

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

ELECTRONIC INVESTIGATION OF THE)	
REASONABLENESS OF THE DEMAND SIDE)	CASE NO. 2017-00097
MANAGEMENT PROGRAMS AND RATES)	
OF KENTUCKY POWER COMPANY)	

POST-HEARING BRIEF OF BEVERLY MAY, JIM WEBB, AND SIERRA CLUB

Pursuant to the deadline set by the Commission at the January 11, 2017, evidentiary hearing in the above-captioned proceeding, Intervenors Beverly May, Jim Webb, and Sierra Club (collectively, “Sierra Club”) respectfully submit this post-hearing brief.¹

I. INTRODUCTION

This is a critically important case about the future of a least-cost, money-saving resource in Kentucky Power Company’s (“KPC” or “the Company”) service territory. Cost-effective demand-side management (“DSM”) helps customers control their electricity bills, creating real and immediate net dollar savings for customers, as well as more efficient homes, local businesses, schools, and churches.² DSM is an essential tool for low-income customers who are

¹ In light of the compressed timeline for filing post-hearing briefs, Sierra Club does not provide a comprehensive summary of the record evidence supporting its position. Sierra Club hereby incorporates by reference the direct testimony of its expert consultant, Jim Grevatt, which was admitted into evidence at the hearing, along with other filings made in this case.

² *See, e.g.*, Ltr. to Gwen Pinson from Kentucky School Boards Association (Jan. 9, 2018) at 2 (stating that “there exists tremendous remaining opportunities for schools to become significantly more efficient with assistance of utility programs such as those provided by Kentucky Power”); KPC’s Response to Commission Data Request 2-2 (listing churches, schools, and small businesses as participants or applicants for the now-suspended New Construction and Commercial Incentive Prescriptive Custom program); Hrg. Video beginning at 9:02 a.m. (public comment of Joshua Bills of Mountain Association for Community Economic Development (“MACED”), explaining that commercial demand-side management is “really essential” for community economic development for small businesses in the region); *id.* beginning at 9:04 a.m.

disproportionately burdened by the cost of electricity. Helping these customers to save money by reducing the amount of energy they need to maintain the same level of services, such as heating and refrigeration, is a vital utility service and sound public policy. DSM also creates substantial system-wide savings—for both customers who participate in DSM programs and those who do not—by reducing the need to run existing generation or acquire new generation.³ And these economic benefits exist *even in times of declining load and excess capacity*. By definition, the benefits of cost-effective DSM outweigh the costs of investing in these programs. DSM is thus a core part of providing least-cost service to customers.⁴

The Commission initiated this investigation in response to a sudden and dramatic increase in KPC’s DSM rates over the past year: average monthly DSM charges had surged from \$0.51 to \$10.61 for residential customers.⁵ That spike was alarming, especially in light of the difficult economic conditions in KPC’s service territory. However, the record evidence has shown that the increase was driven *not* by any cost-inefficiency of the implemented DSM programs, but rather by a buildup of prior under-recoveries by KPC. In other words, the ephemeral spike in KPC’s DSM surcharge was the unfortunate result of an outdated rate-calculation methodology the Company chose to use; it did *not* reflect cost-inefficiency of DSM.

(public comments of Carrie Ray of MACED on behalf of an independent grocery store owner in eastern Kentucky who participates in KPC’s DSM programs, stating that investing in energy efficiency is “critical for this region”).

³ See, e.g., Direct Testimony of Jim Grevatt at 7 (Nov. 22, 2017) (“Grevatt Direct”); Midwest Energy Efficiency Alliance’s Comments at 5-6 (Apr. 17, 2017); American Council for an Energy-Efficient Economy’s (“ACEEE”) Comments at 2, 4 (Nov. 22, 2017).

⁴ See, e.g., Hrg. Video beginning at 9:46 a.m. (Mr. Grevatt describing DSM as a tool to provide a least-cost energy resource).

⁵ See Order, *In the Matter of: Electronic Investigation of the Reasonableness of the Demand Side Management Programs and Rates of Kentucky Power Company*, Case No. 2017-00097 (Feb. 23, 2017) (“Feb. 23 Order”), at 2.

Importantly, the rate-calculation methodology that caused the spike in the DSM surcharge no longer exists. During the pendency of this investigation, the Company changed that methodology to avoid a similar rate spike in the future, consistent with Sierra Club's recommendations in this case. In addition, KPC caught up on the prior under-recoveries that caused the rate increase. As a result, KPC presented a plan to continue to offer cost-effective energy-efficiency resources to its customers at the same level of investment that existed before this investigation was initiated, while simultaneously cutting DSM charges by roughly 88 *percent* for residential customers. An 88 percent decrease in cost, keeping the same level of investment in cost-effective DSM as the Company has proposed, would be a huge win for ratepayers as a result of this investigation. This result alleviates the well-taken concern that the Commission identified as the reason for commencing this investigation, and which the parties accordingly sought to explore and address in this case.⁶

However, despite the resolution of the sudden and dramatic increase in DSM rates, it appears possible that cost-effective energy efficiency programs (which, again, necessarily have more economic benefits than costs) may nevertheless be on the chopping block. The Commission has suspended all but one DSM program from going forward in 2018, even though the evidence shows that (i) KPC's DSM portfolio is cost-effective; (ii) it is poised to be offered at a small fraction of current DSM rates; and (iii) a Commission-approved stipulation requires a minimum level of KPC investment in cost-effective DSM. Eliminating KPC's DSM programs would be unsupported by the record in this case, and would deprive ratepayers of opportunities to save energy and money in their homes and businesses.

