

KPSC approves LG&E, KU's plans for additional environmental improvements

(LOUISVILLE, Ky.) – Louisville Gas and Electric Company and Kentucky Utilities Company received approval today from the Kentucky Public Service Commission to cap and close the remaining coal ash ponds at the utilities' active and now-retired power plants to meet federal environmental regulations.

While the commission did not approve the entire unanimous settlement agreement reached in June between all parties, the ruling does allow the utilities to invest nearly \$1 billion to meet environmental regulations, including the EPA's Coal Combustion Residuals rule (CCR) that became effective late last year.

The CCR Rule established new requirements for the disposal of the byproducts left over after coal is safely burned to make electricity. KU and LG&E filed projects, with an estimated cost of \$678 million and \$316 million respectively, mainly for the capping and closure of the utilities' surface impoundments.

In addition, the agreement allows for authority to construct Phase II of the E.W. Brown landfill and to construct new process water treatment facilities at Ghent, E.W. Brown, Trimble County and Mill Creek power plants. "The decision by the commission today allows us to move forward with our investments to protect the environment, including closing the ponds," said Robert Conroy, LG&E and KU vice president of State Regulation and Rates.

As part of the settlement agreement, the bill impacts will be lower during the early years of construction. For a KU residential electric customer using 1,146 kilowatt hours per month, the monthly increase is expected to be \$0.30 per month in 2016 — a reduction of \$1.96 from the original filing. For an LG&E residential electric customer using 976 kilowatt hours per month, the monthly increase is expected to be \$0.30 per month in 2016 — a reduction of \$0.44 from the original filing.

Customers will see a change in their ECR line item on bills issued on or after Aug. 31.

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Louisville Gas and Electric Company and Kentucky Utilities Company, part of the PPL Corporation (NYSE: PPL) family of companies, are regulated utilities that serve nearly 1.3 million customers and have consistently ranked among the best companies for customer service in the United States. LG&E serves 322,000 natural gas and 403,000 electric customers in Louisville and 16 surrounding counties. KU 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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