

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF KENTUCKY)	
UTILITIES COMPANY, LOUISVILLE GAS)	
AND ELECTRIC COMPANY, DUKE)	
ENERGY KENTUCKY, INC., EAST)	
KENTUCKY POWER COOPERATIVE,)	CASE NO: 2026-00143
INC., DELTA NATURAL GAS COMPANY,)	
INC., ATMOS ENERGY CORPORATION,)	
AND KENTUCKY POWER COMPANY)	
FOR AN ORDER APPROVING THE)	
ESTABLISHMENT OF REGULATORY)	
ASSETS)	

JOINT APPLICATION

Kentucky Utilities Company (“KU”), Louisville Gas and Electric Company (“LG&E”); Duke Energy Kentucky, Inc. (“Duke Energy Kentucky”), East Kentucky Power Cooperative, Inc. (“EKPC”), Delta Natural Gas Company, Inc. (“Delta”), Atmos Energy Corporation (“Atmos”), and Kentucky Power Company (“Kentucky Power”) (collectively, the “Applicants”) respectfully apply to the Kentucky Public Service Commission (“Commission”), pursuant to KRS 278.220, for an order authorizing the Applicants to each establish regulatory assets to account for each utility’s expenses incurred to comply with new statutory obligations in KRS 278.130 raising the assessment amount on public utilities for the maintenance of the Commission from no more than two mills on intrastate receipts to a fixed amount of 0.23% of intrastate receipts.

In support of this Joint Application, the Applicants respectfully state:

Parties

1. Applicant KU's full name and business address are: Kentucky Utilities Company, One Quality Street, Lexington, Kentucky 40507. KU's mailing address is Kentucky Utilities Company c/o Louisville Gas and Electric Company, 2701 Eastpoint Parkway, Louisville, Kentucky 40223. KU is a public utility, as defined in KRS 278.010(3)(a), engaged in the electric business. Its rates and services are regulated by the Commission pursuant to Chapter 278 of the Kentucky Revised Statutes. KU is incorporated in the Commonwealth of Kentucky and the Commonwealth of Virginia, and attests it is in good corporate standing in both states. KU was incorporated in Kentucky on August 17, 1912, and in Virginia on November 26, 1991.

2. Applicant LG&E's full name and business address are: Louisville Gas and Electric Company, 820 W Broadway, Louisville, Kentucky 40202. LG&E's mailing address is Louisville Gas and Electric Company, 2701 Eastpoint Parkway, Louisville, Kentucky 40223. LG&E is a public utility, as defined in KRS 278.010(3)(a), engaged in the electric and gas business. LG&E is incorporated in the Commonwealth of Kentucky, and states it is in good corporate standing. LG&E was incorporated in Kentucky on July 2, 1913.

3. Applicant Duke Energy Kentucky's full name and business address are: Duke Energy Kentucky, Inc., 139 East Fourth Street, Cincinnati, Ohio 45202. Duke Energy Kentucky's local office in Kentucky is Duke Energy Erlanger Ops Center, 1262 Cox Road, Erlanger, Kentucky 41018. Duke Energy Kentucky is a public utility, as defined in KRS 278.010(3)(a), engaged in the electric and gas business. Its rates and services are regulated by the Commission pursuant to Chapter 278 of the Kentucky Revised Statutes. Duke Energy Kentucky is incorporated in the

Commonwealth of Kentucky, and states it is in good corporate standing. Duke Energy Kentucky was incorporated in Kentucky on March 20, 1901.

4. Applicant EKPC's full name and business address are: East Kentucky Power Cooperative, Inc., 4775 Lexington Rd., Winchester, Kentucky 40391. EKPC is a public utility, as defined in KRS 278.010(3)(a), engaged in the electric business. Its rates and services are regulated by the Commission pursuant to Chapter 278 of the Kentucky Revised Statutes. EKPC is incorporated in the Commonwealth of Kentucky, and states it is in good corporate standing. EKPC was incorporated in Kentucky on July 9, 1941.

