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NEWS RELEASE

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PSC Approves Duke Energy Kentucky Ash Disposal Plan

Final step in eliminating coal waste pond at Boone County power plant

FRANKFORT, Ky. (June 6, 2017) – The Kentucky Public Service Commission (PSC) has approved a plan by Duke Energy Kentucky to complete a transition from storage of coal combustion wastes in ponds to disposal in existing landfills at its East Bend power plant in Boone County.

In an order issued today, the PSC authorized Duke Kentucky to spend about \$94 million to close and repurpose the existing waste pond, relocate the ash from the pond to a landfill and construct new facilities for handling and treating wastewater from the plant.

The PSC in February approved a \$25 million project that will move boiler “bottom ash” at the 600-megawatt East Bend plant to existing landfills rather than to the waste pond. “Fly ash” captured from the boiler exhaust – about 80 percent of the total coal ash produced at the plant - already is disposed of in landfills at the site.

Duke Kentucky’s plan includes elimination of a remaining coal combustion waste storage pond, conversion of the pond to treat wastewater, and construction of additional facilities to treat wastewater from the plant.

In an application filed in December 2016, Duke Kentucky sought PSC authorization to spend a total of about \$94 million to comply with new federal environmental requirements regarding the storage of coal ash and other combustion byproducts at coal-fired power plants.

The East Bend plant went into operation in 1981 and has been upgraded several times to comply with stricter environmental regulations, primarily aimed at reducing air pollution. The plant has an existing landfill and a second landfill under construction.

The landfill receives fly ash from the plant, which is mixed with wastes from the plant’s air-pollution-reducing scrubbers. The mixture of fly ash and scrubber sludges solidifies into a concrete-like substance after it is placed into the landfill.

Bottom ash from the plant’s boilers has been mixed with water and sent to the ash pond, where the solids settle out and the water is discharged to the Ohio River. The new federal rules prohibit further use of ash ponds and set stricter requirements for water discharges.

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The closure of and conversion of the ash pond will take place in two phases, with the first completed in December 2018 and the second in April 2020.

In its application, Duke Kentucky outlined several options it had considered for complying with the stricter federal regulations. The plan proposed by the company was the least complicated and least costly, with the smallest potential impact on ratepayers.

Duke Kentucky is a subsidiary of Duke Energy, headquartered in Charlotte, N.C. Duke Kentucky has about 139,000 electric customers in five counties in northern Kentucky. Duke Kentucky's 97,000 natural gas customers are not affected by this case.

There were no other participants in the case.

Today's order, other documents in the case and records of the earlier case are available on the PSC website, psc.ky.gov. The case numbers are 2016-00398 (this case) and 2016-00268 (the earlier case).

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in Kentucky and has approximately 75 employees.

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