options:
- EPO
- PPO Standard
- High Deductible Health Plan with Health Savings Account (HDHP with HSA)
- High Deductible Health Plan Low no Health Savings Account (HDHP Low no HSA)

<u>2025 Healthcare Rates</u>
Several steps are undertaken in determining future premiums of the self-insured plan – medical and Rx coverage. The benefits department works with our medical consultants to estimate an inflation factor to estimate future medical claims. This amount is adjusted any changes to the benefit plan structure or cost sharing mechanisms with employees, which are implemented as a result of the above noted benchmarking.

An Employee's monthly premium is based on d, the wellness requirements are met, if an employed spouse/domestic partner (DP) is covered, and what medical plan option selected.

There are two types of rates based on wellness requirements – the Base Rate and the Healthy for Life ("HFL") Rate. Employees have a choice to complete the HFL requirements to qualify for the HFL Rate which is $60 a month lower than the Base Rate (See page 4 in the Benefits Enrollment

Guides). See Attachment 6 for Employee and Company Base Rates and HFL Rates.

There is a $281.67 per month employed spouse premium (ESP) surcharge if the employee has a spouse/DP on the medical plan and the spouse/DP does not enroll in their employer's medical coverage.

The medical plan rates are further defined based on the medical plan option selected and the employee's level of coverage. An employee can select employee only, employee plus spouse/DP, employee and child(ren) or employee and family/DP family. The rates for these selections as well as for the Base rate, the HFL rate are outlined on page 4 of the Benefits Enrollment Guides.

Attachment 6 provides a breakdown of the monthly full-time employee premium rate and company rate for years 2022, 2023, 2024 and the base period.

<u>Dental Benefits</u>
Employees are eligible for dental coverage upon date of hire. There are two dental options administered by Delta Dental.

- High Option/Dental Plus
- Basic Option/Dental

The dental options are described on page 11 of the Benefits Enrollment Guides.

The plan is self-insured based on dental claims experience. On a periodic basis the level of employee premium is reviewed against benchmark. The Company is billed for all claims plus administrative fees.

The dental plan rates are defined based on the employee's level of coverage. An employee can select employee only, employee plus spouse/DP, employee and child(ren) or family/DP family. The rates for these selections are outlined on page 11 of the Benefits Enrollment Guides.

Attachment 6 provides a breakdown of monthly full-time employee rate and company rate for years 2022, 2023, 2024, and the base period.

<u>Vision Benefits</u>
Employees are eligible to participate in the vision benefit plan upon date of hire. Vision benefits are offered as a separate, voluntary, employee paid option. There are two vision options administered by Vision Service Plan (VSP).

- Vision Plus
- Vision

The vision plan rates are defined based on the employee's level of coverage. An employee can select employee only, employee plus spouse/DP, employee and child(ren) or family/DP family. The rates are outlined on page 12 of the Benefits Enrollment Guides.

Attachment 6 provides a breakdown of monthly full-time employee rate and company rate for years 2022, 2023, 2024 and the base period.

<u>Basic Life and AD&D Insurance</u>
The company provides Basic Life and Accidental Death and Dismemberment ("AD&D") insurance in the amount of two times annual base salary; maximum benefit of $300,000 for LG&E employees in the IBEW Local 2100 collective bargaining until and $2,000,000 for all other employees. The benefits are described on page 13 of the Benefits Enrollment Guides.

The basis for cost is an insured premium times the amount of the coverage.

For full-time employees, the Company's 2025 monthly cost for the plan is $0.133 per $1,000 of life insurance.

<u>Employee Supplemental Life & Dependent Supplemental Life Insurance</u>
Regular, full-time employees may purchase additional life insurance in the amount of one, two, or three times annual base salary; maximum of $300,000 for LG&E employees in the IBEW Local 2100 collective bargaining until and of $2,000,000 for all other employees. Supplemental life insurance is a voluntary benefit and is 100% paid by the employee. The cost of Supplemental Life is based on the employee's age as of January 1 and the amount of insurance elected. The rates and options are described on page 14 of the Benefits Enrollment Guides.

