

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY	)	
UTILITIES COMPANY AND LOUISVILLE GAS	)	CASE NO.
AND ELECTRIC COMPANY FOR AN ORDER	)	2024-00181
APPROVING THE ESTABLISHMENT OF	)	
REGULATORY ASSETS	)	

ORDER

On June 14, 2024, Kentucky Utilities Company (KU) and Louisville Gas and Electric Company (LG&E) (jointly, LG&E/KU) filed their application requesting approval to establish regulatory assets to account for each utility's expenses incurred to repair damage and restore service to their customers caused by severe weather in May 2024, specifically May 26 and May 27, 2024.

LG&E/KU requested expedited relief and stated the magnitude of the storm costs, the timing of the storms, and the significant effect of the storm costs on their second quarter 2024 financial statements prepared in accordance with generally accepted accounting principles (GAAP), drives LG&E/KU's requests for a ruling on the application on or before July 3, 2024.<sup>1</sup> LG&E/KU stated that for the June 2024 accounting period, LG&E/KU's financial records, including consolidation, are expected to close on July 9, 2024.<sup>2</sup> LG&E/KU stated that they then produce interim financial statements in

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<sup>1</sup> Application at 6.

<sup>2</sup> Application at 7.

accordance with SEC interim reporting requirements.<sup>3</sup> LG&E/KU asserted that providing financial statement users with timely and relevant information regarding the potential for future recovery of these significant and material incremental storm costs is critical to LG&E/KU's ability to manage financing costs on behalf of its customers.<sup>4</sup> LG&E/KU stated that if incremental major storm operations and maintenance (O&M) is expensed and not deferred as a regulatory asset for KU and LG&E in their respective second quarter 2024 financial statements, it indicates to financial statement users that future recovery of those costs is not probable.<sup>5</sup>

Having considered the request and being otherwise sufficiently advised, the Commission finds that the request for a ruling on the application on or before July 3, 2024, is denied. The Commission finds that an investigation is necessary to determine the reasonableness of LG&E/KU's request, and that an investigation cannot be completed by July 3, 2024. However, the Commission finds that LG&E/KU can provisionally record LG&E/KU's expenses incurred related to the May 2024 storm damage as a regulatory asset pending a decision at a later date by the Commission.

The Commission, on its own motion, finds that a procedural schedule should be established for the orderly processing of this case. The procedural schedule is attached as Appendix A to this Order.

Additionally, any hearing scheduled in this matter shall be held on the designated day or days and continued until called from the bench by the presiding officer. Pursuant

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<sup>3</sup> Application at 7.

<sup>4</sup> Application at 7.

<sup>5</sup> Application at 7.

to 807 KAR 5:001, Section 2, if the hearing is not concluded on the designated day, the hearing may be continued upon verbal announcement by the presiding officer. A verbal announcement made by the presiding officer shall be proper notice of the continued hearing. Hearings are held at the offices of the Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky. Witnesses who sponsor schedules, testimony, or responses to requests for information are expected to participate in person at a hearing.

In addition, LG&E/KU shall file on or before the date set forth in the procedural schedule its responses to the Commission Staff's request for information, attached to this Order as Appendix B, and shall respond to any future requests for information propounded by Commission Staff by the date or dates set forth on any such requests.

IT IS THEREFORE ORDERED that:

1. LG&E/KU's request for ruling on its application on or before July 3, 2024, is denied.
2. LG&E/KU can provisionally record LG&E/KU's expenses incurred related to the May 2024 storm damage as a regulatory asset pending a decision at a later date by the Commission.
3. The procedural schedule set forth in Appendix A to this Order shall be followed.
4. On or before the date set forth in the procedural schedule, LG&E/KU shall file its responses to the Commission Staff's request for information, attached to this Order as Appendix B.

5. LG&E/KU shall respond to all requests for information propounded by Commission Staff, whether identified on the procedural schedule or otherwise, as provided in those requests.

6. Any party filing a paper with the Commission shall file an electronic copy in accordance with the electronic filing procedures set forth in 807 KAR 5:001, Section 8. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked. The Commission directs the parties to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>6</sup> regarding filings with the Commission.

7. As set forth in 807 KAR 5:001, Section 4(11)(a), a person requesting permissive intervention in a Commission proceeding is required to demonstrate either (1) a special interest in the proceeding that is not adequately represented in the case, or (2) that the person requesting permissive intervention is likely to present issues or develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings. Therefore, any person requesting to intervene in a Commission proceeding must state with specificity the person's special interest that is not otherwise adequately represented, or the issues and facts that the person will present that will assist the Commission in fully considering the matter. A mere recitation of the quantity of utility service consumed by the movant or a general statement regarding a potential impact of possible modification of rates will not be deemed sufficient to establish a special interest.

