

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DUKE ENERGY)	
KENTUCKY, INC. FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY TO)	
CONVERT ITS WET FLUE GAS)	
DESULFURIZATION SYSTEM FROM A)	
QUICKLIME REAGENT PROCESS TO A)	CASE NO.
LIMESTONE REAGENT HANDLING SYSTEM AT)	2025-00002
ITS EAST BEND GENERATING STATION AND)	
FOR APPROVAL TO AMEND ITS)	
ENVIRONMENTAL COMPLIANCE PLAN FOR)	
RECOVERY BY ENVIRONMENTAL SURCHARGE)	
MECHANISM)	

ORDER

On January 28, 2025, Duke Energy Kentucky, Inc. (Duke Kentucky), pursuant to KRS 278.020, KRS, 278.183, and 807 KAR 5:001 submitted an application to amend its Environmental Compliance Plan (Compliance Plan), to grant Duke Kentucky authority to recover the costs associated with its Compliance Plan amendment through its existing environmental surcharge, and for issuing a Certificate of Public Convenience and Necessity (CPCN) for the construction and conversion of its existing Wet Flue Gas Desulfurization (WFGD) from a magnesium enhanced quicklime (MEL) handling process to a limestone-based reagent system to continue to meet existing environmental regulations. This application constituted a resubmittal of the same project application that was voluntarily withdrawn by Duke Kentucky on January 6, 2025, in Case No. 2024-

00152.¹ On May 14, 2025, Duke Kentucky filed a motion for leave to withdraw its application without prejudice, because of new and unanticipated MEL supply opportunities, which render the limestone conversion obsolete.

DISCUSSION AND FINDINGS

On May 14, 2025, Duke Kentucky tendered a motion for leave to withdraw its application without prejudice, pursuant to 807 KAR 5:001, Section 5(1). Duke Kentucky argued that as a direct result of submitting the application on January 28, 2025, the opportunity to negotiate an even lower-cost, longer term, compliance solution with the MEL supply contract arose.² The new MEL supply contract significantly reduced cost relative to the most recent MEL pricing and with additional supply protection compared to what has been experienced and available over the last several years.³

In addition, Duke Kentucky indicated that based upon the economics of the new MEL contract opportunity, the new contract provides a net benefit to customers over the term of the contract versus the approximate \$125 million Limestone Conversion investment.⁴ Duke Kentucky believes that this is an acceptable and reasonable resolution of issues that produces a net benefit to customers over the expanded contract term,⁵ given that previous attempts to negotiate such terms were rejected, and it was only with

¹ Case No. 2024-00152, *Electronic Application of Duke Energy Kentucky, Inc. for a Certificate of Public Convenience and Necessity to Convert Its Wet Flue Gas Desulfurization System from a Quicklime Reagent Process to a Limestone Reagent Handling System at Its East Bend Generating Station and for Approval to Amend Its Environmental Compliance Plan for Recovery by Environmental Surcharge Mechanism*, (Ky. PSC Jan. 6, 2025), final Order.

² Duke Kentucky's Motion for Leave to Withdraw Application Without Prejudice (Motion) (filed May 14, 2025) at 4.

³ Motion at 4.

⁴ Motion at 4-5.

⁵ Motion at 5.

the possibility of converting to a new reagent alternative that the existing supplier became willing to consider a longer-term supply relationship.⁶

Having considered the motion and the material at issue, the Commission grants Duke Kentucky's request to withdraw its application.

IT IS THEREFORE ORDERED that:

1. The application filed by Duke Kentucky on January 28, 2025, is dismissed without prejudice.
2. The hearing scheduled on Tuesday, June 17, 2025, at 9 a.m. Eastern Daylight Time, is canceled.
3. This case is closed and removed from the Commission's docket.

⁶ Motion at 6.

PUBLIC SERVICE COMMISSION

Chairman



Vice Chairman

Commissioner



ATTEST:


Executive Director



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