Regular, full-time employees may purchase dependent supplemental life insurance on eligible dependents. There are 4 dependent supplemental coverage options:

Dependent Spouse Supplemental Life Insurance

- $10,000
- $25,000
- $50,000
- $100,000

Dependent Child(ren) Supplemental Life Insurance

- $2,500

- $5,000
- $10,000
- $20,000

LG&E employees in the IBEW Local 2100 collective bargaining unit are not eligible for the $100,000 dependent spouse supplemental life insurance option. Dependent supplemental life insurance is a voluntary benefit and is 100% paid by the employee. The rates and options are described on page 14 of the Benefits Enrollment Guides.

<u>Long-Term Disability</u>
Employees are eligible for coverage upon date of hire. The long-term disability insurance provides benefits when an employee is disabled for at least six months and the plan has approved the employee's application for Long-Term Disability. Monthly long-term disability benefits are equivalent to 60% of the employees' base monthly rate of pay (up to a maximum benefit), reduced by an amount reflecting certain income from other sources. The basis for cost is an insured premium times base salary and is $0.304 per $100 of covered payroll for non-union employees and $0.349 per $100 of covered payroll for union employees in 2025.

<u>Short-Term Disability (charged to sick time)</u>
The Short-Term Disability program provides varying levels of wage protection for up to 1,000 hours depending on your service with the company. Coverage begins after 40 consecutive work-hours of medically certified absence or upon admission to a hospital requiring overnight stay or upon admission to an outpatient care facility for procedures or treatment.

<u>Dependent Care Reimbursement Account ("DCRA")</u>
Employees are eligible to participate in the DCRA upon date of hire. The DCRA is a dependent care flexible spending account which gives employees the opportunity to pay for certain child and elder care expenses with pre-tax money.
Employees can contribute from $104 to $5,000 annually of their own money. The plan is described on page 15 of the Benefits Enrollment Guides.

<u>Health Care Reimbursement Account ("HCRA")</u>
Employees are eligible to participate in the HCRA upon date of hire. The HCRA is a health care flexible spending account which allows employees to pay certain health care expenses for themselves and eligible dependents with pretax money.

The employee can contribute from $50 to $3,300 annually of their own money to their HCRA. The plan is described on page 15 of the Benefits Enrollment Guides.

Health Savings Account ("HSA")
The HSA is available to those employees who are enrolled in the company's High Deductible Health Plan (HDHP with HSA). In 2025, the Company will contribute $600 for those electing single coverage and $1,200 for those electing family coverage. The employee also has the option to elect employee contributions. For single coverage, the employee's annual contribution limit is $3,700 and the family employee annual contribution limit is $7,300. An employee can also contribute an additional $1,000 if they are age 55 or older in 2025. The plan is described on page 8 of the Benefits Enrollment Guides.

Group Legal
Employees are eligible for a voluntary group legal program administered by ARAG insurance company. ARAG contracts with local attorneys from the ARAG network. This is a voluntary group legal program is offered through payroll deduction. The employee cost is $22 per month. The benefit is described on page 14 of the Benefits Enrollment Guides.

Savings Plan
See pages 13-14 of Mr. Poplaski's direct testimony. Employees are eligible to participate in the savings plan upon date of hire. Employees can contribute between 0% and 75% (in 1% increments) of eligible pay on a traditional pretax or Roth after tax basis subject to the IRS annual contribution limit. The company will match 100% of the first 3% (a maximum of 3%) of an employee's voluntary deferred compensation amount for those that participate in the DB Plan; or for those not eligible to participate in the DB Plan, 100% of the first 3% plus 50% of the next 3% (a maximum of 4.5%) of an employee's voluntary deferred compensation amount.

