

Agreement Reached Over Water Discharge Dispute at LG&E's Mill Creek Power Plant

Sierra Club, LG&E reach an agreement that includes \$1 million investment into watershed restoration in Kentucky

(LOUISVILLE, Ky.) – Louisville Gas and Electric Company (LG&E) and the Sierra Club, represented by Earthjustice, have reached an agreement on the handling of direct discharges from Mill Creek's ash pond to the Ohio River in southwest Jefferson County, pursuant to a Proposed Consent Decree filed today with the U.S. District Court for the Western District of Kentucky at Louisville. If approved by the Court, this settlement will resolve the active lawsuit between the two organizations over discharged water at LG&E's Mill Creek Generating Station under a permit issued by the Kentucky Division of Water.

Per the terms of the proposed resolution, which includes no finding or agreement of any violation of law by LG&E and does not involve any fines or civil penalties, LG&E has agreed to:

- Eliminate the use of a disputed open discharge point to the Ohio River by the end of 2016, with an exception for emergency situations or necessary maintenance; and
- Conduct additional water sampling in the Mill Creek coal ash impoundment by the end of 2016 and submit sampling results to the Kentucky Division of Water. That sampling will coincide with additional work that LG&E will be undertaking to meet some of the new obligations imposed by the Environmental Protection Agency under its 2015 rule on Disposal of Coal Combustion Residuals.

In addition, the proposed consent decree memorializes LG&E's existing plans for closure of the main ash pond at Mill Creek and for the station's compliance with the EPA's recently-revised Effluent Limitation Guidelines. Specifically, those plans include:

- Completing closure of the Mill Creek coal ash impoundment by December 2021; and
- Complying with new Clean Water Act regulations requiring enhanced treatment of wastewater at Mill Creek by 2022, with pilot testing completed by 2017.

Additionally, LG&E has agreed to fund \$1 million in environmental enhancement projects focused on tree planting and water quality in the Commonwealth, primarily focused on southwest Jefferson County. The funding will be administered by The Nature Conservancy, an independent non-profit conservation organization.

"We are pleased that we were able to reach an agreement with LG&E that will help protect water quality in the Ohio River and fund an effort to address other water quality issues in the Mill Creek watershed," said **Judy Lyons, Chair of the Sierra Club Cumberland Chapter**. "Going forward, we will continue to encourage the company to focus on expansion of renewable sources of energy as it reduces its reliance on coal."

In representing the Sierra Club in the lawsuit, **Earthjustice attorney Thomas Cmar** added, "It's a good day whenever two opposing sides can see past their differences to reach an agreement that is not only in their best interests but will also provide real benefits to the community. We appreciate LG&E's cooperation in reaching this settlement, which will improve water quality throughout the Mill Creek watershed."

Sierra Club filed this lawsuit in May 2014 to address its concerns relating to the frequency of direct discharges from Mill Creek's ash pond to the Ohio River and whether LG&E was in compliance with the terms of its permit. In August 2015, U.S. District Judge David Hale issued an opinion finding that the disputed language in the permit covering such discharges was ambiguous, and asking the parties to present additional evidence before he could interpret it. In that same opinion, Judge Hale directed LG&E and Sierra Club to begin settlement discussions supervised by U.S. Magistrate Judge Dave Whalin.

“We had a vigorous disagreement over the meaning of certain permit language in this case, but are glad to have reached a resolution that brings this dispute to an end,” said **Victor A. Staffieri, chairman, CEO and president of LG&E**. “While we may not always agree with the Sierra Club, we take seriously our commitment to being a good environmental steward while providing low-cost, reliable energy to our customers. We appreciate the opportunity to work with the Sierra Club in finding common ground here, including the funding of forest development and water quality projects that will serve the larger community in southwest Jefferson County and the Commonwealth of Kentucky.”

Now that LG&E and the Sierra Club have filed a proposed settlement with the Court, the U.S. Department of Justice will have 45 days to review it before the Court can approve.

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Louisville Gas and Electric Company, part of the PPL Corporation (NYSE: PPL) family of companies, is a regulated utility that serves 322,000 natural gas and 403,000 electric customers in Louisville and 16 surrounding counties. It has consistently ranked among the best companies for customer service in the United States. More information is available at www.lge-ku.com and www.pplweb.com.

For further information: call the LG&E and KU media hotline at 502-627-4999.

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