Louisville Gas and Electric Company and Kentucky Utilities Company
Mill Creek Unit 6 – 60-Day Project Update #3
Case No. 2025-00313
July 31, 2026

Executive Summary:

In accordance with the Kentucky Public Service Commission's ("PSC") order on December 4, 2025, in Case No. 2025-00313, Louisville Gas and Electric Company and Kentucky Utilities Company ("Companies") submits the third 60-day project update report for the Mill Creek Unit 6 ("MC6") Natural Gas Combined Cycle ("NGCC") project. This report provides an update on the project expenditures, engineering, and planning associated with the MC6 project, as well as an update on economic load growth in the Companies service territory. This report covers the period from May 1, 2026, to June 30, 2026, except where otherwise noted.

The global NGCC market continues to experience elevated volatility amid unprecedented demand for electricity, driven largely by rapid growth in data centers and other high-load industrial users. The volatility in the NGCC market is reflected in the approximate 50% increase in cost between Case Nos. 2022-00402 and 2025-00045, for nearly identical NGCC units. New advance class NGCC development projects, that have not executed gas turbine reservation agreements or initiated OEM/EPC contracting efforts, are seeing overnight project costs have increased from \$2,800/kW to exceeding \$3,000/kW. This demand growth reinforces the strategic importance of NGCC assets as reliable, dispatchable generation capable of supporting round-the-clock baseload requirements that intermittent generation sources alone cannot meet. While competition from renewables and storage continues to influence market dynamics, rising load growth from economic development and large load projects including data centers is tightening capacity margins in key regions and supporting the long-term relevance of NGCC generation despite near-term pricing pressure.

Activities within the reporting period have focused on procurement of long lead equipment, execution of the power island agreement with GE Vernova ("GEV"), bidding the Engineering, Procurement, and Construction ("EPC") agreement, and supporting the Large Generator Interconnection ("Interconnection"). Because the demand for power equipment has extended the lead times on critical equipment, such as transformers, in order to maintain project schedules, such equipment has been ordered.

Current Activities:

The Companies successfully executed the Power Island ("PI") Agreement for MC6 on June 23, 2026, in conjunction with the E.W. Brown Unit 12 ("BR12") PI Agreement, with GEV.[1]

The Companies issued the EPC Request for Proposal ("RFP") on January 20, 2026, and received responses on May 29, 2026. The Companies, with the assistance of our Owners Engineer ("OE") HDR, are currently reviewing the bids to ensure compliance with the requested scope and commercial terms. The MC6 EPC RFP is being performed in conjunction with the BR12 EPC RFP to capture economies of scale, while

[1] This agreement is voluminous and contains confidential information. The Companies will provide the agreement in a supplemental filing after they have reviewed and made appropriate redactions.

ensuring the units are as similar as possible. The Companies anticipate executing the EPC Agreements in the 4Q 2026.

Total project cost is trending above the estimate included in the CPCN filing, primarily due to changing market conditions and updated commercial pricing.

Although the project cost estimate is increasing, the unit cost is expected to remain competitive relative to recent market benchmarks for comparable new generation projects, which are generally estimated to range from $3,000 to $3,200/kW. The unit cost for the MC6 project continues to compare favorably to prevailing market estimates for similar facilities. The Companies, working closely with their OE, are identifying and evaluating value engineering opportunities to control costs and mitigate the impact of current cost pressures.

The Companies submitted an Interconnection request to the Independent Transmission Organization ("ITO") on November 21, 2025. The Interconnection request was accepted by the ITO and assigned queue number LGE-CS2025-002.

Project Execution Timeline:

The work is on schedule to achieve the milestones shown in **Attachment 1**.

Financial:

Spend during the reporting period was $7.1 million, bringing the total project spend to date to $43.4 million. See **Attachment 2** for additional information.

As previously indicated, the current NGCC market remains highly volatile due to unprecedented demand for new natural gas generation from three global providers of advance class gas turbines as well as experienced EPC contractors. As a result of this volatility, the market is currently experiencing significant upward price pressures. Recent overnight indicative pricing reflects single-unit NGCC projects at $3,000/kW, with the market seeing examples in excess of $3,200/kW. The Companies are continuously monitoring the market to stay ahead of any step changes in the market.

Project Design Basis:

MC6 NGCC will consist of one natural gas-fired gas combustion turbine, a steam turbine, and one heat recovery steam generator with natural gas-fired duct burners arranged in a one-on-one single shaft configuration. Ancillary support equipment will also be installed to support the NGCC operations, including one natural gas-fired boiler (Auxiliary Boiler) rated at 95.52 million British thermal units per hour ("MMBtu/hr") or less, one pipeline fuel gas (dewpoint) heater rated at 15.66 MMBtu/hr or less, one 2.18 MW emergency generator with diesel-fired engine, one 422 horsepower emergency diesel driven fire pump, one 12-cell mechanical draft cooling tower, lube oil system demister vents, raw and demineralized water storage tanks, aqueous ammonia storage and handling equipment, and other miscellaneous infrastructure. See **Attachment 3** for the current Mill Creek 5 ("MC5") & Preliminary MC6 Site Arrangement.

