

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	)	

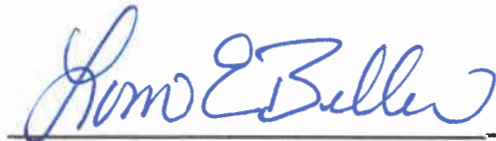
RESPONSE OF
LOUISVILLE GAS AND ELECTRIC COMPANY
TO
THE SIERRA CLUB’S POST HEARING REQUEST FOR INFORMATION
DATED NOVEMBER 12, 2025

FILED: NOVEMBER 25, 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

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 20th day of November 2025.



Notary Public

Notary Public ID No. KYNP63286

My Commission Expires:

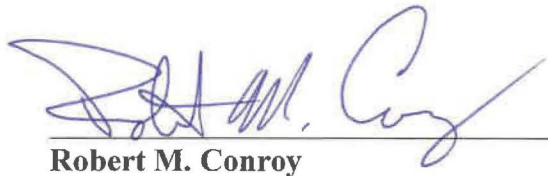
January 22, 2027



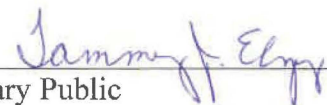
VERIFICATION

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

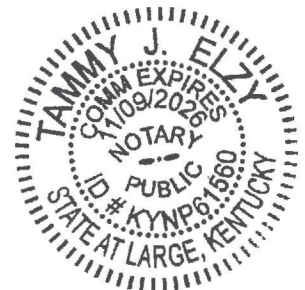
Subscribed and sworn to before me, a Notary Public in and before said County and State, this 21st day of November 2025.


Notary Public

Notary Public ID No. KYNP61560

My Commission Expires:

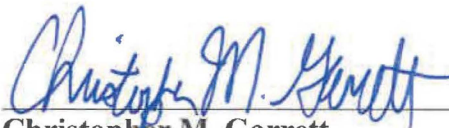
November 9, 2026



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 Vice President, Finance and Accounting, for Kentucky Utilities Company and Louisville Gas and Electric Company 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 21st day of November 2025.


Notary Public

Notary Public ID No. KYNP61560

My Commission Expires:

November 9, 2026



LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Sierra Club's Post Hearing Request for Information

Dated November 12, 2025

Case No. 2025-00114

Question No. 3-1

Responding Witness: Lonnie E. Bellar / Robert M. Conroy / Christopher M. Garrett

- Q-3-1. Refer to the Joint Supplemental Testimony of Robert Conroy and Christopher Garrett, at page 13, lines 17-20, stating that Exhibit 5 of the Supplemental Testimony, which provides a preliminary bill assessment of the requested Mill Creek 2 adjustment clause, is based on “reasonable assumptions and modeling available at this time.”
- (a) State the “reasonable assumptions” the Companies made in preparing the Mill Creek 2 adjustment clause bill analysis.
 - (b) Provide the “modeling” that the Company relied on in preparing the Mill Creek 2 adjustment clause bill analysis.
- A-3-1. See also the responses to PSC PH-5 and PH-20. Note that the Company is requesting approval only for the Adjustment Clause MC2 mechanism and deferral accounting (regulatory asset) approval of Mill Creek 2 stay-open and life extension costs incurred prior to the mechanism taking effect, as well as approval for deferral accounting needed for the mechanism to operate.¹ *The Company is not asking the Commission to find any Mill Creek 2 stay-open or life extension cost to be prudent in this proceeding.* The Commission will have the opportunity to review all actual costs recovered through Adjustment Clause MC2 and determine their prudence in the proposed annual review proceedings. Therefore, the estimated costs provided in this proceeding are just that: reasonable estimates based on the best information and assumptions the Company has now. But again, Adjustment Clause MC2 will bill customers only actual costs, not the estimates presented here, and the Commission will have the opportunity to review—and find prudent or imprudent—all such costs in later review proceedings.
- (a) Reasonable assumptions include current estimates of stay-open O&M and capital costs provided in Supplemental Testimony Exhibit 5. Additionally, the revenue requirement calculation uses the stipulated weighted average

¹ See the Joint Supplemental Testimony of Robert M. Conroy and Christopher M. Garrett of October 31, 2025 at 15 for reiteration of the deferral request originally made in Case No. 2025-00045 as part of the Stipulation in that case. That request included deferral authority beginning on the date of that Stipulation (July 29, 2025).

cost of capital and depreciation rates from Case No. 2025-00114. Lastly, the modeling incorporates current income tax and tax depreciation rates.

