From: PSC Public Comment
To: "Jay Gallimore"

Subject: RE: Public Comment for Case 2025-00113

Date: Wednesday, September 3, 2025 11:04:00 AM

Case No. 2025-00113

Thank you for your comments on the application of Kentucky Utilities Company. Your comments in the above-referenced matter have been received and will be placed into the case file for the Commission's consideration. Please cite the case number in this matter, 2025-00113 in any further correspondence. The documents in this case are available at <u>View Case Filings for: 2025-00113 (ky.gov)</u>.

Thank you for your interest in this matter.

From: Jay Gallimore

Sent: Monday, September 1, 2025 8:27 PM

To: PSC Public Comment < PSC.Comment@ky.gov> **Subject:** Public Comment for Case 2025-00113



Name: James Gallimore

Address: , Lexington, KY 40514

Phone Number:

Case Number: 2025-00113 (these same comments likely apply to 2025-00114 as well)

I am opposed to this proposed rate change for a number of reasons which are listed below:

- I am generally supportive of the implementation of policies similar to the proposed Extremely High Load Factor rate (and I am in this case as well), but this policy has not yet been implemented and so the costs of CapEx improvements are being borne by industrial and residential users alike, regardless of their responsibility in the utility requiring additional capacity.
- As stated in testimony from the Sierra Club's Jeremy Fisher, 2/3 of their prospective projects in the development pipeline are being built to accommodate data centers. Their two recently announced large gas-fired plants are purported to be in service to data centers as well (though allegedly do not factor into this proposed rate increased per an article by the Mountain Association).
- Since they're using forecasted costs instead of historical costs (a case Walmart makes in their testimony), the costs of these improvements are what are being used to justify the proposed rate increase. Even without ACTUAL data centers, the promise of data centers are raising Kentuckian's energy costs because the state wants to be competitive for them, despite promises of an abundance of high paying jobs rarely materializing (and making Kentucky yet another victim of the race to the bottom).
- As also stated in the Walmart testimony, the significant increase being proposed cannot be justified given that the company's most recent rate determination was only just made in 2023. There have not been significant enough changes since then to warrant the ~120 basis point increase in rate. Their

proposed rate far exceeds the national average of 9.68%, as evidenced by S&P Global Market Intelligence data.

- Per the email from Beth Gallagher, LG&E/KU profits from Q1 2024 to Q1 2025 increased by 25%. Yet we are expected to believe that cost increases are FORCING them to request a third rate increase in the last four years? If costs warranted this increase, wouldn't there be some evidence of financial hardship in their earnings calls rather than evidence of record profits? This again points to the questionability of using forecasted costs rather than historical costs to justify price increases.
- Extreme weather events are being used as justification by the company for the increase in rates (how convenient), but one would expect that an increase in events of this nature would manifest itself as an increase in their investment in poles, at least if they provided the customer with a comparable level of service from year to year. Yet this is not borne out in the data. From 2022 to 2023 and 2023 to 2024, investment in poles raised by approximately 4%. Yet from 2024 to 2025, investment in poles only raised by 2%. So either they've simply elected to provide worse service, which is certainly one pathway to profitability, or these extreme weather events don't necessitate the levels of investment that they're claiming.

The price of everything is going up and everyone's pocket books are hurting. Surely KU's prices will increase drastically next year (likely by the currently approved 9.425%) even without these rate increases, which they very obviously do not need. We don't have a free market of any note to protect us from KU's predatory pricing increases and are beholden to them if we want to keep our groceries refrigerated and our homes habitable in sweltering heat. I ask that you at least protect us from their worst abuses.

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