Upcoming Activities:

The Companies will continue to work with GEV to advance the engineering, design, and procurement of the PI. Prior to execution of the EPC Agreement, the Companies will review preliminary submittals from GEV to maintain the project timeline.

The Companies will continue to review the response to EPC RFP and identify actionable value engineering opportunities. The current plan is to execute the MC6 EPC Agreement in the 4Q 2026, in conjunction with the BR12 EPC Agreement.

The Companies will continue to support the ITO in their review and analysis of our Interconnection request.

Economic Development:

The Economic Development pipeline is a dynamic repository of projects managed by the Economic Development, Key Accounts, and National Accounts teams. These projects include companies seeking to establish new operations in Kentucky, as well as existing companies within the LG&E and KU service territories that are considering expansions.

As part of the 2026 reporting process, it is important to note that at the beginning of each calendar year, projects are removed from the pipeline if they were marked as *announced* and placed into service during the prior year. A record of all *announced* projects is maintained through the end of each calendar year, at which point year-end results are reviewed. At the start of the subsequent year, *announced* projects that have executed a contract for service are handled as follows:

- Projects that have been placed into service are cleared from the pipeline.
- Projects that have not yet been placed into service remain active *announced* projects and continue to be tracked in the pipeline.

As stated in the previous KPSC Economic Development Bimonthly Report, as of May, there were 41 projects marked as *announced*, representing approximately 158 MW of peak demand for new and expanding operations. In the subsequent table titled "2026 Year-to-Date Stats," the team has identified 48 projects announced in 2026, representing a combined 192 MW of peak demand—an increase of 7 projects and approximately 34 MW.

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Importantly, over the period spanning much of Case No. 2025-00045 through June 29, 2026, a total of 131 projects has been marked as *announced*, representing approximately 284 MW of peak demand. Of those projects, 113 have been placed into service, accounting for approximately 177 MW of peak demand.

<u>2026 Year-to-Date Stats:</u> (as of 6/29/2026)

Stats (as of 6/29/2026)	**Inquiry** 10%	**Suspect** 20-30%	**Probability** **Prospect** 50-65%	**Imminent** 80%	**Announced** 95-100%	**Total**
# of Existing Customer Expansion projects	18	3	8	13	25	**67**
Load (kW)	38,767	3,800	23,145	43,072	133,104	**241,888**
# of New Customer or National Account projects	7	4	17	9	18	**55**
Load (kW)	503,350	525	10,070	10,040	27,438	**551,423**
# of New non-Data Center Economic Development projects	65	5	6	1	5	**82**
Load (kW)	340,700	587,000	376,100	0	32,070	**1,335,870**
# of Data Center Projects	12	8	4	5	0	**29**
Data center load (kW)	5,870,000	2,345,000	2,350,000	1,022,000	0	**11,587,000**
# of Total Opportunties (Opps)	*102*	*20*	*35*	*28*	*48*	***233***
Total load (kW) - All Opps	*6,752,817*	*2,936,325*	*2,759,315*	*1,075,112*	*192,612*	***13,716,181***

<u>Current pipeline statistics and highlights:</u>

- The 2026 pipeline includes 233 total projects, of which 48 projects totaling 192.6 MW of peak demand have been announced. Of those announced projects, 30 projects totaling 85.3 MW of peak demand have been placed into service. Additionally, 63 of the remaining 185 projects are currently in the Prospect or Imminent stage and carry an estimated 50–80% probability of success. In total, 111 projects with a probability of success greater than 50% represent a cumulative peak demand of approximately 4.2 GW.
- Data centers continue to dominate the pipeline, accounting for approximately 11.6 GW of the 13.7 GW in total identified potential demand.
- The Camp Ground Road project (525 MW, Imminent stage) continues to advance toward execution of a tenant agreement, which would enable progression to a contract for electric service. Specifically:
  - Companies are engaged in detailed discussions with the potential end user.
  - Substation construction has commenced at the project site.
- The Pineville project (360 MW, Imminent stage) has been executed with a reimbursement agreement and is now beginning discussions of execution of a tenant agreement, which would enable progression to a contract for electric service. Specifically:
  - Companies are engaged in detailed discussions with the potential end user.
  - Substation construction has commenced at the project site.