The 2025 Cost rate for the plan:

- 100% of the first 3% of the employee's eligible compensation, subject to IRS limits (for eligible employees hired prior to 1/1/06)
- 100% of the first 3% plus 50% of the next 3% of the employee's eligible compensation, subject to IRS limits (for eligible employees hired on or after 1/1/06)

For employees hired on or after January 1, 2006, and who are employed on December 31 of each year, the company will also contribute an additional employer contribution to the employee's 401(k) account. The company contributes between 3% and 7% of eligible pay. The contribution amount is based upon years of service as of January 1. The benefit is described on page 16 of the Benefits Enrollment Guides.

The 2025 contribution rate for the plan:
- 3% - less than 6 years of service
- 4% - 6 but less than 11 years of service
- 5% - 11 but less than 16 years of service
- 6% - 16 but less than 21 years of service
- 7% - 21 or more years of service

Retirement Plan
Employees hired prior to 1/1/06 are eligible for the retirement pension plan. The retirement plan benefit is calculated based on years of service and eligible earnings or pay grade in the case of certain union employees. The benefit is payable upon date of retirement in monthly installments or a one-time lump sum.

The 2025 Cost rate for the plan is based on actuarial calculations.

Life Solutions (included in other)
Life Solutions, a Family Assistance Program ("FAP"), provides professional help to employees and their immediate family members who have personal problems. The FAP is administered by Corporate Counseling Associates (CCA). The current basis for cost is a flat rate of $1.47 per employee per quarter.

Tuition Reimbursement
Regular, full-time employees are eligible for tuition reimbursement, which pays 100% of tuition up to an annual calendar year maximum. Prior to 2025, there was a maximum of $7,000 for undergraduate degrees and $9,000 for graduate degrees and doctoral programs. Beginning 1/1/2025, the maximum changed to $10,000 for undergraduate degrees and $15,000 for graduate degrees and doctoral programs. Participation is based on individual approval of an employee's request and the relationship of courses to job assignment or career development.

Adoption Assistance Program (included in other)
The Company supports employees who adopt children by providing employees financial assistance. Prior to 2025, the Company provided up to $5,000 per adopted eligible child. Beginning 1/1/25, the amount increased to $10,000. The Federal Adoption Tax Credit must first be used for expenses before being eligible for Company reimbursement.

Overall Considerations

The benefits data was collected at the overall plan level and not by utility.

See Attachment 7 being provided in PDF format for benefit (h–o) information as a group in total by category. See Attachment 8 being provided in PDF format for benefit (h-o) information for each corporate officer. Certain officer information is considered confidential and is being filed under seal pursuant to a Petition for Confidential Protection. Various other benefits are offered as described above and in the Benefits Enrollment Guide (Attachments 4 and 5).

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated April 28, 2025

Case No. 2025-00114

Question No. 42

Responding Witness: Vincent Poplaski

Q-42. For each benefit listed in Item 41 above for which an employee is required to pay part of the cost, provide a detailed explanation as to how the employee contribution rate was determined.

A-42.

Plan	Employee Contributions
Medical	Self-insured plan – medical and Rx claims experience. The Company is billed for the claims plus administrative fees. The benefits department works with the benefits consultant to estimate an inflation factor to estimate future medical claims. This amount is adjusted for any changes to the benefit plan structure or cost sharing mechanisms with employees. In addition, an Employee's monthly premium is based on whether they are in the IBEW Local 2100 collective bargaining unit, wellness requirements are met, if they are a member of a union, if an employed spouse/domestic partner (DP) is covered, which medical plan option the employee selects, and the employees' level of coverage. There are two types of rates based on wellness requirements – the Base Rate and the Healthy for Life (HFL) Rate. Employees have a choice to complete the Healthy For Life (HFL) requirements to qualify for the HFL Rate which is $60 a month lower than the Base Rate. There is a $281.67 month employed spouse premium (ESP) surcharge if the employee has a spouse/DP on the medical plan and the spouse/DP

