

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)	CASE NO. 2025-00114
RATES AND APPROVAL OF CERTAIN)	
REGULATORY AND ACCOUNTING)	
TREATMENTS)	

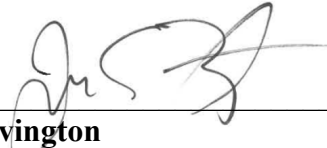
RESPONSE OF
LOUISVILLE GAS AND ELECTRIC COMPANY
TO
WALMART INC.'S INITIAL REQUEST FOR INFORMATION
DATED JULY 3, 2025

FILED: July 16, 2025

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **John Bevington**, being duly sworn, deposes and says that he is Senior Director – Business and Economic Development for PPL Services Corporation and he provides services to 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.



John Bevington

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



Notary Public

Notary Public ID No. KYNP63286

My Commission Expires:

January 22, 2027



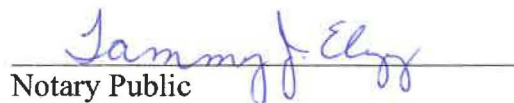
VERIFICATION

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

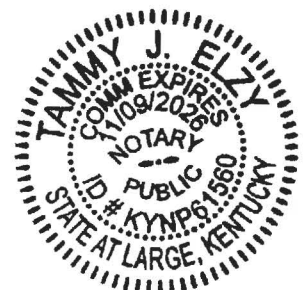
Subscribed and sworn to before me, a Notary Public in and before said County and State, this 14th day of July 2025.


Notary Public

Notary Public ID No. KYNP61560

My Commission Expires:

November 9, 2026



VERIFICATION

STATE OF NEW JERSEY

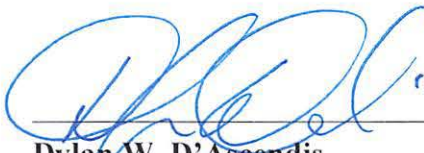
)

)


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 10th day of July 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, **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

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 14th day of July 2025.



Notary Public

Notary Public ID No. KYNP61560

My Commission Expires:

November 9, 2026



COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)


Michael E. Hornung

Caroline J. Davison
Notary Public

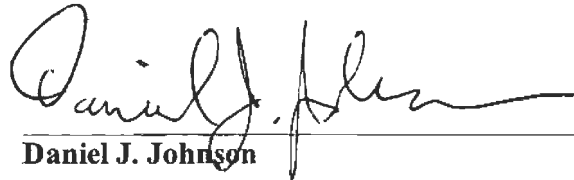
January 22, 2027




VERIFICATION

STATE OF ~~RHODE ISLAND~~ ^{Pennsylvania})
COUNTY OF Lehigh)

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.

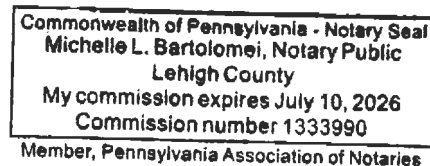

Daniel J. Johnson

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 16 day of July, 2025.


Notary Public

Notary Public, ID No. 1333990
(SEAL)

My Commission Expires: 7/10/2026



VERIFICATION

STATE OF VERMONT

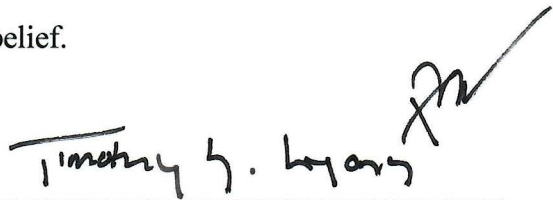
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COUNTY OF CHITTENDEN

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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

On this 14 day of July, 2025, before me, the undersigned notary public, personally appeared **Timothy S. Lyons**, proved to me through satisfactory evidence of identification, which were Vermont Driver's License, to be the person whose name is signed on the preceding or attached document in my presence.