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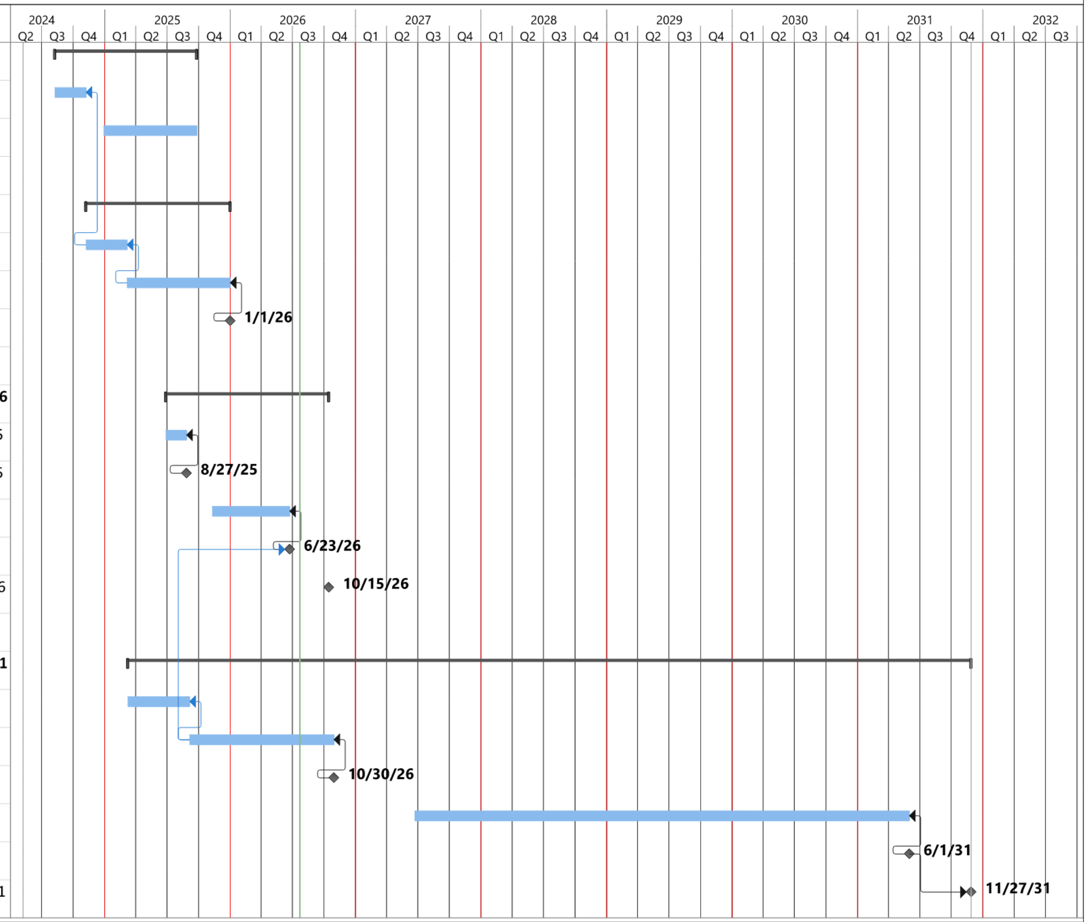
Attachment 1 – Project Execution Timeline

MC6 Development Timeline

ID	Task Name	Duration	Start	Finish
1	**Project Development**	**413 days**	**Fri 8/9/24**	**Thu 9/25/25**
2	Feasibility Study	3 mons	Fri 8/9/24	Thu 11/7/24
3	Conceptual Design	9.03 mons	Sun 12/29/24	Thu 9/25/25
4				
5	**2025 CPCN Filing**	**420 days**	**Thu 11/7/24**	**Thu 1/1/26**
6	Development	4 mons	Thu 11/7/24	Fri 3/7/25
7	PSC Review	10 mons	Fri 3/7/25	Thu 1/1/26
8	Approval (No Later Than)	0 days	Thu 1/1/26	Thu 1/1/26
9				
10	**OEM - Power Island**	**474 days**	**Sat 6/28/25**	**Thu 10/15/26**
11	Negotiate GT & Generator Reservation (GE)	2 mons	Sat 6/28/25	Wed 8/27/25
12	Execute GT & Generator Reservation	0 days	Wed 8/27/25	Wed 8/27/25
13	Negotiate & Refresh Balance of OEM Scope	7.5 mons	Mon 11/10/25	Tue 6/23/26
14	Execute LNTP/FNTP for Power Island	0 days	Tue 6/23/26	Tue 6/23/26
15	GE Reservation Agreement End Date	0 days	Thu 10/15/26	Thu 10/15/26
16				
17	**EPC - BOP & Construction**	**2455 days**	**Sun 3/9/25**	**Thu 11/27/31**
18	RFP development	6 mons	Sun 3/9/25	Fri 9/5/25
19	RFP Process	14 mons	Fri 9/5/25	Fri 10/30/26
20	Execute EPC Agreement (FNTP)	0 days	Fri 10/30/26	Fri 10/30/26
21	Construction	48 mons	Tue 6/22/27	Sun 6/1/31
22	Guaranteed Commercial Operation	0 days	Sun 6/1/31	Sun 6/1/31
23	Guaranteed Final Completion	0 days	Thu 11/27/31	Thu 11/27/31