	does not enroll in their employer's medical coverage.
Dental	Self-insured plan – dental claims experience. The Company is billed for the claims plus administrative fees. The benefits department works with the benefits consultant to estimate an inflation factor to estimate future dental claims. This amount is adjusted for any changes to the benefit plan structure or cost sharing mechanisms with employees. An employee's rates are determined based on the dental option the employee selects and the employee's level of coverage. An employee can select one of the two dental options offered with different levels of dental coverage and premium rates. And, they can select different coverage levels employee only, employee plus spouse/domestic partner, employee and child(ren) or employee and family/domestic partner family.
Vision	Employees pay 100% of the insured rate determined by the vision carrier.
Dependent Life	Employees pay 100% of the insured rate determined by the life insurance carrier.
EE Supplemental Life	Employees pay 100% of the insured rate determined by the life insurance carrier.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated April 28, 2025**

Case No. 2025-00114

Question No. 43

Responding Witness: Vincent Poplaski

Q-43. Provide a listing of all health care plan categories, dental plan categories, and vision plan categories available to corporate officers individually and to groups defined as Directors, Managers, Supervisors, Exempt, Non-Exempt, Union, and NonUnion Hourly employees (e.g., single, family, etc.). Include the associated employee contribution rates and employer contribution rates of the total premium cost for each category, and each plan's deductible(s) amounts.

A-43. 2025 Medical plan categories:

- Employee (EE) – Base Rate
- EE + Spouse/Domestic Partner (DP) – Base Rate
- EE + Spouse/DP with Employed Spouse Premium surcharge – Base Rate
- EE + Child(ren) – Base Rate
- EE + Family/DP Family – Base Rate
- EE + Family/DP Family with Employed Spouse Premium surcharge – Base Rate

- Employee (EE) – Healthy For Life Rate
- EE + Spouse/Domestic Partner (DP) – Healthy For Life Rate
- EE + Spouse/DP with Employed Spouse Premium surcharge – Healthy For Life Rate
- EE + Child(ren) – Healthy For Life Rate
- EE + Family/DEP Family – Healthy For Life Rate
- EE + Family/DP Family with Employed Spouse Premium surcharge – Healthy For Life Rate

2025 Dental plan and Vision Plan categories:

- Employee (EE)
- EE + Spouse/Domestic Partner (DP)
- EE + Child(ren)
- EE + Family/DP Family

2025 Employee and Employer contribution rates are provided (see Attachment 6 to the response to Question No. 41).

Plan deductibles are outlined in the Benefits Enrollment Guides, pages 4-7 (see Attachments 4 and 5 to the response to Question No. 41)

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated April 28, 2025

Case No. 2025-00114

Question No. 44

Responding Witness: Vincent Poplaski

Q-44. Provide each medical insurance policy that LG&E currently maintains.

A-44. The Company participates in a self-insured medical, vision, and dental plan sponsored by LKE. See attachment being provided in a separate file for copy of the medical plan policies for the four plan options.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated April 28, 2025**

Case No. 2025-00114

Question No. 45

Responding Witness: Vincent Poplaski

Q-45. Provide a listing of all life insurance plan categories available to corporate officers individually and to groups defined as Directors, Managers, Supervisors, Exempt, Non-Exempt, Union, and Non-Union Hourly employees. Include the associated employee contribution rates and employer contribution rates of the total premium cost for each plan category.

A-45. Corporate officers and all other full-time employee groups are offered the same life plan options, categories, and employee costs as described in response to Question No. 41 and outlined below.

Available life insurance options are outlined in the Benefits Enrollment Guides, pages 13 and 14 (see Attachments 4 and 5 to the response to Question No. 41).

