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PSC Approves LG&E and KU Plan for New Generation

Multi-party Settlement approved with modifications

FRANKFORT, Ky. (October 28, 2025) – The Kentucky Public Service Commission (PSC) has issued an Order regarding Case No. 2025-00045, the joint application of Louisville Gas & Electric (LG&E) and Kentucky Utilities (KU) seeking, among other requests, approval for Certificates of Public Convenience and Necessity (CPCN) to construct new generation and approval for construction of selective catalytic reduction (SCR) to ensure environmental compliance at the Ghent 2 coal-fired power plant. The new generation includes two natural gas combined cycle combustion turbine (NGCC) facilities each with an approximately 645 MW net summer rating.

One of the NGCC units will be located at KU's E.W. Brown Generating Station in Mercer County, Kentucky (Brown 12) and the other will be located at LG&E's Mill Creek Generating Station in Jefferson County, Kentucky (Mill Creek 6). The joint application originally included a request to construct a battery energy storage facility at KU's Cane Run location, but the utilities withdrew their request as moot pursuant to a provision of the settlement agreement.

In the Order, the PSC approved the request for CPCNs and site compatibility certificates for the Brown 12, Mill Creek 6 generation facilities, and a CPCN for the selective catalytic reduction at Ghent 2. The PSC: denied the proposed cost recovery mechanism for Mill Creek 6; denied the proposed Mill Creek 2 adjustment clause; denied the request for recovery of future customer notice expenses in advance; opened a case to monitor the cost recovery and construction progress of Mill Creek 6; declined to make a ruling that LGE/KU's previously-granted authority to retire Mill Creek 2 would allow for a later retirement at an unspecified date; and ordered the utilities to study the feasibility of a synchronous condenser in their next Integrated Resource Plan.



The PSC admonished the utilities that, if load growth does not materialize as anticipated, LGE/KU will be expected to hold to their statement that they will not build the facilities approved in the Order if that is not the least-cost option.

The parties agreeing to the settlement include LG&E, KU, the Attorney General of the Commonwealth of Kentucky, Kentucky Industrial Utility Customers, Inc, Southern Renewable Energy Association, and Kentucky Coal Association. Lexington-Fayette Urban County Government and Louisville and Jefferson County Metro Government took no position on the Stipulation and Recommendation and did not oppose it. Groups who did not join the Stipulation and Recommendation were Kentuckians for the Commonwealth, Kentucky Solar Energy Society, Metropolitan Housing Coalition, Mountain Association, and Sierra Club.

The PSC believes that these projects will be adequate to replace expected generation retirements and keep current facilities in operation while also allowing the utilities to prepare to meet the power needs of potential economic development projects within LG&E/KU's territory, including data centers, while protecting ratepayers from potential speculative costs of powering an expected 1,470 MW of load growth.

Today's Order, the complete application, a description of the review process, mitigation measures and conditions, public comments, and other case filings are available at <https://psc.ky.gov/Case/ViewCaseFilings/2025-00045>.

LG&E and KU are regulated utilities that serve more than 1.3 million customers. LG&E serves 335,000 natural gas and 436,000 electric customers in Louisville and 16 surrounding counties. KU serves 545,000 customers in 77 Kentucky counties and 28,000 customers in five counties in Virginia.

The Kentucky PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,100 gas, water, sewer, electric and telecommunication utilities operating in Kentucky and has approximately 90 employees.

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