



June 28, 2015

Jeff DeRouen
Executive Director
KY Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

VIA ELECTRONIC FILING

RE: *Investigation of Kentucky Utilities Company's and Louisville Gas and Electric Company's Respective Need for and Cost of Multiphase Landfills at the Trimble County and Ghent Generating Stations* Case No. 2015-00194

Dear Mr. DeRouen:

Please accept this letter's comments to the Inter-Agency Memorandum dated June 24, 2015 in addition to the comments that Sterling Ventures submitted by letter dated June 26, 2015. Sterling submits the following with respect to Mr. Raff's comments in the last paragraph of the Memorandum regarding the compressed procedural dates, and the October 2015 deadline to begin construction that LG&E/KU indicated was critical.

LG&E/KU stated in their Application for Declaratory Order Concerning Construction of the Trimble County Landfill that: "The Companies have received or expect to receive all of the permits listed on Exhibit 3 by early 2016...¹" The Exhibit 3 permits are those required to begin construction of the landfill. The Companies also stated in documents provided to the Commission in their 2014 Rate Case that they expect one year of litigation following the issuance of the required permits, and a construction period of 2.75 years.² Therefore, at a minimum, the Companies would not be able to begin construction on the Trimble Landfill until the spring of 2017, with a projected completion date in late 2019.

It appears that the spring of 2016, rather than the fall of 2015, is a more realistic deadline for a decision by the Commission, and that the compressed schedule may prevent a full and complete review of all relevant issues before the Commission in this case. Sterling submits that

¹ See *Verified Joint Application of Louisville Gas and Electric Company's and Kentucky Utilities Company for Declaratory Order Concerning Construction of the Trimble County Landfill and Related Cost Recovery* ("LG&E/KU Application") filed in Case No. 2015-00194, at 8.

² See Exhibit A attached: *In re Application of Kentucky Utilities Company for an Adjustment of Its Electric Rates - Case No. 2014-00371*, Capital Review-Trimble County CCR, Attachment to Filing Requirement, 807 KAR 5:001, Section 167(7)(c)I, Witness K. Blake/Thompson.

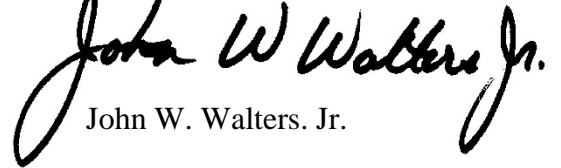


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adding one or two weeks to each of the deadline dates should not adversely affect the Companies' proposed construction schedule, given that the Companies do not expect to receive the permits necessary to begin construction of the landfill until the spring of 2016.

Please let me know should there be any questions regarding the above. Thank you again for your consideration.

Sincerely,



John W. Walters. Jr.

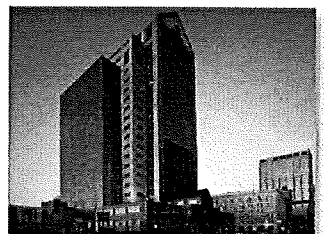
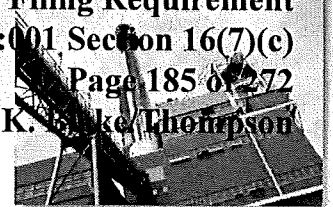
cc: Parties of Record



PPL companies

Project Engineering 2015 Business Plan

September 17, 2014



Major Assumptions

4. Coal Combustion Residuals (CCR's)

4.2 Trimble County Landfill and Transport.

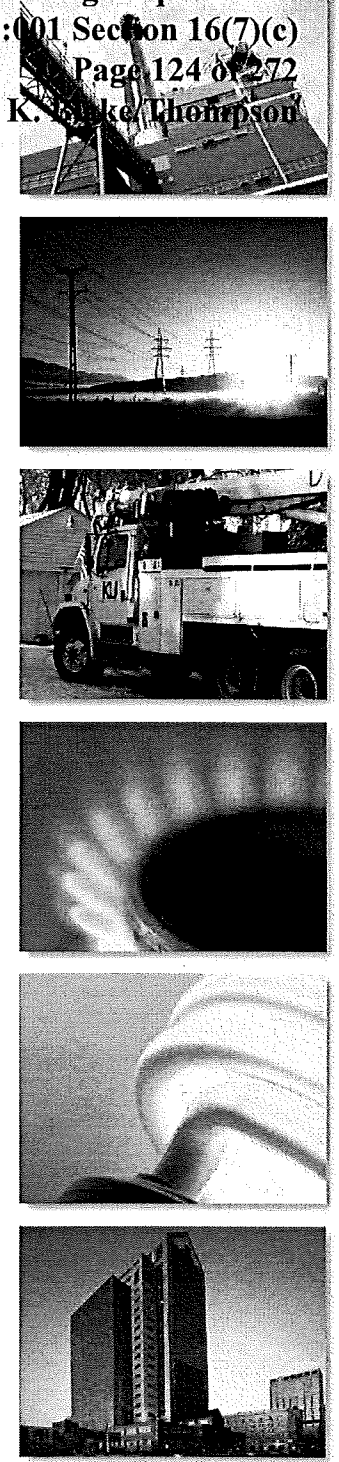
- The projected in-service date for the transport and treatment system is September, 2017.
- The projected in-service date for the landfill is April, 2018.
 - Approval of DWM permit is in January, 2015.
 - One year litigation of permits (1/15 – 1/16)
 - Construction period of 2.75 years.



Power Generation

2015 Business Plan

September 17, 2014



Major Assumptions

4. Coal Combustion Residuals (CCR's)

4.1 EPA issued two proposals for public input for coal combustion residuals (CCR's) in June 2010.

- Final rules are expected on December 19, 2014 and once final rules are issued there will be a five-year implementation period with an additional two years to close existing ponds. Unlined ponds (and possibly even lined ponds) are expected to be eliminated for ash storage.
- EPA is looking to tie the timing of CCR's and effluent water (see 2.14) together.
 - Congress is working on a bi-partisan effort.
 - Expected timeframe of 2018 - 2020 on pond closures and 2017-2018 on construction of new process ponds.
 - CCR materials are used for closing ponds on all active coal facilities.
 - A designation of "Hazardous" vs. "Non-Hazardous" appears to be strongly trending toward "Non-Hazardous".
 - The designation will not change the capital plan but would reduce beneficial re-use opportunities for structural fill and gypsum for wallboard if declared "hazardous".

4.2 Trimble County Landfill and Transport.

- The projected in-service date for the transport and treatment system is September, 2017.
- The projected in-service date for the landfill is April, 2018.
 - Approval of DWM permit is in January, 2015.
 - One year litigation of permits (1/15 – 1/16)
 - Construction period of 2.75 years.

4.3 Brown Ash Pond is being converted to a landfill, with an expected in-service date of second quarter, 2016 for Phase 1.

- KYDWM permit expected third quarter, 2014.
- Construction schedule is approximately 18 months.
- All three phases will be staged concurrently.