The Company pays the full cost for Basic Life and AD&D coverage. The 2025 monthly rates are:

- Full-time EE Basic Life ($0.113) & AD&D ($0.02) per $1,000 of coverage
- Part-time EE Basic Life ($0.113) per $1,000 of coverage

The employee pays the full cost for Employee Supplemental Life insurance and Dependent Life insurance. The 2025 monthly employee rates are:

EE Supplemental Life Insurance Rates are based on the EEs Age

Age as of Jan 1	Rate Per $1,000 of coverage
<25	$ 0.048
25 BLT 30	$ 0.050
30 BLT 35	$ 0.065
35 BLT 40	$ 0.067
40 BLT 45	$ 0.089
45 BLT 50	$ 0.141
50 BLT 55	$ 0.229
55 BLT 60	$ 0.378
60 BLT 65	$ 0.537

65 BLT 70	$ 0.844
70 BLT 75	$ 1.370
75+	$ 1.512

Dependent Spouse Life Monthly Rates	Monthly EE Cost
Option 1 - $10,000	$ 2.76
Option 2 - $25,000	$ 6.90
Option 3- $50,000	$ 13.79
Option 4 - $100,000	$ 27.59

Dependent Child(ren) Life Monthly Rates	Monthly EE Cost
Option 1 - $2,500	$ 0.37
Option 2 - $5,000	$ 0.74
Option 3- $10,000	$ 1.45
Option 4 - $20,000	$ 4.41

LG&E employees in the IBEW Local 2100 collective bargaining unit are not eligible for the $100,000 dependent spouse supplemental life insurance option.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information Dated April 28, 2025

Case No. 2025-00114

Question No. 46

Responding Witness: Vincent Poplaski

Q-46. Provide a listing of all retirement plans available to corporate officers individually and to groups defined as Directors, Managers, Supervisors, Exempt, NonExempt, Union, and Non-Union Hourly employees. Include the associated employee contribution rates, if any, and employer contribution rates of the total cost for each plan category.

A-46. Corporate officers and all other full-time employee groups are offered the same qualified retirement plan benefits as described in response to Question No. 41 and outlined below. Officers and directors are also offered supplemental retirement plans (non-qualified savings plan, non-qualified pension restoration plan, and supplemental executive retirement plan) which are not recovered in rates.

Retirement Categories	Employee Contribution Rates	Co Contribution Rates
Retirement Plan – eligible if hired prior to 1/1/06	No cost to employee	Funded by employer
401(k) Savings Plan Company Match (eligible if hired prior to 1/1/06)	Employees need to defer salary to get Co match.	Company match of 100% of the first 3% of the employees' eligible compensation, subject to IRS limits
401(k) Savings Plan Company Match (eligible if hired on or after 1/1/06)	Employees need to defer salary to get Co match.	Company match of 100% of the first 3% plus 50% of the next 3% for a max of 4.5% of the employees' eligible compensation, subject to IRS limits
Savings Plan Retirement Income Account (RIA) – eligible if hired or	No cost to employee	Percent of eligible compensation and years of service as of Dec 31. <u>Annual RIA Percent of Eligible Compensation</u>

rehired on or after 1/1/06		3% - less than 6 years of service 4% - 6 but less than 11 5% - 11 but less than 16 6% - 16 but less than 21 7% - 21 or more

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated April 28, 2025

Case No. 2025-00114

Question No. 47

Responding Witness: Vincent Poplaski

Q-47. Concerning employee fringe benefits:

a. Provide a detailed list of all fringe benefits available to LG&E's employees. Indicate any fringe benefits that are limited to management employees.

b. Separately for electric and gas operations, provide comparative cost information for the 12 months preceding the base period and the base period. Explain any changes in fringe benefits occurring over this 24-month period.

A-47.

a. See attachment being provided in a separate file for a detailed list of fringe benefits available. No fringe benefits were limited to management employees.

b. See attachment being provided in a separate file for comparative cost information for the periods requested.

