

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

In the Matter of:

**ELECTRONIC JOINT APPLICATION OF)
KENTUCKY UTILITIES COMPANY AND)
LOUISVILLE GAS AND ELECTRIC)
COMPANY FOR APPROVAL OF MERGER)** **CASE NO. 2026-00077**

DIRECT TESTIMONY AND EXHIBIT OF

SAMUEL C. PATTON

ON BEHALF OF

WALMART INC.

JUNE 8, 2026

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Exhibits:

Exhibit SCP-1: Witness Qualifications Statement

1 **I. Introduction**

2 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND**
3 **OCCUPATION.**

4 A. My name is Samuel C. Patton. My business address is 814 Respect Drive,
5 Bentonville, AR 72716. I am employed by Walmart Inc. ("Walmart") as Manager,
6 Utility Partnerships.

7 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS DOCKET?**

8 A. I am testifying on behalf of Walmart.

9 **Q. PLEASE DESCRIBE YOUR EDUCATION AND EXPERIENCE.**

10 A. My professional experience encompasses six years within the utility and energy
11 industries, specifically focusing on the areas of utility field operations management
12 and strategic corporate energy management. Prior to my employment with
13 Walmart, I served as a Field Operations Supervisor II for Southern California Gas
14 Company (SoCalGas) in Oxnard, California, where I was responsible for
15 overseeing and directing utility field operations. I joined Walmart in June 2025 as
16 Manager, Utility Partnerships. Regarding my academic and professional
17 credentials, I completed a Bachelor of Science in Management from the University
18 of Phoenix in 2025, and I am currently pursuing an Executive Master of Business
19 Administration through Quantic School of Business and Technology. Additionally,
20 I hold the professional designation of Project Management Professional (PMP)
21 from the Project Management Institute. My Witness Qualifications Statement is
22 attached hereto as Exhibit SCP-1.

1 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THE**
2 **KENTUCKY PUBLIC SERVICE COMMISSION ("COMMISSION")?**

3 A. No.

4 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE OTHER**
5 **STATE REGULATORY COMMISSIONS?**

6 A. No.

7 **Q. ARE YOU SPONSORING EXHIBITS IN YOUR TESTIMONY?**

8 A. Yes. I am sponsoring the exhibit listed in the Table of Contents.

9 **Q. PLEASE BRIEFLY DESCRIBE WALMART'S OPERATIONS IN**
10 **KENTUCKY.**

11 A. As shown on Walmart's website, Walmart operates 101 retail units, 3 supply chain
12 facilities, and employs over 31,000 associates in Kentucky. In fiscal year ending
13 2026, Walmart purchased approximately \$1 billion of goods and services from
14 Kentucky-based suppliers, supporting over 46,000 supplier jobs.¹

15

16 **II. Purpose of Testimony and Summary of Recommendations**

17 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

18 A. The purpose of my testimony is to respond to the *Application of Kentucky Utilities*
19 *Company and Louisville Gas and Electric Company for Approval of Merger* filed
20 March 31, 2026 ("Application"), along with supporting testimony, by which
21 Kentucky Utilities Company ("KU") and Louisville Gas & Electric Company

¹ <https://corporate.walmart.com/about/location-facts/united-states/kentucky>

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1 ("LG&E") (collectively, "Companies") propose to merge LG&E and KU into a
2 single utility with LG&E as the formal surviving entity. I also provide Walmart's
3 recommendations to assist the Commission in its assessment of the Companies'
4 Application.

5 **Q. WHY HAVE THE COMPANIES PROPOSED A MERGER AT THIS TIME?**

6 A. For the last several years, the Commission has asked the Companies to study
7 whether a merger would benefit customers.² In the prior merger studies, the
8 Companies' analysis has confirmed what the Commission long-suspected; namely,
9 that a merger would create accounting and regulatory efficiencies.³ That same prior
10 analysis also showed, however, that the costs to merge would exceed the benefits
11 gained.⁴ One of the primary hurdles to merging in the past has been the costs of
12 merging the Companies' separate information technology ("IT") systems.⁵

13 Due to the broader need to update IT systems within not just LG&E and
14 KU, but also at PPL Corporation ("PPL"), the ultimate corporate parent, and related
15 subsidiaries, the Companies state that there is currently a window of time where
16 pursuing the Merger will be beneficial to customers.⁶

² See Direct Testimony of Robert Conroy ("Conroy Direct") p. 2, line 14 to p. 3, line 5.

³ *Id.* at 3, lines 6-9.

⁴ *Id.*

⁵ *Id.* at 5, lines 14-19.

⁶ *Id.* at 5, line 19 to p. 6, line 4.

1 **Q. WILL THE MERGER RESULT IN INCREASED RATES TO**
2 **CUSTOMERS?**

3 A. Yes, for some customers. According to the Companies, they will need to update
4 their depreciation rates because of the merger, and they have requested approval of
5 unified depreciation rates in this case.⁷ Although the Companies have not yet
6 provided a copy of their updated depreciation study, they have stated in discovery
7 that the impact is anticipated to be "minimal" and will likely involve some
8 customers seeing lower rates and other customers slightly higher rates.⁸

9 Aside from the change in depreciation rates, the Companies are not
10 proposing other rate changes in this case. Instead, it appears the Companies will
11 address other rate changes, including unifying rates as between KU and LG&E in
12 a future rate case or cases.⁹

13 **Q. IS WALMART CONCERNED WITH THE FUTURE IMPACTS**
14 **ASSOCIATED WITH UNIFYING RATES POST-MERGER?**

15 A. Potentially, however, that is a matter best addressed in the Companies' next base
16 rate case. In that proceeding, Walmart expects the Companies to – as they said they
17 would in discovery – to be mindful of the impacts of substantial rate increases,
18 employing gradualism as appropriate.¹⁰ Walmart looks forward to addressing issues
19 related to unifying rates in the Companies' next base rate case post-Merger.

