

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)	

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

FILED: August 15, 2025

VERIFICATION

COMMONWEALTH OF PENNSYLVANIA)

COUNTY OF LEHIGH)

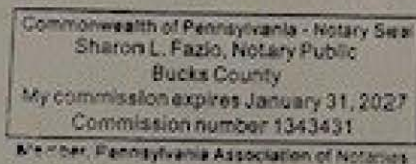
The undersigned, Vincent T. Poplaski, being duly sworn, deposes and says that he is Vice President Total Rewards for PPL Services Corporation and he provides services to Louisville Gas and Electric Company and Kentucky Utilities Company, that he has personal knowledge of the matters set forth in the 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 8th 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

**Supplemental 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. **Original Response:**

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.

August 15, 2025 Supplemental Response:

Following the submission of this initial request for information, the Company identified an error in the base period labor formulas. The revisions provided include updated electric/gas splits in the base year and reclassifications between employee groups in monthly actuals. See attachment being provided in a separate file.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Supplemental 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. **Original Response:**

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)

Healthcare Benefits

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)

2025 Healthcare Rates

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.

Dental Benefits

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.

Vision Benefits

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.

Basic Life and AD&D Insurance

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.

Employee Supplemental Life & Dependent Supplemental Life Insurance

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.

Long-Term Disability

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.

Short-Term Disability (charged to sick time)

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.

Dependent Care Reimbursement Account ("DCRA")

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.

Health Care Reimbursement Account ("HCRA")

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).

August 15, 2025 Supplemental Response:

Following the submission of this initial request for information, the Company identified an error in the base period labor formulas. The revisions provided include updated electric/gas splits in the base year and reclassifications between employee groups in monthly actuals. See attachment being provided in a separate file.

LOUISVILLE GAS AND ELECTRIC COMPANY
Supplemental 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. **Original Response:**

- 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

August 15, 2025 Supplemental Response:

- b. Following the submission of this initial request for information, the Company identified an error in the base period labor formulas. The revisions include updated electric/gas splits in the base year. Actuals did not change and the Company totals remained the same. See attachment being provided in a separate file.