

# LG&E, KU Receive Air Permit for New Natural Gas Combined Cycle Unit

## **Approval from Louisville Metro Air Pollution Control District another step toward construction**

LOUISVILLE, Ky. — Louisville Gas and Electric Company and Kentucky Utilities Company are one step closer to breaking ground for construction on a new 640-megawatt natural gas combined cycle unit with the recent approval of an air construction permit from the Louisville Metro Air Pollution Control District.

The companies announced plans for the new natural gas unit in September 2011. LG&E and KU already have received a certificate of public convenience and need from the Kentucky Public Service Commission, and awarded Bluegrass Power Constructors (a joint venture between PLC Industrial Construction and Black & Veatch) a contract to design and build the new \$583 million unit on existing property at Cane Run.

“We’re entering the largest construction phase in our company’s history that includes major environmental projects at most of our facilities,” said Paul W. Thompson, senior vice president of Energy Services for LG&E and KU. “With these large engineering and construction projects, we’re meeting our environmental responsibilities and our commitment to provide customers safe and reliable energy at the least-cost.”

## **Approximately 250 jobs at peak of plant construction**

LG&E and KU anticipate receiving a U.S. Army Corps of Engineers water permit in the near future, which will allow construction on the new plant to begin later this year. A new eight-mile natural gas transmission line – built mostly on existing rights-of-way – will also be constructed to deliver fuel to the new unit. The new unit is expected to be in-service by the end of 2015.

At the peak of the construction phase for the new unit, approximately 250 jobs are expected to be created. For all of the major construction projects taking place at LG&E and KU that are necessary for continued compliance with more stringent environmental regulations, as many as 2,000 construction jobs may be needed.

## **New unit scheduled to be in place by end of 2015**

The new unit is intended to replace part of the generating capacity that will be lost through the retirement of coal-fired units at Cane Run, Green River and Tyrone Stations, caused by more stringent Environmental Protection Agency regulations. The coal-fired units – representing more than 13 percent of the utilities’ coal-fired fleet – are scheduled to be retired by the end of 2015.

Until the new unit is online and associated transmission projects are completed, the existing coal-fired generation is critical to meeting customers’ current energy demands.

## **Additional emissions reductions expected**

The new unit will reduce air emissions even further. Sulfur dioxide and nitrogen oxide will be reduced by more than 98 percent and 80 percent, respectively; particulate matter will be reduced by more than 60 percent.

## **Anticipated Rate Impact**

Based on the changes in energy use from the companies’ customers, the majority of the replacement energy from the new unit is for Kentucky Utilities. As such, rates for KU customers are expected to increase by up to four percent. LG&E customers are not expected to see an additional increase as a result of the new unit. However, a separate rate proceeding is required before any rate impact can take place.

Visit [www.lge-ku.com/regulatory](http://www.lge-ku.com/regulatory) for more information on the company's plans for continued environmental compliance.

*Louisville Gas and Electric Company and Kentucky Utilities Company, part of the PPL Corporation (NYSE: PPL) family of companies, are regulated utilities that serve a total of 1.2 million customers and have consistently ranked among the best companies for customer service in the United States. LG&E serves 321,000 natural gas and 397,000 electric customers in Louisville and 16 surrounding counties. Kentucky Utilities serves 546,000 customers in 77 Kentucky counties and five counties in Virginia. More information is available at [www.lge-ku.com](http://www.lge-ku.com) and [www.pplweb.com](http://www.pplweb.com).*

For further information: LG&E and KU, 502-627-4999 (Toll-free 888-627-4999)

---

<https://news.pplweb.com/news-releases?item=132450>