

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY	)	
UTILITIES COMPANY FOR AN ADJUSTMENT OF	)	CASE NO.
ITS ELECTRIC RATES AND APPROVAL OF	)	2025-00113
CERTAIN REGULATORY AND ACCOUNTING	)	
TREATMENTS	)	

COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION  
TO KENTUCKY UTILITIES COMPANY

Kentucky Utilities Company (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 September 23, 2025. The Commission directs KU to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>1</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

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<sup>1</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).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

KU shall make timely amendment to any prior response if 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 KU fails or refuses to furnish all or part of the requested information, 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, 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. Refer to the Direct Testimony of Shannon L. Montgomery (Montgomery Direct Testimony), page 11, lines 16–20. Provide the amount of savings KU has incorporated into this case as a result of the paperless billing proposal and provide a detailed explanation for how the savings were calculated.

2. Refer to the Montgomery Direct Testimony, page 23, lines 7–13. Explain how removing the requirement that customers who purchase new smart thermostats through the Online Transactional Marketplace be automatically enrolled in the Bring Your

Own Device program for smart thermostats would increase smart thermostat purchases through the Online Transactional Marketplace.

3. Refer to the Montgomery Direct Testimony, page 25, line 20, through page 28, line 8.

a. Provide a detailed explanation of the disconnection/reconnection process beginning with the customer receiving a low funds alert and ending with reconnection.

b. Explain whether a prepay customer whose balance reaches zero after hours, on a weekend, or on a holiday will be immediately disconnected upon the balance reaching zero or whether the disconnection will occur on the next business day during regular business hours.

4. Refer to the Direct Testimony of Michael E. Hornung, page 8, lines 7–22.

a. Provide any insights KU has learned through the offering of the General Service Time-of-Day (GTOD) rates.

b. Explain whether KU has experienced any adverse revenue impacts through the offering of the GTOD rates.

5. Refer to the Direct Testimony of Michael E. Hornung, page 21, lines 3–4. Also refer to KU's response to Commission Staff's Third Request for Information (Staff's Third Request), Item 10. Explain why KU is proposing to remove the cap on the amount of Solar Share Facilities capacity a customer may subscribe.

6. Refer to the Direct Testimony of Michael C. Hornung, page 25, line 13, through page 26, line 6.

a. Explain KU's current practices and cost responsibility concerning customers or prospective customers who request service resulting in Transmission Service Requests (TSR) and eventual transmission system-related additions or upgrades and identify the provision, if any, in the current tariff that addresses such practices and cost responsibility.

b. Explain what type of service would require KU to issue a TSR to its Independent Transmission Organization.

c. Explain the rationale for setting the threshold for existing customers to enter into engineering, procurement, and construction agreements to cover all transmission-related costs KU incurs related to any studied service at \$10 million.

7. Refer to KU's response to Commission Staff's Second Request for Information (Staff's Second Request), Item 28.

a. Provide the citations to Kentucky law that address liability protection that KU relied upon in drafting its revised liability language.

b. Explain how the liability-limitation language in KU's current tariff is inadequate to protect KU and its customers.

8. Refer to KU's response to Staff's Second Request, Item 1, page 157 of 238. Explain the purpose of the revisions made to the Small Business Audit and Direct Install program.

9. Refer to KU's response to Staff's Third Request, Item 14(a). Provide a cite to the requirement that requires that communications between a Distributed Energy Resources equipment and company control systems for all generators over 1 MW in capacity.

10. Refer to KU's response to Staff's Third Request, Item 14(b). Also refer to the application, Tab 4, page 201 of 205.

a. Since Level 1 interconnections do not require the same level of engineering review as a Level 2 interconnection, explain why the fees should be the same.

b. Provide cost support for the \$100 Level 1 inspection and processing fee.

c. Explain how many times KU has had to conduct an impact study related to a Level 1 Application.

11. Refer to Case No. 2023-00404,<sup>2</sup> which states "The Commission finds that [Louisville Gas and Electric Company (LG&E)] LG&E/KU should incorporate the arguments raised by the Joint Intervenors herein, in regard to updating the other components of the bill credits, and file additional evidence and testimony in its next base rate case." For each avoided cost component, explain how LG&E/KU incorporated the arguments raised the Joint Intervenors.

12. Refer to LG&E/KU's response to Joint Intervenor's First Request for Information, Item 103. Provide the requested analysis.

13. Refer to Case No. 2023-00404, LG&E/KU's October 31, 2023 tariff filings, Generation and Planning Analysis, October 2023 (October 2023 Planning Analysis), page 17, LG&E/KU's response to Commission Staff's First Request for Information (Staff's First

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<sup>2</sup> Case No. 2023-00404, *Electronic Tariff Filings of Louisville Gas and Electric Company and Kentucky Utilities Company to Revise Purchase Rates for Small Capacity and Large Capacity Cogeneration and Power Production Qualifying Facilities and Net Metering Service-2 Credit Rates* (Ky. PSC Aug. 30, 2024), Order at 24.

