

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

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

**SUPPLEMENTAL RESPONSE OF**  
**LOUISVILLE GAS AND ELECTRIC COMPANY**  
**TO**  
**THE ATTORNEY GENERAL AND THE KENTUCKY INDUSTRIAL UTILITY**  
**CUSTOMERS' INITIAL REQUEST FOR INFORMATION**  
**DATED JULY 3, 2025**

**FILED: August 15, 2025**

**VERIFICATION**

**COMMONWEALTH OF KENTUCKY    )**

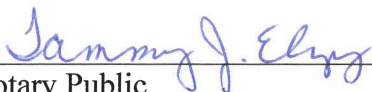
**COUNTY OF JEFFERSON                                )**

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**

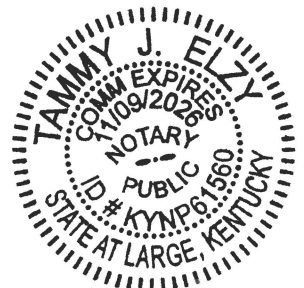
Subscribed and sworn to before me, a Notary Public in and before said County and State, this 11<sup>th</sup> day of August 2025.

  
\_\_\_\_\_  
Notary Public

Notary Public ID No. KYNP61560

My Commission Expires:

November 9, 2026



**VERIFICATION**

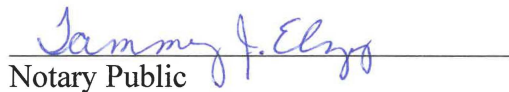
**COMMONWEALTH OF KENTUCKY** )  
 )  
**COUNTY OF JEFFERSON** )

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**

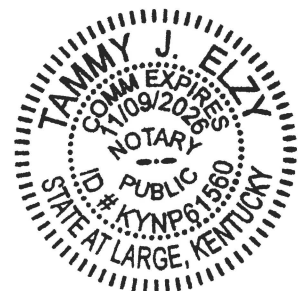
Subscribed and sworn to before me, a Notary Public in and before said County and State, this 11<sup>th</sup> day of August 2025.

  
Notary Public

Notary Public, ID No. KYNP61560

My Commission Expires:

November 9, 2026



VERIFICATION

COMMONWEALTH OF PENNSYLVANIA )

COUNTY OF LEHIGH )

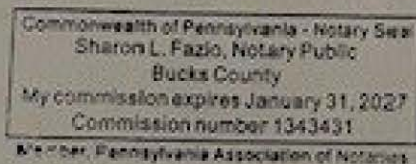
The undersigned, Vincent T. Poplaski, being duly sworn, deposes and says that he is Vice President Total Rewards for PPL Services Corporation and he provides services to Louisville Gas and Electric Company and Kentucky Utilities Company, that he has personal knowledge of the matters set forth in the foregoing response, and that the answers contained therein are true and correct to the best of his information, knowledge, and belief.

Vincent T. Poplaski

Vincent T. Poplaski (Aug 7, 2025 16:16:24 EDT)

Vincent T. Poplaski

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 8<sup>th</sup> day of August, 2025.



Sharon L. Fazio  
Notary Public

Notary Public, ID No. 1343431  
(SEAL)

My Commission Expires: 1/31/27

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Attorney General and the Kentucky Industrial Utility Customers'**

**Initial Request for Information**

**Dated July 3, 2025**

**Case No. 2025-00114**

**Question No. 70**

**Responding Witness: Drew T. McCombs / Heather D. Metts / Vincent Poplaski**

Q-70. Refer to the Payroll Analysis Attachment, page 2 of 2, to Filing Requirement Tab 60 of 807 KAR5:001 Section 16(8)(g) for LG&E. Refer further to the employee benefits amount in total and the O&M portion for the base year and the test year on lines 35-37. Refer also to the increase in the ratio of O&M labor dollars data included on lines 18-19.