⁷ See Application, ¶ 5, p. 16; Direct Testimony of Christopher M. Garrett, p. 11, lines 10-17.

⁸ See Companies' Response to Staff's First Request for Information Question No. 5; Walmart Supplemental Requests for Information Question No. 5.

⁹ See Walmart Supplemental Requests for Information Question No. 4.

¹⁰ See *id.*

1 **Q. WHAT IS WALMART'S GENERAL POSITION ON THE PROPOSED**
2 **MERGER?**

3 A. Walmart generally supports the Merger because it will result in operational and
4 regulatory efficiencies that benefit all other customers, the Commission, and
5 Walmart. As a practical matter, although there are differences in the rates charged
6 by LG&E and KU, Walmart presently engages with LG&E and KU as if they were
7 a single utility. A merger would merely formalize what is already happening in
8 practice. From a regulatory standpoint, however, Walmart expends significantly
9 more cost to be active in regulatory proceedings before this Commission due to
10 LG&E's and KU's need to file separate matters. Were LG&E and KU to merge,
11 Walmart anticipates regulatory savings in its own costs associated with its
12 regulatory participation. Moreover, it would result in more administratively
13 efficient proceedings for all parties involved, including the Commission.

14 **Q. PLEASE SUMMARIZE WALMART'S RECOMMENDATIONS TO THE**
15 **COMMISSION.**

16 A. Walmart recommends the Commission approve the Merger.

17 **Q. DOES THE FACT THAT YOU MAY NOT ADDRESS AN ISSUE OR**
18 **POSITION ADVOCATED BY THE COMPANIES INDICATE**
19 **WALMART'S SUPPORT?**

20 A. No. The fact that an issue is not addressed herein or in related filings should not be
21 construed as an endorsement of, agreement with, or consent to any filed position.

1 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

2 A. Yes.

VERIFICATION

In the Matter of:

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KENTUCKY UTILITIES COMPANY AND)
LOUISVILLE GAS AND ELECTRIC)
COMPANY FOR APPROVAL OF MERGER)

STATE OF ARKANSAS)
)
COUNTY OF BENTON)

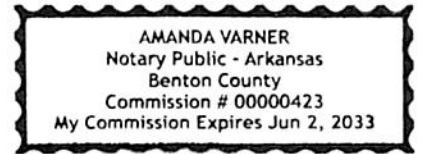
The undersigned, Samuel C. Patton, being duly sworn, deposes and says that he is Manager, Utility Partnerships for Walmart Inc., and that he has personal knowledge of the matters set forth in the foregoing testimony, and that the answers contained herein are true and correct to the best of his information, knowledge, and belief.

[Handwritten signature of Samuel C. Patton]
Samuel C. Patton

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 4th day of June 2026.

[Handwritten signature of Amanda Varner] (SEAL)
Notary Public

My Commission Expires: 06/02/2033



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**EXHIBIT SCP-1 OF
SAMUEL C. PATTON
ON BEHALF OF
WALMART INC.**

Samuel C. Patton

Walmart Inc.
Business Address: 814 Respect Drive, Bentonville, AR, 72716

EXPERIENCE

June 2025 – Present

Walmart Inc., Bentonville, AR
Manager, Utility Partnerships

July 2020 – June 2025

Southern California Gas Company (SoCalGas), Oxnard, CA
Field Operations Supervisor II (February 2022 – June 2025)
Energy Technician Residential (July 2020 – February 2022)

September 2013 – July 2020

Bay City Fab, Ventura, CA
Head of Operations (August 2017 – July 2020)
Foreman (January 2015 – August 2017)
Welder (September 2013 – January 2015)

EDUCATION

2026 – Present	Quantic School of Business and Technology	Executive MBA
2024 – 2025	University of Phoenix	B.S., Management (Summa Cum Laude)
2021 – 2024	University of Massachusetts Global	Undergrad Coursework, Business Administration
2012 – 2013	Ventura College	Undergrad Coursework, General Education

CERTIFICATIONS AND QUALIFICATIONS

2026	New Mexico State University	“The Basics” Practical Regulatory Training for the Electric Industry
2024	Project Management Institute	Project Management Professional (PMP)
2024	Occupational Safety and Health Administration (OSHA)	OSHA 30 Hour construction Industry Outreach
2022	Federal Emergency Management Agency (FEMA)	FEMA Incident Command System 100 & 200
2013	American Welding Society	Certified Structural Arc Welder, All Positions, Unlimited Thickness
2012	California Department of Education	State Seal of Biliteracy (English & Spanish)

ENERGY INDUSTRY PUBLICATIONS AND PRESENTATIONS

Presenter, Southern California Gas Company, Southern California Gas Company Employee Safety Congress, Irvine, California, June 2024.

Presenter, Southern California Gas Company, Southern California Gas Company Employee Safety Congress, Downey, California, June 2023.