(seal)




Notary Public Signature
Exp. Jan 31, 2027

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

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



Notary Public


Notary Public ID No. KYNP63286


My Commission Expires:

January 22, 2027



COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)


Shannon L. Montgomery


Notary Public

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)


Peter W. Waldrab

Notary Public Sammy J. Elgy
Notary Public ID No. KYNP61560

November 9, 2026



LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Walmart Inc.'s Initial Request for Information
Dated July 3, 2025**

Case No. 2025-00114

Question No. 1

Responding Witness: Robert M. Conroy

- Q-1. Please provide all workpapers in electronic spreadsheet format with formulas intact, where available, supporting each of the figures, tables, and exhibits accompanying the Companies' filings and supporting testimony.
- A-1. See the response and the attachments to PSC 1-54 and PSC 1-55.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Walmart Inc.'s Initial Request for Information
Dated July 3, 2025**

Case No. 2025-00114

Question No. 2

Responding Witness: Robert M. Conroy / Timothy S. Lyons

- Q-2. Please identify the location of the electronic workpapers with all formulas intact for the Companies' Cost of Service Study ("COSS"), including but not limited to the proof of revenue and unit cost study. If those documents have not already been produced, please produce them.
- A-2. See the response and the attachments to PSC 1-54.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Walmart Inc.'s Initial Request for Information

Dated July 3, 2025

Case No. 2025-00114

Question No. 3

Responding Witness: Robert M. Conroy / Elizabeth J. McFarland

- Q-3. Please refer to the Direct Testimony of Robert Conroy at p. 4, lines 1-15 and provide a breakdown of how the \$1 billion in investment in the transmission system is being spent as between these identified categories: (a) proactively replace system components, (b) connect new customers, (c) expand the system, and (d) ensure reliability.
- A-3. See the Direct Testimony of Elizabeth J. McFarland, page 26, for a breakdown of the \$1 billion investment in the transmission system by category.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Walmart Inc.'s Initial Request for Information
Dated July 3, 2025**

Case No. 2025-00114

Question No. 4

Responding Witness: Robert M. Conroy / Peter W. Waldrab

- Q-4. With respect to the Companies' request for regulatory deferral accounting for vegetation management costs associated with storm damage restoration (see Direct Testimony of Robert Conroy at p. 9, line 22 to p. 10, line 7), please explain in detail how the Companies will ensure that the vegetation management costs are related solely to storm damage and/or major storms.
- A-4. Netting additional vegetation management costs are not exclusive to storm related restoration efforts but in addition to. These additional prudent and necessary incurred expenses associated with proactive vegetation management activities are designed to reduce vegetation related impacts during extreme weather events. This includes activities such as targeting dead and dying trees for removal, corridor widening, optimized cycle trimming, and off cycle targeted trimming. Reduction of vegetation impacts will lead to reductions in restoration efforts and associated costs. See also the discussion on pages 21 to 25 in the Direct Testimony of Peter W. Waldrab.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Walmart Inc.'s Initial Request for Information

Dated July 3, 2025

Case No. 2025-00114

Question No. 5

Responding Witness: Christopher M. Garrett / Peter W. Waldrab

- Q-5. Please refer to the Direct Testimony of Christopher Garrett at p. 4, lines 21-22 and explain why it is in the best interest of – and least cost for – KU and LGE customers to pay for mutual assistance from PPL Corporation affiliates located in Rhode Island and Pennsylvania versus utilities that are more geographically proximate to KU/LGE's service territories.
- A-5. The Companies source off-system resources, including affiliate resources, based primarily on their travel time. Rates for emergency response are pre-negotiated. Closer resources are engaged first, as they're able to engage in restoration efforts more quickly, and incur less travel costs. The Companies engage resident contractors, off-system contractors, peer utilities through RMAGs (regional mutual assistance groups), and corporate affiliates.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Walmart Inc.'s Initial Request for Information