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<sup>6</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

8. Any motion to intervene filed after the date established in the procedural schedule shall also show good cause for being untimely. If the untimely motion is granted, the movant shall accept and abide by the existing procedural schedule.

9. LG&E/KU shall give notice of any scheduled hearing in accordance with the provisions set forth in 807 KAR 5:001, Section 9(2). In addition, the notice of hearing shall include the following statements: "This hearing will be streamed live and may be viewed on the PSC website, psc.ky.gov" and "Public comments may be made at the beginning of the hearing. Those wishing to make oral public comments may do so by following the instructions listing on the PSC website, psc.ky.gov." At the time publication is requested, LG&E/KU shall forward a duplicate of the notice and request to the Commission.

10. At any public hearing in this matter, neither opening statements nor summarization of direct testimonies shall be permitted.

11. Any hearing scheduled in this matter shall be held on the designated day or days and continued until called from the bench by the presiding officer. Pursuant to 807 KAR 5:001, Section 2, if the hearing is not concluded on the designated day, the hearing shall be continued upon verbal announcement by the presiding officer. A verbal announcement made by the presiding officer shall be proper notice of the continued hearing.

12. Witnesses who sponsor schedules, testimony, or responses to requests for information shall participate in person at any hearing scheduled in this matter.

13. LG&E/KU shall file a witness list at least seven days prior to the hearing date.

14. Pursuant to KRS 278.360 and 807 KAR 5:001, Section 9(9), a digital video recording shall be made of the hearing.

15. The Commission does not look favorably upon motions for continuance. Accordingly, motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

16. The Commission does not look favorably upon motions to excuse witnesses from testifying at Commission hearings. Accordingly, motions to excuse a witness from testifying at a Commission hearing or from testifying in person at a Commission hearing shall be made in writing and will be granted only upon a showing of good cause.

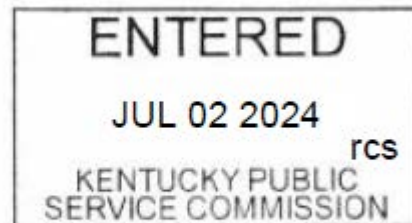
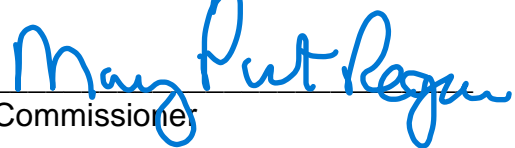
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PUBLIC SERVICE COMMISSION

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Vice Chairman

\_\_\_\_\_  
Commissioner



ATTEST:

  
\_\_\_\_\_  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2024-00181 DATED JUL 02 2024

Last day for intervention requests to be accepted..... 7/11/2024

All initial requests for information to LG&E/KU  
shall be filed no later than ..... 7/18/2024

LG&E/KU shall file responses to initial requests for  
information no later than..... 8/01/2024

Last day for parties to request a Public Hearing or submit a  
request for the matter be decided based upon the written record. .... 8/08/2024



## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2024-00181 DATED JUL 02 2024

#### COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO KENTUCKY UTILITIES COMPANY AND LG&E/KU

Kentucky Utilities Company (KU) and Louisville Gas and Electric Company (LG&E) (jointly, LG&E/KU), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on July 18, 2024. The Commission directs LG&E/KU to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>7</sup> regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

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<sup>7</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

LG&E/KU shall make timely amendment to any prior response if LG&E/KU obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which LG&E/KU fails or refuses to furnish all or part of the requested information, LG&E/KU shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, LG&E/KU shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. For KU, provide the year-to-date storm damage operating and maintenance expenses exclusive of the May 2024 Storm.
2. For LG&E, provide the year-to-date storm damage operating and maintenance expenses exclusive of the May 2024 Storm.
3. Provide a schedule listing the monthly storm damage incurred by KU to date exclusive of the May 2024 Storm. Identify in each month any major storms and the cost incurred by KU to repair the damage for each major storm.

4. Provide a schedule listing the monthly storm damage incurred by LG&E to date exclusive of the May 2024 Storm. Identify in each month any major storms and the cost incurred by LG&E to repair the damage for each major storm.

5. Provide a list of contractors and mutual assistance crews that were involved in the restoration process of the May 2024 Storm.

6. Refer to the Application, Exhibit 1. Provide an estimate of normal operations costs for KU. Provide the period on which the amounts are based and a detailed description of how these costs were determined and calculated.

7. Refer to the Application, Exhibit 1. Provide an estimate of normal operations costs for LG&E. Provide the period on which the amounts are based and a detailed description of how these costs were determined and calculated.

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