5. Applicant Delta's full name and business address are: Delta Natural Gas Company, Inc., 3617 Lexington Rd. Winchester, Kentucky 40391. Delta is a public utility, as defined in KRS 278.010(3)(a), engaged in the gas business. Its rates and services are regulated by the Commission pursuant to Chapter 278 of the Kentucky Revised Statutes. Delta is incorporated in the Commonwealth of Kentucky, and states it is in good corporate standing. Delta was incorporated in Kentucky on October 7, 1949.

6. Applicant Atmos's full name and business address are: Atmos Energy Corporation, 5430 LBJ Freeway, Suite 160, Dallas, Texas 75240. Atmos is a public utility, as defined in KRS 278.010(3)(a), engaged in the gas business. Its rates and services are regulated by the Commission pursuant to Chapter 278 of the Kentucky Revised Statutes. Atmos was incorporated in Texas on February 6, 1981. Atmos is a foreign corporation in good standing to operate in Kentucky.

7. Applicant Kentucky Power's full name and business address are: Kentucky Power Company, 1645 Winchester Avenue, Ashland, Kentucky 41101. Kentucky Power is a public utility, as defined in KRS 278.010(3)(a), engaged in the provision of electric service to retail and wholesale customers in Kentucky. Its rates and services are regulated by the Commission pursuant

to Chapter 278 of the Kentucky Revised Statutes. Kentucky Power is incorporated in the Commonwealth of Kentucky, and states it is in good corporate standing. Kentucky Power was incorporated in Kentucky on July 21, 1919.

8. This Joint Application is filed pursuant to KRS 278.220, which authorizes the Commission to prescribe the accounting to be used by any public utility subject to its jurisdiction. The Commission requires the Applicants to use and follow the Uniform System of Accounts (“USoA”) as promulgated by the Federal Energy Regulatory Commission.

9. Communications regarding this Joint Application should be addressed to:

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House Bill 757

10. On February 25, 2026, House Bill 757 was introduced in the Kentucky legislature. It was a comprehensive revenue and tax-related bill that included multiple amendments to state tax codes, excise taxes, and reporting requirements, with emergency and retroactive provisions. After going through the legislative process, including amendments, it ultimately became law on April 14, 2026.

11. The new law amended KRS 278.130 to increase the assessments on public utilities for the maintenance of the Commission from no more than two mills on intrastate receipts to a fixed amount of 0.23% of intrastate receipts. *See* Section 104 of House Bill 757.

12. Notably, the new law did not alter section 3 of KRS 278.130 which states that:

The commission, upon application by a utility, shall authorize the utility to adjust its rates to recover, within not more than one (1) year, any change in the annual assessment and any costs imposed by commission order for the fees and expenses of consultants. The application, and any hearing or other proceedings thereon, shall be limited to the amount of such adjustment.

13. The revisions to KRS 278.130 are set to take effect on or about July 15, 2026.

The Amount to be Accumulated and Deferred

14. The Applicants each seek authorization from the Commission to accumulate and defer for review and recovery in their respective next base rate proceedings the amounts above what is currently embedded in each utility's base rates associated with the expenses incurred related to Applicants' payment of the increased assessment. **Exhibit 1** to the Application shows the current annual estimate of these increased costs as compared to the amount currently included in base rates for each of the Applicants.

15. The Commission has traditionally approved expenses to be deferred as regulatory assets in the event one of the following four criteria has been met: (1) an extraordinary nonrecurring expenses which could not have reasonably been anticipated or included in the utility's planning; (2) an expense resulting from a statutory or administrative directive; (3) an expense in relation to an industry sponsored initiative; or (4) an extraordinary nonrecurring expense that over time will result in a savings that fully offsets the costs.

16. The costs to the Applicants associated with the increased assessment payments mandated by revised KRS 278.130 clearly fall within the category of "an expense resulting from a statutory or administrative directive"¹ and warrant regulatory asset treatment.