Dated July 3, 2025

Case No. 2025-00114

Question No. 6

Responding Witness: Christopher M. Garrett

- Q-6. Please refer to the Direct Testimony of Christopher Garrett at p. 6, line 4 to p. 8, line 3, where the Companies discuss the benefits of a future merger of KU/LGE and quantify the "minor financial" benefits and "substantial administrative and regulatory benefits" to ratepayers of a merger.
- A-6. Per Mr. Garrett's direct testimony, Exhibit CMG-1, Page 6, the cumulative annual net savings and cost comparison in the 2022 PWC Assessment continues to be directionally reasonable. Estimated annual net savings of less than \$3 million are possible and not financially material in size. Please refer to Pages 2-3 of Exhibit CMG-1 for a description of the Regulatory efficiencies that will be achieved as part of the merger. Additionally, see the response to PSC 2-103 for a copy of the last merger study.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Walmart Inc.'s Initial Request for Information
Dated July 3, 2025**

Case No. 2025-00114

Question No. 7

Responding Witness: Robert M. Conroy

- Q-7. With respect to the request for a five-year amortization of the "Glendale Megasite," as discussed in the Direct Testimony of Christopher Garrett at p. 8, lines 14-15 and p. 14, line 13 to p. 15, line 6, please explain why these costs should be borne by all customers rather than Blue Oval.
- A-7. The Glendale Megasite regulatory asset is not applicable to LG&E.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Walmart Inc.'s Initial Request for Information

Dated July 3, 2025

Case No. 2025-00114

Question No. 8

Responding Witness: Michael E. Hornung

Q-8. Please refer to the "Extremely High Load Factor" rate schedule ("Rate EHLF") as discussed in the Direct Testimony of Michael Hornung and answer the following:

- a. Under what circumstances would Rate EHLF apply to an existing customer?
- b. For customers with multiple locations within the Companies' service territory, will the Companies aggregate the customers' load to satisfy the 100 MVA threshold?

A-8.

- a. There are no current LG&E customers that would qualify for the EHLF tariff.
- b. No.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Walmart Inc.'s Initial Request for Information
Dated July 3, 2025**

Case No. 2025-00114

Question No. 9

Responding Witness: Robert M. Conroy

- Q-9. Please confirm that the Companies' currently authorized return on equity is 9.45 percent.
- A-9. In the June 30, 2021 Order in Case No. 2020-00350, the Kentucky Public Service Commission found that a 9.425 percent ROE for LG&E's electric and gas operations was fair, just, and reasonable.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Walmart Inc.'s Initial Request for Information
Dated July 3, 2025**

Case No. 2025-00114

Question No. 10

Responding Witness: Dylan W. D'Ascendis

Q-10. Please refer to the Direct Testimony of Dylan D'Ascendis at p. 2, lines 21-23 and Table 1, p. 4; *see also* Exhibit DWD-1, pp. 1-2, where Mr. D'Ascendis supports a 10.95 percent ROE and answer the following:

- a. Identify any case(s) where a state or federal regulatory commission has authorized an ROE that was 75 basis points or higher from the ROE awarded in the Companies' prior rate cases, including in your response the applicable commission, docket number, and date of the decision.
- b. Identify any state or federal regulatory commission that has adopted the specific ROE recommended by Mr. D'Ascendis, including in your response the applicable commission, docket number, and date of the decision.

A-10.

