LG&E's Cane Run Coal Units to be Shut Down Early

NGCC Construction Expected to Create 250 Jobs

LOUISVILLE, Ky. — Louisville Gas and Electric Company announced today that it expects to shut down the three coal units at the Cane Run Generating Station eight months earlier than originally planned. The new natural gas combined-cycle unit is now expected to be serving customer needs in May 2015 allowing for the early closure of the coal units.

"Having received timely certificates and permits from the Kentucky Public Service Commission and other regulatory agencies, we were able to get a quick start on the project and now should be able to retire the coal-fired units sooner than expected," said **Paul W. Thompson**, senior vice president of Energy Services.

Preliminary work has already started at Cane Run. The transmission lines on the property are being moved, and the communications tower has been relocated to make room for the new natural gas combined-cycle plant.

Bluegrass Power Constructors, who will be building the plant, is expected to begin mobilizing later this year with full construction beginning in the first quarter of 2013. The contract with Bluegrass specifies the May 2015 completion timetable and has penalties should Bluegrass extend beyond this time. At peak of the construction process, 250 construction jobs are expected to be created.

The Cane Run plant began operation in 1954, and by 1969, had a total of six coal-fired units in operation. Units 1, 2 and 3 were retired in 1987. The remaining three units have a net generating capacity of 563 megawatts.

LG&E helped develop and install one of the nation's first sulfur dioxide scrubbers in 1973. In July 1979, then-President Jimmy Carter visited Cane Run to learn about the operation of a coal-fired plant and to see LG&E's scrubbers in action.

"Cane Run has served the energy needs of our customers well for nearly 60 years, and the development of a natural gas plant at the site will allow us to continue to meet customers' energy needs and comply with more stringent EPA regulations," added Thompson.

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 and www.pplweb.com.

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