The following change was effective January 1, 2023:

- Increased match to the 401(k)

The following changes were effective January 1, 2024:

- Added forth medical plan option – High Deductible Health Plan Low (HDHP Low)
- Increase in the HSA seed money for the HDHA with HSA plan option
- Added second vision plan option – Vision Plus
- Increase in the maximum benefit amount for Basic Life Insurance and AD&D and Employee Supplemental life insurance
- Retiree medical insurance no longer offered to newly hired employees
- Retiree life insurance no longer offered to newly hired non-union employees

The following changes were effective January 1, 2025:

- Changes to medical plan design (deductible, coinsurance, copay, etc.) for the EPO plan option

- Changes to dependent spouse/child(ren) supplemental life insurance enrollment options
- Increased reimbursement amount for tuition reimbursement policy
- Vacation policy changed to account for “career service”
- Increased reimbursement amount for adoption assistance policy
- Increased paid time off for parental leave
- Increased paid time off for military bereavement leave

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated April 28, 2025

Case No. 2025-00114

Question No. 48

Responding Witness: Vincent Poplaski

Q-48. State whether LG&E, through an outside consultant or otherwise, performed a study or survey to compare its wages, salaries, benefits, and other compensation to those of other utilities in the region, or to other local or regional enterprises.

a. If comparisons were performed, provide the results of the study or survey, including all workpapers and discuss the results of such comparisons. State whether any adjustments to wages, salaries, benefits, and other compensation in the rate application are consistent with the results of such comparisons.

b. If comparisons were not performed, explain why such comparisons were not performed.

A-48.

a. See Mr. Poplaski's direct testimony, Attachments 3 and 4 at Tab 60 of the Filing Requirements, and the response to Question No. 50.

b. Not applicable.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated April 28, 2025

Case No. 2025-00114

Question No. 49

Responding Witness: Vincent Poplaski

Q-49. Regarding LG&E's employee compensation policy:

a. Provide LG&E's written compensation policy as approved by the board of directors.

b. Provide a narrative description of the compensation policy, including the reasons for establishing the policy and LG&E's objectives for the policy.

c. Explain whether the compensation policy was developed with the assistance of an outside consultant. If the compensation policy was developed or reviewed by a consultant, provide any study or report provided by the consultant.

d. Explain when LG&E's compensation policy was last reviewed or given consideration by the board of directors.

e. Explain whether LG&E's expenses for wages, salaries, benefits, and other compensation included in the base period and any adjustments to the base period, are compliant with the board of director's compensation policy.

A-49.

a. Attached is the Company's written compensation policy that was most recently amended January 1, 2024 and which is reviewed on a regular basis by Human Resources. While not approved by the Board, compensation decisions made under this policy are supported by various levels of approval. Individual salary recommendations made under the Company's written compensation policy are reviewed and approved by the manager, next level manager and Human Resources.

The annual salary increase budget is included in the Company's budgeting process which is reviewed and approved by the Companies President, PPL's Corporate Leadership Council, PPL's Finance Committee, and PPL's Board of Directors.

b. See pages 2-12 of Mr. Poplaski's direct testimony. The Company believes the compensation policies and practices are effective in achieving objectives that produce sustainable operating results by attracting and retaining talented and experienced individuals. The Company's compensation program reflects the long-established commitment to a pay-for-performance philosophy, under which compensation is aligned with performance.

Using external market compensation data at the 50th percentile of the national general or utility industry, job midpoints are established. Salary range minimums and maximums are based on 80% and 120% of the 50th percentile midpoint, respectively. Individual employee compensation is then managed within this competitive range. Compensation is considered competitive if it's within +/- 10% of the competitive range when considering factors that include performance, time in position, tenure, education and experience.

c. The Company's compensation program was recently reviewed by a compensation consultant, of Willis Towers Watson. See Attachment 3 at Tab 60 of the Filing Requirements for the results of the Willis Towers Watson study.

d. See the response to part (a).

e. As described in responses a and b to this question, compensation included in the base and test periods is compliant with the Company's written compensation policy.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated April 28, 2025

Case No. 2025-00114

Question No. 50

Responding Witness: Vincent Poplaski

Q-50. To the extent not provided in the responses above, provide all wage, compensation, or employee benefits studies, analyses, or surveys conducted since LG&E's last rate case or that are currently utilized by LG&E.