- a. Explain all known reasons why the employee benefits costs for LG&E are expected to increase by \$10,076,617, or 19.81%, from the base year to the test year.
- b. Explain all known reasons why the employee benefits expenses for LG&E are expected to increase by \$7,858,916, or 23.92%, from the base year to the test year.
- c. Provide the total benefits cost by type for LGE for each of the years 2021 through 2024, 2025 to date, the base year and the test year.
- d. Provide the total benefits expense by type and by division for LGE for each of the years 2021 through 2024, 2025 to date, the base year and the test year.
- e. Explain why the ratio of O&M labor dollars to total labor dollars for this category of costs is expected to increase from 63.81% to 66.24% for LG&E from the base year to the test year.
- f. Provide the ratio of O&M labor dollars to total labor dollars for each of the years 2021 through 2024, 2025 to date, the base year and the test year. provide in total and by division.

A-70. **Original Response:**

- a. Pension, post-retirement and post-employment plans make up the majority of this increase. There were no substantial changes to benefits offered. The pension plan has been closed since 1/1/2006 and the post-retirement benefit plan were closed between 1/1/2024 and 1/1/2025

- For the pension and postretirement plans, the increase is primarily due to a lower Expected Return on Asset (EROA) projected value, which is calculated using an EROA percentage return assumption and the plans' market-related value of assets.
- Per accounting standards, management is required to review all pension assumptions on at least an annual basis. This annual process is intended to assess the various economic and actuarial assumptions to account for changing market conditions, expectations for future economic outlook and demographic experience, amongst other data points. As part of this assessment process that includes discussions with the Companies' investment consultants and actuaries, the EROA assumption was updated for the 2025 Business Plan. The update resulted in a different EROA assumption for the base year and the test year, declining by 1%.
- In addition, changes in the plans' asset base will be updated during the forecasting process. As an example, the plans' actual investment return for 2024 was 1.35% vs. the Expected Return of 8.25%. The actual return on assets lowers the asset base and lower projected EROA amounts in dollars, which in turn results in higher cost, since there is less investment income to offset the ongoing cost of the pension benefit.
- For the post-employment benefit plan, which provides medical, dental and life insurance benefits to disabled employees, the base year reflects an actual credit recorded due to a decrease in the number of employees on disability and an increase in the discount rate for the year based on year-end bond rates required to measure the obligation. For the test year, and consistent with annual budgeting, there is no amount included resulting in what would be considered an increase. However, there is no budget or projection for post-employment benefits as the obligation and activity is not material to KU's balance sheet or income statement in total. Post-employment benefits are only measured annually at December 31<sup>st</sup> and dependent on employees who either become disabled during the year or recover and are removed from the obligation, which is based on bond rates used to develop the obligation as of December 31<sup>st</sup>, due to the combined significant uncertainty and based on materiality, amounts are not forecasted.

- b. Pension, post-retirement and post-employment plans make up the majority of this increase. See the response to (a).
- c. See attachment being provided in a separate file.
- d. See attachment being provided in a separate file.
- e. These percentages will change based on the amount of labor charged to capital projects. The level of capital spending fluctuates from year to year, and the ratios for the test year are well within the ranges the Companies expect and have previously experienced.
- f. The ratios of O&M labor dollars to total labor dollars for the time periods requested are as follows:

Year	Ratio of O&M Labor Dollars to Total Labor Dollars		
	Total	Electric	Gas
2021	67.29%	66.72%	68.67%
2022	67.87%	67.16%	69.54%
2023	66.29%	65.80%	67.41%
2024	64.03%	62.99%	66.46%
2025	64.16%	64.26%	63.94%
Base Period	63.66%	62.20%	66.99%
Test Period	66.24%	64.42%	70.18%

**August 15, 2025 Supplemental Response:**

- d. Following the submission of this initial request for information, the Company identified an error in the base period labor formulas. The revisions provided include reclassifications between employee groups in actuals. See attachment being provided in a separate file.
- f. The ratios of O&M labor dollars to total labor dollars for the time periods requested are as follows:

Year	Ratio of O&M Labor Dollars to Total Labor Dollars		
	Total	Electric	Gas
2021	67.29%	66.72%	68.67%
2022	67.87%	67.16%	69.54%
2023	66.53%	65.80%	68.23%
2024	64.30%	63.00%	67.36%
2025	64.34%	64.26%	64.52%

Base Period	63.81%	62.20%	67.47%
Test Period	66.24%	64.42%	70.18%