

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

RESPONSE OF
KENTUCKY UTILITIES COMPANY
AND
LOUISVILLE GAS AND ELECTRIC COMPANY
TO
WALMART'S SUPPLEMENTAL REQUEST FOR INFORMATION


DATED MAY 22, 2026

FILED: MAY 29, 2026

VERIFICATION

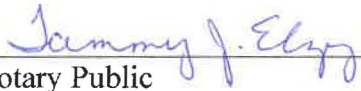
COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

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 27th day of May 2026.



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 of Financial Strategy and Chief Risk Officer 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 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

Christopher M. Garrett

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 26th day of May 2026.

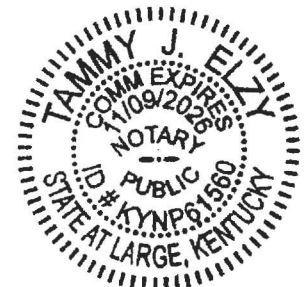
Tammy J. Ely

Notary Public

Notary Public ID No. KYNP61560

My Commission Expires:

November 9, 2026



**KENTUCKY UTILITIES COMPANY
AND
LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Walmart's Supplemental Request for Information
Dated May 22, 2026**

Case No. 2026-00077

Question No. 1

Responding Witness: Robert M. Conroy

- Q-1. Please provide the Companies' initial and revised responses to all formal or informal requests for information made by any party to this proceeding when that response is provided to the requesting party, including any responses already provided to any party.
- A-1. The Companies have filed electronic documents (testimony, exhibits, and workpapers) that support the Joint Application in this case before the Commission. The Commission issued a letter on April 3, 2026 that accepted the Joint Application as filed on March 31, 2026. Under 807 KAR 5:001 Section 8, the Companies requested, and the Commission approved, the use of electronic filing procedures in this proceeding. On May 19, 2026, Walmart consented to the use of those procedures. All documents are filed electronically and provided to all parties of record.

**KENTUCKY UTILITIES COMPANY
AND
LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Walmart's Supplemental Request for Information
Dated May 22, 2026**

Case No. 2026-00077

Question No. 2

Responding Witness: Robert M. Conroy

- Q-2. To the extent the Companies file corrections, revisions, amendments, supplemental information, and/or errata to its originally filed case, please provide all updated materials including the Companies' testimony, exhibits, schedules, workpapers and models.
- A-2. See the response to Question No. 1.

**KENTUCKY UTILITIES COMPANY
AND
LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Walmart's Supplemental Request for Information
Dated May 22, 2026**

Case No. 2026-00077

Question No. 3

Responding Witness: Robert M. Conroy

- Q-3. Please provide all workpapers in electronic spreadsheet format with formulas intact, where available, supporting each of the figures, tables, and exhibits accompanying the Companies' filing and supporting testimony.

- A-3. There are no specific workpapers in electronic spreadsheet format for the figures, tables and exhibits contained in the Companies' application filing. See the response to Question No. 1.

**KENTUCKY UTILITIES COMPANY
AND
LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Walmart's Supplemental Request for Information
Dated May 1, 2026**

Case No. 2026-00077

Question No. 4

Responding Witness: Robert M. Conroy

- Q-4. Please refer to the Companies' Response to Commission Staff's First Requests for Information Question No. 3 and the Attorney General's Initial Request for Information Question No. 11 and answer the following:
- a. Do the Companies envision that they would seek to unify rates for existing customers in a single base rate case, or over a series of base rate cases?
 - b. Please explain how the Companies' will ensure that unifying rates for existing customers will be consistent with principles of gradualism?
 - c. Have the Companies considered closing existing rate schedules to new customers but allowing existing customers to continue on KU's existing rate schedules and gradually converging rates over time?
 - d. In seeking to unify rates, in light of KU's larger plant-in-service balance, do the Companies' expect rates for LG&E's current customers to increase? Please explain your response to this question, specifying whether your response applies to base rates, riders, or both.
- A-4.
- a. The Companies have not made a determination yet and likely will not until they have a completed combined company class cost of study that can help inform this decision. The Companies will consider whether any base rates can be unified at once or over a series of rate cases (to allow for gradualism), as it is possible that some rates might be close enough that unification in one case is reasonable while other rates might be unified over a series of rate cases.
 - b. See the responses to parts a, c, and d. Because gradualism is not a formulaic concept but rather a matter of judgment, the Companies will seek to unify rates in a way that appropriately balances gradualism with the increased

efficiencies of unified rates. Gradualism considerations will include both rate increase percentages and bill impacts.

- c. No. Doing so would be unnecessary to gradually converge rates over time (if gradualism reasonably required converging rates over time versus a single rate case). It would also be contrary to the primary purpose of the merger, namely to achieve increased efficiencies.
- d. See the response and attachment to AG 1-12.¹ The response includes important caveats concerning the analysis presented in the attachment, but it nonetheless suggests that equalizing the Companies' base rates (compared to the Commission-approved rates for each utility) would result in a relatively small total net LG&E base rate increase (about 0.7%) using the most recent base rate case test year notwithstanding KU's much larger plant-in-service balance. The analysis further suggests that unifying base rates would affect each LG&E electric rate class differently, with some *decreasing* rather than increasing.² Thus, absent an increase in revenue requirement in a future rate case to harmonize base rates, it is reasonable to expect that some LG&E base rates will be higher and some will be lower post-unification than they would be if the Companies did not merge; not all LG&E base rates will be higher due to KU's higher plant-in-service balance.

The Companies have not performed a similar analysis for their cost recovery mechanisms.

¹ Note that the Companies recently filed a corrected analysis in response to AG 1-12.

² For example, for the major base rate classes the attachment suggests a decrease for LG&E Rate RS residential customers of about 0.2%, an increase for Rate GS customers of about 5.1%, an increase for Rate PS customers of about 2.7%, a decrease for Rates TODS and TODP customers of about 2.4%, and an increase for Rate RTS customers of about 2.7%.

**KENTUCKY UTILITIES COMPANY
AND
LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Walmart's Supplemental Request for Information
Dated May 22, 2026**

Case No. 2026-00077

Question No. 5

Responding Witness: Christopher M. Garrett

Q-5. Please refer to the Companies' Response to Commission Staff's First Requests for Information Question No. 5 and answer the following:

- a. Please quantify what a "minimal impact" on customer bills means in the context of the Companies' response to subpart b?
- b. Does the unified depreciation rates mean that rates for LG&E customers will increase and KU will decrease? Please explain your response.

A-5.

- a. The only impact to customers from a rates perspective as a result of the change in depreciation rates post-merger until new base rates are reset will be the associated impact on capital expenditures included in the ECR and DSM mechanisms. Accordingly, the depreciation rate changes shown in the Attachment to AG 2-6 should result in minimal impact on customer bills given depreciation expense is less than 1% lower on a combined company basis.
- b. See attachment provided in response to AG 2-6 for a comparison of the depreciation rate impacts by company and in total. In certain cases, such as Trimble County 2 boiler plant (plant account 312), KU customers will experience an increase in depreciation expense and LG&E customers will experience a decrease in depreciation expense.