

NOTICE TO CUSTOMERS OF KENTUCKY UTILITIES COMPANY

RECOVERY BY ENVIRONMENTAL SURCHARGE OF KENTUCKY UTILITIES COMPANY'S 2025 ENVIRONMENTAL COMPLIANCE PLAN

PLEASE TAKE NOTICE that in an April 30, 2025 Application, Kentucky Utilities Company ("KU") is seeking approval by the Kentucky Public Service Commission ("Commission") in Case No. 2025-00105, pursuant to Kentucky Revised Statute 278.183, of an amended compliance plan ("2025 Plan"). (Collectively, KU's Application and supporting testimony and exhibits are KU's "tariff filing.") If approved, KU will begin recovering capital costs associated with a new pollution control facility in the 2025 Plan under KU's existing Electric Rate Schedule ECR (also known as the Environmental Surcharge tariff) through an increase in the environmental surcharge on customers' bills beginning in December 2025.

KU filed an application with the Commission on February 28, 2025, in Case No. 2025-00045 seeking approval to construct a selective catalytic reduction system at the Ghent generating station to reduce nitrogen oxide (NOx) emissions, which are a precursor to ozone. In Case No. 2025-00105, KU is seeking an order approving the 2025 Plan to recover the costs of this new pollution control facility through its Environmental Surcharge tariff. This project will help ensure ongoing compliance with regulations issued under the federal Clean Air Act as amended, including the National Ambient Air Quality Standards for ozone.

The estimated total capital cost of this new pollution control facility is \$152.3 million. Additionally, KU is requesting recovery of future incremental capital and operation and maintenance expenses associated with this new pollution control facility. KU is also asking to recover the cost of publishing this customer notice through the Environmental Surcharge over 12 months and to have Environmental Surcharge recovery of future Commission-approved administrative expenses, including customer notice costs.

Beginning in December 2025, the initial bill impact for KU's Group 1 customers is estimated to be a 0.01% increase with a maximum increase of 0.81% in 2029. Group 1 includes Rate Schedules Residential Service (RS), Residential Time-of-Day Energy Service (RTODE), Residential Time-of-Day Demand Service (RTODD), Volunteer Fire Department Service (VFD), All Electric School (AES), and all Lighting Rates (i.e., LS, RLS, LE, and TE).

RS and VFD customers using 1,085 kWh/month could expect a monthly increase of \$0.01 up to \$1.09. RTODE customers using 1,043 kWh/month could expect a monthly increase of \$0.01 up to \$1.14. RTODD customers using 987 kWh/month could expect a monthly increase of \$0.02 up to \$1.80. AES customers using 25,620 kWh/month could expect a monthly increase of \$0.30 up to \$24.28. LS and RLS customers could expect a monthly increase of \$0.00 up to \$0.12. LE customers using 2,473 kWh/month could expect a monthly increase of \$0.02 up to \$1.59. TE customers using 147 kWh/month could expect a monthly increase of \$0.00 up to \$0.15.

Beginning in December 2025, the initial bill impact for KU's Group 2 customers is estimated to be a 0.01% increase with a maximum increase of 1.10% in 2029. Group 2 includes Rate Schedules General Service (GS), General Time-of-Day Energy Service (GTODE), General Time-of-Day Demand Service (GTODD), Power Service (PS), Time-of-Day Secondary Service (TODS), Time-of-Day Primary Service (TODP), Retail Transmission Service (RTS), Fluctuating Load Service (FLS), and Outdoor Sports Lighting Service (OSL).

GS customers using 1,657 kWh/month could expect a monthly increase of \$0.03 up to \$2.41. GTODD customers using 19,652 kWh/month could expect a monthly increase of \$0.31 up to \$25.26. PS-Secondary customers using 30,434 kWh/month could expect a monthly increase of \$0.39 up to \$32.35. PS-Primary customers using 35,028 kWh/month could expect a monthly increase of \$0.45 up to \$36.82. TODS customers using 189,538 kWh/month could expect a monthly increase of \$1.54 up to \$126.82. TODP customers using 1,242,574 kWh/month could expect a monthly increase of \$8.25 up to \$678.42. RTS customers using 7,387,224 kWh/month could expect a monthly increase of \$38.91 up to \$3,199.31. FLS-Transmission customers using 44,229,667 kWh/month could expect a monthly increase of \$237.46 up to \$19,525.53. OSL-Secondary customers using 4,627 kWh/month could expect a monthly increase of \$0.17 up to \$13.87.

The Application described in this Notice is proposed by KU, but the Commission may issue an order resulting in an environmental surcharge for customers other than the environmental surcharge described in this Notice.

Comments regarding KU's 2025 Plan and Application may be submitted to the Commission through its website or by mail to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602.

Any person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial publication of this Notice, the Commission may take final action on the Application.

Any person may examine KU's tariff filing at the Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Commission's website at <http://psc.ky.gov> or KU's website (<http://www.lge-ku.com>) after KU makes its tariff filing on April 30, 2025. KU has requested a deviation from the requirement to make the tariff filing available at its office at One Quality Street, Lexington, Kentucky 40507. If the Commission denies that request, KU will make the tariff filing available at its office upon request by any person.