Project: MC6 Development Tim
Date: Thu 7/23/26

Task	Project Summary	Manual Task	Start-only	Deadline
Split	Inactive Task	Duration-only	Finish-only	Progress
Milestone	Inactive Milestone	Manual Summary Rollup	External Tasks	Manual Progress
Summary	Inactive Summary	Manual Summary	External Milestone	

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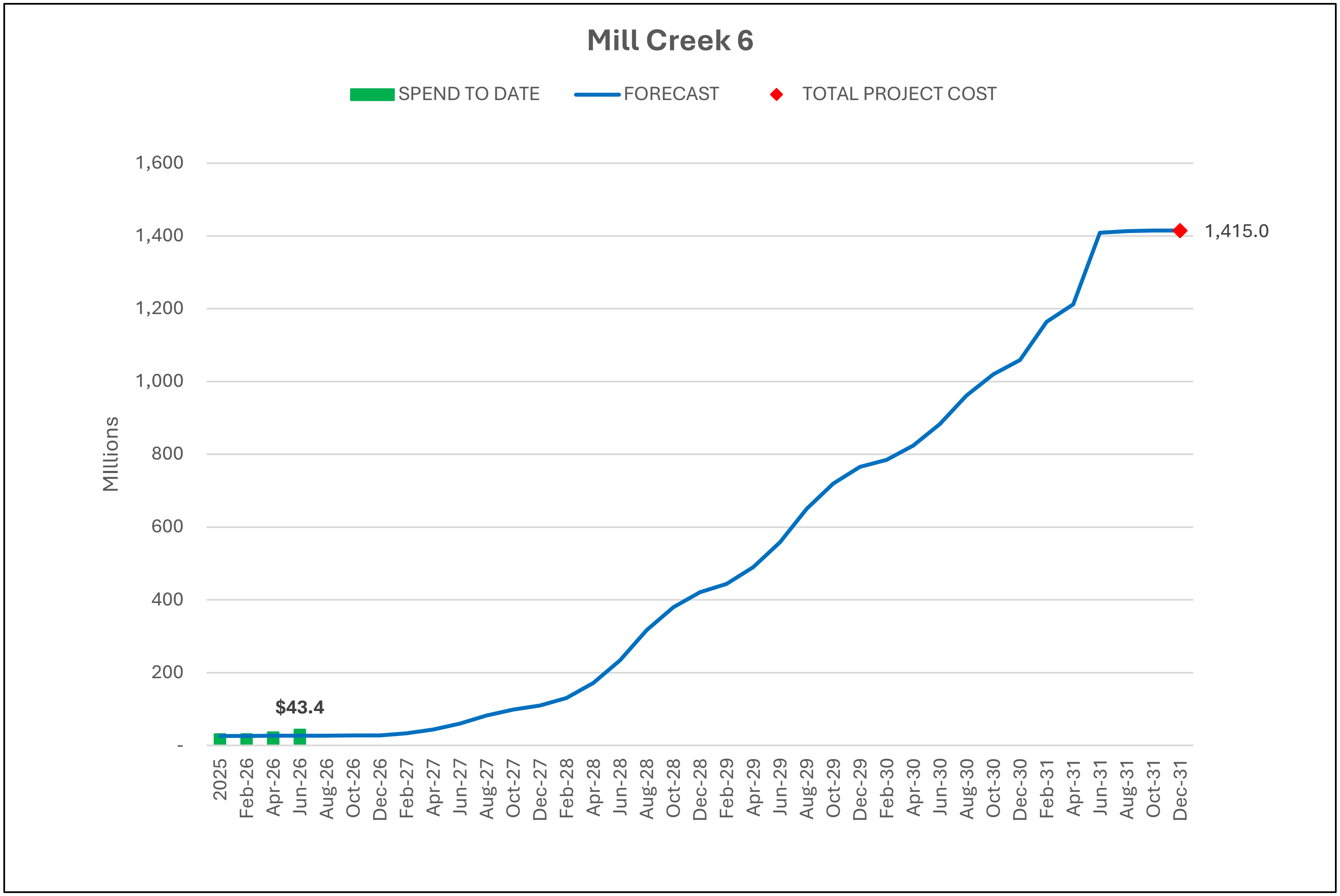
Attachment 2 – Project Financials



Attachment 3 – MC5 & Preliminary MC6 Site Arrangement