- a. Mr. D'Ascendis has not conducted such a study.
- b. Mr. D'Ascendis is unaware of a regulatory commission that has adopted Mr. D'Ascendis' specific ROE recommendation. However, Mr. D'Ascendis' notes that on May 2, 2018, in Docket No. 2017-292-WS, concerning Carolina Water Service, Inc., the Public Service Commission accepted Mr. D'Ascendis' entire position regarding the cost of capital, authorizing an ROE within his range, but below his recommendation.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Walmart Inc.'s Initial Request for Information

Dated July 3, 2025

Case No. 2025-00114

Question No. 11

Responding Witness: Dylan W. D'Ascendis

- Q-11. Please refer to the Direct Testimony of Dylan D'Ascendis at p. 12, line 20 to p. 13, line 5 where Mr. D'Ascendis applies a "non-price regulated proxy group" and identify any state or federal regulatory commission that has expressly adopted or expressly rejected the use of a "non-price regulated proxy group," including in your response the applicable commission, docket number, and date of the decision.
- A-11. See the response to Question No. 10 part (b).

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Walmart Inc.'s Initial Request for Information
Dated July 3, 2025**

Case No. 2025-00114

Question No. 12

Responding Witness: Dylan W. D'Ascendis

- Q-12. Please explain whether Mr. D'Ascendis' ROE analysis included any consideration of the Companies' plans to pursue a merger. If not, please explain.
- A-12. Mr. D'Ascendis did not make any adjustments to his analyses or recommendations as a result of a potential merger as KU and LGE are currently separate. As noted on page 53 of Mr. D'Ascendis' Direct Testimony, "Because it is LGE's and KU's Kentucky rate base to which the overall rates of return set forth in these proceedings will be applied, they should be evaluated as stand-alone entities. To do otherwise would be discriminatory, confiscatory, and inaccurate." If KU and LGE were to merge, it would not affect the size adjustment for the gas operations, as LGE is the only entity that has gas operations. As shown on Exhibit DWD-8, page 1 of 2, the combined electric operations of KU and LGE would have an estimated market capitalization of \$10,432.748 million, which falls within the third size decile. The indicated size adjustment based on the combined electric operations of KU and LGE would be 0.15% (0.61% - 0.46%) which is larger than Mr. D'Ascendis' proposed size adjustments for KU (0.05%) and LGE's (0.10%) smaller relative size to the Electric Utility Proxy Group.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Walmart Inc.'s Initial Request for Information
Dated July 3, 2025**

Case No. 2025-00114

Question No. 13

Responding Witness: Dylan W. D'Ascendis

- Q-13. Please refer to the Direct Testimony of Dylan D'Ascendis at p. 14, lines 6-7 and explain what Mr. D'Ascendis means when he says he analyzes whether a potential proxy group has "cut" a dividend in the prior five-year period.
- A-13. Mr. D'Ascendis' use of the word "cut" means that he excluded potential proxy companies that lowered their common dividend relative to the prior common dividend.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Walmart Inc.'s Initial Request for Information

Dated July 3, 2025

Case No. 2025-00114

Question No. 14

Responding Witness: Dylan W. D'Ascendis

- Q-14. Please refer to the Direct Testimony of Dylan D'Ascendis at p. 20, lines 20-23, and explain whether Mr. D'Ascendis did anything to verify that his proxy group members, in fact, increased their dividends at different times throughout the year.
- A-14. Mr. D'Ascendis has not performed an extensive analysis of the timing of dividend increases for his proxy companies. However, a simple review of the dividend history of a sample of companies in the Natural Gas Utility Proxy Group shows that Atmos Corporation increased its dividend in Q4 2024, New Jersey Resources Corporation increased its dividend in Q3 2024, and NiSource, Inc. increased its dividend in Q1 2025. That is, the companies in the Utility Proxy Groups increase their dividend at various times throughout the year.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Walmart Inc.'s Initial Request for Information
Dated July 3, 2025**

Case No. 2025-00114

Question No. 15

Responding Witness: Dylan W. D'Ascendis

- Q-15. Please refer to the Direct Testimony of Dylan D'Ascendis at p. 40, line 24 to p. 41, line 2 and produce the source data and workpapers underlying the calculated long-term treasury rate.
- A-15. See the note 2 in Exhibit DWD-5, page 3 and Exhibit DWD-4, pages 8 and 9.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Walmart Inc.'s Initial Request for Information
Dated July 3, 2025**