Note that customers will benefit from lower fuel adjustment clause costs provided by low-cost energy from Mill Creek Unit 2, which will automatically flow through to customers. These benefits are about \$3 million per year on average from 2028 through 2030, and they are not included in the preliminary bill analysis.²

- (b) Supplemental Testimony Exhibit 5 represents the modeling the Companies performed. This exhibit not only provides the revenue requirement calculation, i.e. the “model,” but also the estimated bill impacts using revenue projections for Group 1 and Group 2 customers from Case No. 2025-00114.

² Joint Supplemental Testimony of Robert M. Conroy and Christopher M. Garrett at 14 (Oct. 31, 2025).

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Sierra Club's Post Hearing Request for Information
Dated November 12, 2025**

Case No. 2025-00114

Question No. 3-2

Responding Witness: Lonnie E. Bellar / Robert M. Conroy / Christopher M. Garrett

Q-3-2. Refer to the Joint Supplemental Testimony of Robert Conroy and Christopher Garrett, at page 13, line 22, stating that the bill impact analysis in Exhibit 5 is “subject to change” and that “actual bill impacts will depend on a variety of factors.”

- (a) State which “variety of factors” customer bills will depend on under the requested Mill Creek 2 adjustment clause.
- (b) Provide the amount, in dollars and as a percentage, that the Company expects customer bills under the requested Mill Creek 2 adjustment clause may deviate from those provided in Exhibit 5.

A-3-2. See the response to Question No. 3-1. See also the response to PSC PH-5.

- (a) The most significant factors include changes in the *actual* amount or timing of Mill Creek 2 stay-open O&M and capital costs. Other factors include changes in the weighted average cost of capital, changes to the jurisdictional allocator, and changes in future revenues.
- (b) This information is not available. The Companies have provided a reasonable estimate of the bill impacts based on known information at this time as part of Supplemental Testimony Exhibit 5.

Note that customers will benefit from lower fuel adjustment clause costs provided by low-cost energy from Mill Creek Unit 2, which will automatically flow through to customers. These benefits are about \$3 million per year on average from 2028 through 2030, and they are not included in the preliminary bill analysis.³

³ Joint Supplemental Testimony of Robert M. Conroy and Christopher M. Garrett at 14 (Oct. 31, 2025).

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Sierra Club's Post Hearing Request for Information
Dated November 12, 2025**

Case No. 2025-00114

Question No. 3-3

Responding Witness: Lonnie E. Bellar

- Q-3-3. Provide a list of all “stay open” costs incurred to date as a result of the Companies’ decision to keep Mill Creek 2 open beyond the anticipated in-service date of Mill Creek 5 in mid-2027. For each such cost, include both the date and the dollar amount.
- A-3-3. See attachment being provided in a separate file.

Note that the Commission recently stated concerning extending the life of Mill Creek 2, “[E]xtending Mill Creek 2 for a short period has the potential for real upside for ratepayers and will allow LG&E/KU greater flexibility in meeting the growing needs of new customers resulting from the Commonwealth’s successful economic development efforts.”⁴ The Company incurred the costs set out above and is continuing to incur Mill Creek 2 stay-open and life extension costs to achieve that “real upside for ratepayers,” which is why receiving deferral accounting (regulatory asset) approval for such costs, as well as approval for Adjustment Clause MC2, is vitally important.

⁴ *Electronic Joint Application of Kentucky Utilities Company and Louisville Gas and Electric Company for Certificates of Public Convenience and Necessity and Site Compatibility Certificates*, Case No. 2025-00045, Order at 159 (Ky. PSC Oct. 28, 2025).

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Sierra Club's Post Hearing Request for Information
Dated November 12, 2025**

Case No. 2025-00114

Question No. 3-4

Responding Witness: Lonnie E. Bellar / Robert M. Conroy

- Q-3-4. State whether customers will be billed for Mill Creek 2 “stay open” costs incurred if Mill Creek 2 closes on its currently-approved retirement timeline, which is when Mill Creek 5 comes online, expected in mid-2027.
- A-3-4. Yes, assuming the Commission approves Adjustment Clause MC2. Importantly, it would require a significant change of circumstances for Mill Creek 2 to retire in mid-2027; the Companies’ analyses in Case No. 2025-00045 show extending the life of Mill Creek 2 to the in-service date of Mill Creek 6 in 2031 is lowest reasonable cost under current assumptions.

Also, the Companies dispute the concept of a “currently-approved retirement timeline” for Mill Creek 2. The Commission’s November 6, 2023 Order in Case No. 2022-00402 stated LG&E should not retire Mill Creek 2 any *sooner* than Mill Creek 5’s in-service date (or when other suitable replacement generation is in service if the Companies “have trouble timely constructing Mill Creek 5”).⁵ Nowhere did the Order state Mill Creek 2 must or should retire as soon as possible following Mill Creek 5’s in-service date.

