

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF LOUISVILLE	)	
GAS AND ELECTRIC COMPANY FOR AN	)	
ADJUSTMENT OF ITS ELECTRIC AND GAS	)	CASE NO.
RATES AND APPROVAL OF CERTAIN	)	2025-00114
REGULATORY AND ACCOUNTING	)	
TREATMENTS	)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO THE DEPARTMENT OF DEFENSE AND
ALL OTHER FEDERAL EXECUTIVE AGENCIES

The Department of Defense and all other Federal Executive Agencies (DOD/FEA), 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 DOD/FEA to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ 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

¹ 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).

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.

DOD/FEA shall make timely amendment to any prior response if DOD/FEA 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 DOD/FEA fails or refuses to furnish all or part of the requested information, DOD/FEA 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, DOD/FEA 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 Jessica A. York (York Direct Testimony), pages 12-14. Explain how the adjustment made to the classification of Steam Production Maintenance expense will impact the rate of return on rate base and cost-based rates for

each rate class. Additionally, provide the impact in an Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

2. Refer to the Direct Testimony of Michael P. Gorman (Gorman Direct Testimony). Provide all workpapers and Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

3. Refer to the Gorman Direct Testimony, page 33, lines 18-21. Explain how a 13-week period for calculating the average stock price is an adequate period of time to normalize short-term volatility to reflect the stock's long-term value.

4. Refer to the Gorman Direct Testimony, page 35, lines 3-8.

a. Provide support for the use of Zacks, MI, and I/B/E/S as sources for analysts' growth rate estimates.

b. Explain the reason for not including growth rate projections obtained from Value Line.

c. Explain why dividend growth rates were not used and whether, in addition to earnings per share growth rates, the use of dividend growth rates should also be included in the analysis..

5. Refer to the Gorman Direct Testimony, page 41.

a. Provide further justification for the use of a Multi-Stage Growth Discounted Cash Flow (DCF) Model.

b. Compare the use of Multi-Stage Growth DCF Models and Constant Growth DCF Models in determining return on equity (ROE), generally.

6. Refer to the Gorman Direct Testimony, page 61, lines 6-13. Explain the use of only one source of beta values. In the response, include a discussion regarding beta values from sources such as S&P IQ in the context of ROE analyses.

7. Refer to the Gorman Direct Testimony, page 61, lines 15-21. Elaborate on the methodology used to calculate the estimated expected return on the market.



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DATED **SEP 10 2025**

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