Request), Item 5, and August 30, 2025 final Order. Using the methodologies approved by the Commission, provide calculations for each of the following components for NM-2 credits:

- a. Ancillary Services Avoided Cost;
- b. Avoided Generation Capacity Avoided Cost;
- c. Avoided Transmission Capacity Avoided Cost;
- d. Avoided Distribution Capacity Avoided Cost;
- e. Avoided Carbon Cost; and
- f. Avoided Environmental Compliance Cost.

14. Refer to Case No. 2023-00404, August 30, 2025 final Order at 22-23 and LG&E/KU's response to Staff's First Request, Item 5. For both qualified facility (QF) rates and net-metering-2 (NM-2) rates, provide an update to the avoided cost analysis using a natural gas combined cycle (NGCC) unit that the utility is planning for, currently procuring, or constructing and as the avoided cost benchmark. Include in the updated analysis, the Seasonal Capacity Need as reflected in Case No. 2025-00045.<sup>3</sup> In this analysis, explain why LG&E/KU chose the specific NGCC unit as a basis.

15. Refer to the Direct Testimony of Charles Schram, pages 32-34 and Exhibit CRS-6. For avoided energy costs for both QF and NM-2 rates, explain what, if any, changes LG&E/KU made to its methodology or calculations from the methodology approved in Case No. 2023-00404.

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<sup>3</sup> Case No. 2025-00045, *Electronic Application of Kentucky Utilities Company and Louisville Gas and Electric Company for Certificates of Public Convenience and Necessity and Site Compatibility Certificates*.

16. Refer to Case No. 2020-00349,<sup>4</sup> September 24, 2021 Order, page 48 which states “Based upon the evidence of record, the Commission finds that LG&E/KU’s proposed methodology for NMS 2 netting period is not fair, just and reasonable, and should be rejected. This is because LG&E/KU’s proposed instantaneous credit for all energy exported on to the grid is inconsistent with the plain language of KRS 278.465(4).”

a. Explain how KU changed its netting methodology based on this finding.

b. Explain why KU’s current netting methodology is not considered instantaneous.

17. Refer to the Application, Tab 5, page 173 of 215. Also refer to KU’s response to Staff’s Second Request, Item 24, proposed new tariff language regarding incidental or occasional services which states: “Upon Customer’s request, Company may perform incidental or occasional utility-related services not addressed by other tariff provisions. If Company agrees to perform such Customer-requested services, Company will bill Customer for reimbursement of Company’s costs, including without limitation costs of materials and labor required to perform such services.” The response states that KU recovers its actual cost of providing such services. State whether KU has provided cost support for all charges made to customers for these services. If all incidental services are already reflected in KU’s tariffed charges, explain why this tariff addition is necessary.

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<sup>4</sup> Case No. 2020-00349, *Electronic Application of Kentucky Utilities Company for an Adjustment of its Electric Rates, A Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and Establishment of a One Year Surcredit*.

18. Refer to the Application, Tab 5, page 179 of 215, as well as to the Montgomery Direct Testimony and to KU's response to Staff's Second Request, Item 18. Regarding the new language addition of paperless billing being the default for the bills of customers with emails on file, confirm that page 10 of the Montgomery Direct Testimony estimated 45 percent of customers will receive paperless bills, and that the response indicated that 42 percent of new and still active customers since 2023 are enrolled in paperless billing. Explain why it is reasonable to establish paperless billing as the default unless the customer opts out, as opposed to continuing to allow customer to opt in to paperless billing from paper bills, given the relatively small increase expected in participating customers.

19. Refer to the Application, Tab 5, page 195 of 215. Explain why KU is proposing to reduce the number of days' notice of discontinuance of service from 15 days to 10 days when a customer or applicant refused or neglects to provide reasonable access and/or easements to premises.

20. Refer to the Application, Tab 5, page 196 of 215. Regarding condition number 8 relating to discontinuance to non-payment of bills, explain whether KU currently mails to paperless billing customers a hard copy of the notice that is in addition to the original bill.

21. Refer to KU's response to Staff's Third Request, Item 8.

a. Explain why the cost to implement the features was approximately double the estimated amount.

b. Explain how these features will be impacted by the proposed technology changes. Include in the response any estimated fee increases.



22. Refer to KU's response to Staff's Third Request, Item 10.
- a. Provide the cost justification for the Level 1 fees, including the engineering review, by fee.
  - b. Provide the number of requests for interconnection review, with engineering review, for Level 1 customers with distributed generation equipment for the years 2020 through current date 2025, by month.
  - c. Provide the number of requests for interconnection review, with engineering review, for applications for Level 2 customers with distributed generation equipment for the years 2020 through current date 2025, by month
23. Refer to KU's response to Staff's Third Request, Item 17. Confirm that a customer would lose NMS-1 legacy status if the customer replaced a currently installed module. If not confirmed, explain what type of replacement would allow the customer to maintain legacy status.
24. Refer to KU's response to Staff's Third Request, Item 24. Explain "market development considerations" and providing specific examples as well as accompanying costs, if any.
25. Refer to KU's response to Staff's Third Request, Item 25. Explain when KU expects to remove interclass and intraclass subsidization from its rate classes. Include in this response specific examples of a decrease in interclass and intraclass subsidization between the rate classes over the last three rate adjustments.
26. Refer to KU's response to Staff's Third Request, Items 26 and 27. Reconcile the two responses with specific reference to the forecast increase in sales and the information that Blue Oval SK will reach only initial contract level demand in 2026.