A-50. The Company regularly participates in the various compensation and employee benefits surveys. A listing provided by survey publisher, survey type and survey name is provided below. The documents are voluminous in nature and are considered to be proprietary by the vendor and subject to licensing agreements. As a result, the Company will make available for review any of the surveys at a time convenient to the Commission. Also see pages 2-18 of Mr. Poplaski's direct testimony and Attachments 3, and 4 at Tab 60 of the Filing Requirements

Survey Publisher	Survey Type	Survey Name
Mercer	Benefits	Health Plan Benchmarking National Survey of Employer-Sponsored Health Plans
Mercer	Compensation	Benchmark Database
Mercer	Compensation	US Compensation Planning Survey
Mercer	Compensation	Energy Sector (MTCS)
Willis Towers Watson	Benefits	Healthcare Financial Benchmarks Survey
Willis Towers Watson	Compensation	AGA Exec, Mgmt & Non-Exempt Compensation & Policies/Practices Survey
Willis Towers Watson	Compensation	Energy Services Executive Compensation
Willis Towers Watson	Compensation	Energy Services Middle Management/Professional
Willis Towers Watson	Compensation	General Industry Middle Management/Professional
Willis Towers Watson	Compensation	General Industry Executive
Willis Towers Watson	Compensation	College Graduate Starting Salary Survey
Willis Towers Watson	Compensation	General Industry Salary Budget Survey
WorldAtWork	Compensation	Salary Budget Survey
Culpepper	Compensation	Salary Budget Survey

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated April 28, 2025

Case No. 2025-00114

Question No. 51

Responding Witness: Drew T. McCombs

Q-51. Separately for electric and gas operations, provide the average number of customers on LG&E's system (actual and projected), by rate schedule, for the base period and the three most recent calendar years.

A-51. See attachment being provided in a separate file. Some customers have multiple contracts and are reflected in multiple rate schedules. The duplications are removed in the Duplicate Customers line.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated April 28, 2025

Case No. 2025-00114

Question No. 52

Responding Witness: Drew T. McCombs

Q-52. In the formats provided in Schedule L1 and L2, provide schedules of electric operations net income per kWh sold and gas operations per MCF sold, per company books for the base period and the three calendar years preceding the base period.

A-52. See attachment being provided in a separate file.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated April 28, 2025

Case No. 2025-00114

Question No. 53

Responding Witness: Drew T. McCombs

Q-53. Provide, in the formats provided in Schedules M1 and M2, comparative operating statistics for electric and gas operations.

A-53. See attachment being provided in a separate file.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated April 28, 2025

Case No. 2025-00114

Question No. 54

Responding Witness: Julissa Burgos / Dylan W. D'Ascendis / Andrea M. Fackler / Michael E. Hornung / Timothy S. Lyons / John J. Spanos

Q-54. To the extent not already provided, provide a copy of each cost of service study, billing analysis, and all exhibits and schedules that were prepared in LG&E's rate application in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

A-54. Attached to this response is a listing of Excel spreadsheets submitted in response to this question and the requested spreadsheets. The label by which each file is to be identified on the Commission website is listed in the second column named "File Number" of the attached listing. The third column specifies the actual name of each spreadsheet. The fourth column identifies the specific exhibit or schedule the spreadsheet relates to or supports.

File "2025 PSC DR1 LGE Attach to Q54 - Exhibit AMF-6-LGE Lead-Lag Study CONFIDENTIAL.xlsx" is subject to a Petition for Confidential Protection filed with the Commission on May 30, 2025. Due to the nature of how the data flows through the Excel spreadsheet, the file is requested to be held entirely confidential. Thus, certain information contained in this supporting spreadsheet is considered confidential and is being filed under seal pursuant to a Petition for Confidential Protection.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated April 28, 2025

Case No. 2025-00114

Question No. 55

Responding Witness: Andrea M. Fackler / Christopher M. Garrett

Q-55. To the extent not already provided, provide all workpapers, calculations, and assumptions LG&E used to develop its forecasted test period financial information in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

A-55. See attachments provided in excel format.