17. The costs associated with the Applicants' increased assessment payments that would not have been incurred but for statutory directive are still being calculated at the time of this filing and will necessarily continue to be estimates until the Commission's invoice is received. This Application therefore includes the Applicants' best current high-level estimates of annual increased costs. The Applicants will update the estimates to actual amounts when actual costs are known and will file the actual amounts with the Commission when including such costs in their respective base rate cases when such cases are filed.

18. If approved, each year until an Applicant files a base rate case, the Applicants will defer the difference between the actual expenses incurred related to payments to the Commission and the amounts included in its base rates. These deferred costs will accumulate and be held in

¹ The Commission has authorized regulatory asset treatment for expenses that arise out of statutory or administrative directives. See *Joint Application of Duke Energy Kentucky, Inc., Kentucky Power Company, Kentucky Utilities Company and Louisville Gas and Electric Company for an Order Approving Accounting Practices to Establish Regulatory Assets and Liabilities Related to Certain Payments Made to Carbon Management Research Group and the Kentucky Consortium for Carbon Storage*, Case No. 2008, Order (Ky. PSC Oct. 30, 2008) (authorizing establishing regulatory assets and liabilities related to utilities' payments to the Carbon Management Research Group and the Kentucky Consortium for Carbon Storage- groups established in response to Section 53 of House Bill 1 of the 2007 General Assembly).

separate regulatory asset accounts until such time as the Commission considers them in future rate proceedings.

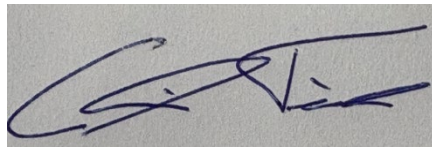
WHEREFORE, the Applicants respectfully request that the Commission issue an order granting each the authority to:

1. Accumulate and defer for future recovery the actual amounts, and accruals for estimated amounts until actual costs can be determined, of assessment amounts paid by the Applicants pursuant to KRS 278.130; and

2. That the Commission issue an order determining that the actual amount of the regulatory assets herein that is to be amortized and included in rates shall be determined in the next base rate case for each of the Applicants.

Dated: May 29, 2026

Respectfully submitted,



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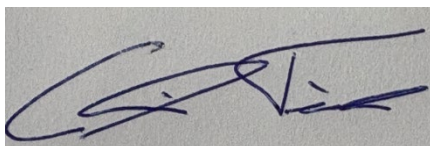


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CERTIFICATE OF COMPLIANCE

In accordance with the Commission's Order of July 22, 2021 in Case No. 2020-00085 (Electronic Emergency Docket Related to the Novel Coronavirus COVID-19), this is to certify that the electronic filing has been transmitted to the Commission on May 29, 2026; and that there are currently no parties in this proceeding that the Commission has executed from participation by electronic means.

A handwritten signature in blue ink, appearing to be 'G. A. [unclear]', is written over a horizontal line.

*Counsel for Kentucky Utilities Company
and Louisville Gas and Electric Company*

Joint Applicants
Case No. 2026-00143
Application Exhibit 1

	(1)	(2)	(3)	(4) = (2) - (3)
	2025 Assessed	PSC Assessment	Level of PSC Fee	Amount in Excess
	Revenues	at 0.23%	Embedded in Base	of Base Rates
	Revenues	at 0.23%	Rates	of Base Rates
Kentucky Utilities	\$ 1,918,967,324	\$ 4,413,625	\$ 3,148,383	\$ 1,265,242
Louisville Gas and Electric - Electric	1,290,723,890	2,968,665	2,038,549	930,116
Louisville Gas and Electric - Gas	415,066,304	954,652	684,283	270,369
Duke Energy Kentucky - Electric	498,840,195	1,147,332	773,467	373,865
Duke Energy Kentucky - Gas	149,467,731	343,776	259,095	84,681
East Kentucky Power Cooperative	1,167,655,448	2,685,608	1,758,528	927,080
Delta Natural Gas Company	66,431,686	152,793	105,959	46,834
Atmos Energy Kentucky	202,042,082	464,697	291,875	172,822
Kentucky Power Company	669,178,172	1,539,110	1,067,339	471,771