27. Refer to KU's response to Staff's Third Request, Item 28. In light of the uniformity between the Integrated Resource Plan and this proceeding's load forecast, confirm that the load forecast in Case No. 2025-00045 was not the basis for financial planning in this case.

28. Refer to KU's response to Staff's Third Request, Item 33.

a. Provide the projected useful life of Selective Catalytic Reduction (SCR) catalysts.

b. For each unit listed in this response that SCR catalyst(s) replacement is planned, provide the installation date of the catalyst(s).

29. Refer to KU's response to Staff's Third Request, Item 40. Confirm that the company plans to record a regulatory asset for vegetation management operating and maintenance costs (O&M) over the forecasted \$31.4 million. If not confirmed, explain the response.

30. Refer to KU's response to Staff's Third Request, Items 45 and 47. Explain the factors, such as addition and retirement activity, that would result in units like Trimble 2, Ghent 1, and the Brown reduction in useful life by five years as those generation stations have neither been approved for new units nor retirements at this time.

31. Refer to KU's response to Staff's Third Request, Items 45, 47, 49, and 50. Provide a definition for "addition and retirement activity" in this context. For each unit included in these responses, provide at least two examples of activities contained in this definition.

32. Refer to KU's response to Staff's Third Request, Item 51. The response was not completely responsive. Provide the current termination date for the land rights' contract listed in the account, Other Production Plant, Land Rights.

33. Refer to KU's response to Staff's Third Request, Item 54. Explain how Gas In-Line Inspection costs are expected to depreciate. Include in this response specific assets in this account that will depreciate.

34. Refer to KU's response to Staff's Third Request, Item 57(c). This response was not responsive. Refer to Spanos Direct Testimony, Exhibit JJS-KU-1, Transmission Plant, Accounts 352.10 and 352.20. Explain why the two accounts were not listed as such in the 2020 Depreciation Study.

35. Refer to KU's response to Staff's Third Request, Item 34. Explain why the longer-term goal of Transmission System Improvement Program (TSIP) could not be achieved in the period of 2032-2037.

36. Refer to KU's response to Staff's Third Request, Item 36. Provide the justification for KU increasing wages from 7 to 11 percent for distribution line tech employees when the labor rates for distribution line tech employees have increased, on average, by 4.4 percent from 2020-2025.

37. Refer to KU's response to the Attorney General's First Request for Information, Item 49. Refer also to KU's response to Staff's Second Request, Item 95. Explain whether KU anticipates meter contractor expense considering the anticipated 2025 completion date of the advanced metering infrastructure project.

38. Refer to the Montgomery Direct Testimony page 16, lines 10-12. Explain how much of this reduction was the result of the deviations from regulations related to meters and meter testing granted in the final Order in Case Nos. 2020-00349/350.

39. Refer to the Montgomery Direct Testimony, page 17, lines 18-21. Explain how KU intends to make customers aware of these two opportunities to explore saving on their bill.

40. Refer to KU's response Staff's Second Request, Item 35.

a. Explain whether the 6 CP method has been accepted methodology by the Commission. Include in the response whether KU has ever proposed this methodology before. For the response, include the full case.

b. Provide the results of the cost of service study when using 12 CP methodology in place of 6 CP.

c. Provide examples of any other utility that utilizes the 6 CP method in Kentucky for its cost of service study.

d. Provide examples of any parent company or other subsidiary of the parent company that utilizes the 6 CP method.

41. Refer to KU's response to Staff's Third Request, Item 23.

a. Confirm that rates were calculated to reach the cost of service study supported revenue increase for each rate class and not based upon the cost-based rates supported by the study.

b. If confirmed, explain the rationale behind the decision. Additionally, explain why KU chose not to propose rates based upon the cost-based rate for each rate class.

42. Provide a detailed table with the following:
- a. Current class revenue and rates.
  - b. Proposed class revenue and rates.
  - c. Cost of service study class revenue and rates.
43. Provide a detailed table with the following:
- a. Current class rate of return on rate base.
  - b. Proposed class rate of return on rate base.
44. Provide a detailed table with the following:
- a. Current class share of revenue in dollars and percentage.
  - b. Current class share of energy usage in kWhs and percentage.
  - c. Proposed class share of revenue in dollars and percentage.
  - d. Proposed class share of energy in kWhs and percentage.

45. Refer to the Direct Testimony of Richard A. Baudino in which the Attorney General recommended a decrease to KU's cost of debt due to an actual debt issuance securing a lower interest rate than the projected interest rate. Confirm whether the referenced debt issuance occurred. If confirmed, provide the date of the debt issuance, the actual principal amount, and the actual interest rate that was secured.



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DATED **SEP 11 2025**

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