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NEWS RELEASE

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PSC Sets Public Meetings in KU and LG&E Environmental Compliance Cases

Comments taken in Henderson, Louisville, Lexington and Corbin

FRANKFORT, Ky. (Aug. 26, 2011) – The Kentucky Public Service Commission (PSC) will hold public meetings next month in Henderson, Louisville, Lexington and Corbin to receive public comments on environmental compliance plans and associated environmental surcharge requests submitted by Kentucky Utilities Co. (KU) and Louisville Gas & Electric Co. (LG&E).

The public comment meetings will be preceded by an information session during which PSC staff will explain the environmental compliance review process and the legal basis for the surcharge, which applies only to electric rates. The presentation will include an overview of the KU and LG&E applications.

KU and LG&E are seeking PSC authorization to spend a total of about \$2.5 billion to comply with new federal environmental requirements affecting utilities that burn coal to generate electricity. The utilities estimate that total electric bills for LG&E customers would increase by about 19.2 percent by 2016, while KU customers would see total bills increase by about 12.2 percent over that same time.

Since 1994, Kentucky laws and regulations have allowed utilities such as KU and LG&E to recover environmental compliance costs separately from their general rates. The costs are recovered through a surcharge that appears as a separate item on electric bills.

“These meetings are an opportunity for the public to learn more about an issue that affects every electric utility in Kentucky,” PSC Chairman David Armstrong said. “The meetings also allow the PSC to hear directly from ratepayers in these matters.”

The information sessions will begin at 5:30 p.m. local time. They will last an hour and will include a presentation by PSC staff and a question-and-answer period focusing on the PSC process. For those unable to attend, the presentation will be available on the PSC website, psc.ky.gov, beginning Sept. 1.

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The public comment portion of each meeting will begin at 6:30 p.m. local time. The meetings are scheduled for:

Henderson

Thursday, Sept. 1, 2011, 5:30 p.m. CDT

Henderson Fine Arts Center, Henderson Community College
2660 S. Green Street

Louisville

Tuesday, Sept. 6, 2011, 5:30 p.m. EDT

Auditorium, Johnson Traditional Middle School
2509 Wilson Avenue

Lexington

Wednesday, Sept. 7, 2011, 5:30 p.m. EDT

Auditorium, Bryan Station High School
201 Eastin Road

Corbin

Thursday, Sept. 8, 2011, 5:30 pm EDT

Auditorium, Lynn Camp High School
100 North Kentucky Highway 830

The Louisville meeting is being held primarily to take public comments regarding the LG&E case, but comments also will be taken from KU customers. The other three meetings are intended primarily for KU customers.

Both LG&E and KU are subsidiaries of PPL Corp. Kentucky Utilities has about 506,000 electric customers in 77 counties across Kentucky. Louisville Gas & Electric has about 401,000 electric customers in nine counties in the Louisville area. LG&E's 312,000 natural gas customers are not affected by this case.

LG&E is proposing to spend \$1.4 billion for additional air emission control equipment at its Mill Creek generating plant in Jefferson County and its Trimble County generating plant. The utility estimates that an LG&E customer using 1,000 kilowatt-hours of electricity per month (a kilowatt-hour is the amount of electricity used by a 100-watt light bulb in 10 hours) will see their monthly bill increase by \$16.33 by 2016.

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KU is seeking authorization to spend \$1.1 billion for additional air emission controls at its Brown plant in Mercer County and its Ghent plant in Carroll County, as well as conversion of a coal ash pond to dry storage at the Ghent facility. KU estimates that a customer using 1,000 kilowatt-hours per month will see an increase of \$9.46 in their monthly bill by 2016.

In addition to proposing construction of new environmental controls, KU and LG&E are also evaluating whether to retire LG&E's Cane Run generating plant in Jefferson County and KU's Green River plant in Muhlenberg County and Tyrone plant in Woodford County. If those plants are shut down, the utilities would file plans to replace the lost generating capacity. Those plans would be the subject of a separate PSC proceeding.

The current KU and LG&E applications and related documents are available on the PSC Web site, psc.ky.gov. The case numbers are 2011-00161 (KU) and 2011-00162 (LG&E).

In addition to the public meetings, the PSC will conduct a combined formal evidentiary hearing in the cases later this year, on a date yet to be determined. The hearing will be held at the PSC offices at 211 Sower Boulevard in Frankfort, and may last several days. It will be open to the public and may be viewed live on the PSC website.

Written comments will be accepted through the conclusion of the evidentiary hearing. They may be mailed to the PSC at P.O. Box 615, Frankfort, KY 40602, faxed to 502-564-9625, e-mailed from the PSC website or submitted in person at the public meetings or at the PSC offices.

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 100 employees.