Case No. 2025-00114

Question No. 16

Responding Witness: Dylan W. D'Ascendis

- Q-16. Please produce the Value Line Investment Survey identified under "Sources of Information" for Exhibit DWD-11 to the Direct Testimony of Dylan D'Ascendis.
- A-16. See pages 2 through 23 of Exhibit DWD-3.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Walmart Inc.'s Initial Request for Information
Dated July 3, 2025**

Case No. 2025-00114

Question No. 17

Responding Witness: John Bevington

- Q-17. Please refer to the Direct Testimony of Charles Schram at p. 12, lines 17-19 and explain where the two identified "economic development projects" stand in the contracting process, including whether they have signed an ESA.
- A-17. One of the projects, an expansion project with an existing customer, has executed a new contract for service and is in the process of commissioning their project. The second project has executed an engineering, procurement and construction contract with the Companies so that necessary infrastructure work can commence alongside of the customer's process of building improvement construction. A contract for electric service will be executed closer to the setting of the meter and delivery of electric service which is expected to begin in early 2026.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Walmart Inc.'s Initial Request for Information
Dated July 3, 2025**

Case No. 2025-00114

Question No. 18

Responding Witness: Christopher M. Garrett / Daniel Johnson

- Q-18. Please refer to the Direct Testimony of Daniel Johnson at p. 18, lines 14-21 and explain whether the costs stated therein assume a merger of KU/LGE. If not, please explain what, if any, impact a merger would have on these assumed costs.
- A-18. Yes, the costs stated in the Direct Testimony of Daniel Johnson at p. 18, lines 14-21 represent the estimated costs to complete the CIS project inclusive of the legal merger of KU/LGE.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Walmart Inc.'s Initial Request for Information

Dated July 3, 2025

Case No. 2025-00114

Question No. 19

Responding Witness: Daniel Johnson / Shannon L. Montgomery

- Q-19. Please refer to the Direct Testimony of Daniel Johnson at p. 17, line 1 to p. 18, line 2 and explain whether the Companies expect to have Green Button Connect My Data capabilities under the new system.
- A-19. The Companies have had Green Button Connect My Data capabilities in the system since June 2023 and expect to maintain those capabilities in the new system.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Walmart Inc.'s Initial Request for Information

Dated July 3, 2025

Case No. 2025-00114

Question No. 20

Responding Witness: Robert M. Conroy / Elizabeth J. McFarland

- Q-20. Please refer to the Direct Testimony of Elizabeth McFarland at p. 24, line 17 to p. 25, line 8 and explain what cost are being recovered directly from the customer and whether any costs are proposed to be recovered from other ratepayers.
- A-20. All costs discussed in Elizabeth McFarland's Direct Testimony at p. 24, line 17 to p. 25, line 8 are "network" in nature, meaning the facilities enhance the overall reliability of the grid and are an ultimate benefit to all users of the transmission system. Network costs are ultimately borne by the Transmission Owner and are recovered partially through the Open Access Transmission Tariff (OATT) rate, meaning customers paying the OATT rate will bear some cost through their payment for usage of the Transmission System. LG&E/KU retail customers pay for transmission's cost of service in state approved bundled retail rates.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Walmart Inc.'s Initial Request for Information
Dated July 3, 2025**

Case No. 2025-00114

Question No. 21

Responding Witness: Robert M. Conroy / Peter W. Waldrab

- Q-21. Please refer to the Direct Testimony of Peter Waldrab at p. 18, line 14 to p. 19, line 7 and explain whether these new customers are funding any of the costs identified therein. If yes, please specify in detail what costs are recovered specifically from the new customer versus what costs are recovered from other ratepayers.
- A-21. Yes, new customers are helping to recover the investment required to serve those new customers. These investments are built into the test year forecast and are socialized amongst the customers within rate classes, both new and current.