⁵ *Electronic Joint Application of Kentucky Utilities Company and Louisville Gas and Electric Company for Certificates of Public Convenience and Necessity and Site Compatibility Certificates and Approval of a Demand Side Management Plan and Approval of Fossil Fuel-Fired Generation Unit Retirements*, Case No. 2022-00402, Order at 114 (Ky. PSC Nov. 6, 2023) (“LG&E/KU should also not proceed with the retirement of Mill Creek 2 until construction of Mill Creek 5 is completed.”) (emphasis original); *id.* at 171 (“LG&E/KU’s request to retire Mill Creek 1 and Mill Creek 2 should be granted, with the retirement of Mill Creek 2 conditioned on LG&E/KU constructing Mill Creek 5.”); *id.* at 176 (“Regardless, in the event LG&E/KU have trouble timely constructing Mill Creek 5, the Commission finds that given their need for adequate generation, LG&E/KU should not retire Mill Creek 2 without sufficient replacement.”); *id.* at 178 (“LG&E/KU’s request to retire Mill Creek 1 and Mill Creek 2 is approved, with the retirement of Mill Creek 2 conditioned on LG&E/KU constructing Mill Creek 5.”).

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Sierra Club's Post Hearing Request for Information
Dated November 12, 2025**

Case No. 2025-00114

Question No. 3-5

Responding Witness: Lonnie E. Bellar

- Q-3-5. Provide the total anticipated “stay open” costs the Companies expect to incur as a result of extending the life of Mill Creek 2 beyond its currently-approved retirement date. Provide all supporting calculations and workpapers that support the Companies’ total estimate.
- A-3-5. See the response to PSC PH-5. Again, note that customers will benefit from lower fuel adjustment clause costs provided by low-cost energy from Mill Creek Unit 2, which will automatically flow through to customers. These benefits are about \$3 million per year on average from 2028 through 2030, and they are not included in the preliminary bill analysis.⁶

Also, the Companies dispute the concept of a “currently-approved retirement date” for Mill Creek 2. The Commission’s November 6, 2023 Order in Case No. 2022-00402 stated LG&E should not retire Mill Creek 2 any *sooner* than Mill Creek 5’s in-service date (or when other suitable replacement generation is in service if the Companies “have trouble timely constructing Mill Creek 5”).⁷ Nowhere did the Order state Mill Creek 2 must or should retire as soon as possible following Mill Creek 5’s in-service date.

⁶ Joint Supplemental Testimony of Robert M. Conroy and Christopher M. Garrett at 14 (Oct. 31, 2025).

⁷ *Electronic Joint Application of Kentucky Utilities Company and Louisville Gas and Electric Company for Certificates of Public Convenience and Necessity and Site Compatibility Certificates and Approval of a Demand Side Management Plan and Approval of Fossil Fuel-Fired Generation Unit Retirements*, Case No. 2022-00402, Order at 114 (Ky. PSC Nov. 6, 2023) (“LG&E/KU should also not proceed with the retirement of Mill Creek 2 until construction of Mill Creek 5 is completed.”) (emphasis original); *id.* at 171 (“LG&E/KU’s request to retire Mill Creek 1 and Mill Creek 2 should be granted, with the retirement of Mill Creek 2 conditioned on LG&E/KU constructing Mill Creek 5.”); *id.* at 176 (“Regardless, in the event LG&E/KU have trouble timely constructing Mill Creek 5, the Commission finds that given their need for adequate generation, LG&E/KU should not retire Mill Creek 2 without sufficient replacement.”); *id.* at 178 (“LG&E/KU’s request to retire Mill Creek 1 and Mill Creek 2 is approved, with the retirement of Mill Creek 2 conditioned on LG&E/KU constructing Mill Creek 5.”).

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Sierra Club's Post Hearing Request for Information
Dated November 12, 2025**

Case No. 2025-00114

Question No. 3-6

Responding Witness: Lonnie E. Bellar

- Q-3-6. State whether a decision to keep Mill Creek 2 open beyond the in-service date of Mill Creek 5 will require modifications to existing air permits, an entirely new air permit, or both. For any such modification or new permit, please identify:
- (a) The permitting authority;
 - (b) The timeline for permit issuance or modification; and
 - (c) Whether the Companies have applied for the modification or new permit.
- A-3-6. The decision to keep Mill Creek 2 open beyond the in-service date of Mill Creek 5 will require LG&E to request an amendment to the existing Mill Creek 5 Title V Construction Permit.
- (a) The Louisville Metro Air Pollution Control District ("LMAPCD") is the permitting authority. LMAPCD has delegation of authority from the EPA.
 - (b) Based on conversation with LMAPCD, this specific amendment is likely to be finalized in six months to one year.
 - (c) No, the Companies have not applied for the Title V Construction Permit amendment. The Companies expect to submit the amendment in the fourth quarter of 2025.