⁶ *See, e.g.*, Feb. 23 Order at 1 (“This investigation is necessary due to an approximately 2,000 percent increase over the last year in the DSM rates charged to Kentucky Power’s customers, and in light of the worsening economic conditions in its service territory.”).

Moreover, eliminating KPC's programs in 2018 would effectively rescind a key term of a Commission-approved settlement agreement that requires minimum investment levels in cost-effective DSM. Such a move would directly harm Sierra Club—in addition to ratepayers and their pocketbooks, as noted above—for the additional reason that Sierra Club relied on the DSM investment term in reaching a settlement in the Mitchell transfer case. Furthermore, effectively scuttling that Commission-endorsed agreement would also discourage settlements going forward by casting doubt on parties' ability to rely on Commission decisions approving settlement agreements. Based on the record established in this case, the Commission should lift the suspension to allow KPC to continue its DSM portfolio in 2018 at the \$6 million investment level, as required by the settlement.⁷

That said, KPC's programs certainly can and should be improved. In particular, in light of severe economic hardships faced by many customers, KPC should pursue more opportunities to reduce the strain of high energy bills by focusing on increasing efficiency opportunities for low-income customers both through targeted programs and increasing access to broadly-applicable programs. To that end, KPC should propose a cost-effective 2019-2021 portfolio that reflects this and other improvements for the Commission's consideration in the next DSM docket.

⁷ KPC has stated that “[i]f the Commission were to approve as part of its final order in this case the reestablishment of some or all of the withdrawn programs, the Company would move to restart those programs in 2018 as soon as possible.” Rebuttal Testimony of Ranie K. Wohnhas at 13 (Dec. 13, 2017) (“Wohnhas Rebuttal”).

II. THE EVIDENCE SHOWS THAT THE SUDDEN AND DRAMATIC INCREASE IN KPC'S DSM RATES WAS DRIVEN BY AN OUTDATED RATE CALCULATION METHODOLOGY, WHICH RESULTED IN A BUILD-UP OF PRIOR UNDER-COLLECTIONS.

It can hardly be overemphasized that the aberrational surge in the residential DSM surcharge that prompted this investigation did not reflect the cost of running the Company's DSM portfolio. Rather, as explained by Sierra Club witness Jim Grevatt, and directly confirmed by KPC itself, the rate increase was the result of prior under-collections of DSM expenses.⁸ Before the initiation of this investigation, KPC used the same methodology to calculate its DSM rates as used when it first implemented DSM in 1996.⁹ The methodology led to a significant under-recovery, and when KPC caught up on these prior under-collections by recovering this amount in addition to the actual costs of current DSM investments, DSM rates spiked.

The dramatic DSM rate increase reflected an outdated (at best) rate calculation methodology and KPC's decision to catch up on these prior under-recoveries without adequately describing the reason for the increase. But it did *not* reflect any cost-ineffectiveness of KPC's portfolio of DSM programs. As discussed in the next section, the cost to run KPC's DSM programs at pre-suspension investment levels amounts to roughly 12 percent of what residential customers had to pay prior to this investigation. As such, cost-effective DSM can continue at pre-suspension levels while residential DSM rates drop by 88 percent.

⁸ Grevatt Direct at 12-13; KPC's Nov. 15, 2017 Filing at 4 (explaining that the under-recovery "produced much of the increase in the Company's residential D.S.M factor identified by the Commission in its Order establishing this investigation"); Hrg. Video beginning at 10:04 a.m. (Mr. Grevatt testifying).

⁹ KPC Response to Sierra Club Data Request 1-11.

III. KPC CAN AND HAS PROPOSED TO CUT RESIDENTIAL DSM CHARGES BY 88 PERCENT IN 2018 ,WHILE STILL OFFERING THE SAME LEVEL OF COST-EFFECTIVE DSM, DUE TO IMPROVEMENTS TO ITS RATE CALCULATION METHODOLOGY.

Two significant changes have occurred since the Commission initiated this investigation. First, the Company caught up on the prior residential under collections that led to the rate increase as of September 2017.¹⁰ Second, KPC modified its rate calculation methodology. Specifically, the new methodology appears to provide for more transparent and stable DSM rates, consistent with the recommendations of Sierra Club witness Grevatt.¹¹

As a result, the Company presented a plan (referred to as Alternative A) for restarting its suite of DSM programs at the same pre-suspension level of investment with an average residential DSM charge of \$1.28 per month—an 88 percent reduction from the \$10.61 average charge that spurred the well-founded concerns the Commission cited in initiating this investigation.¹² Moreover, the Company’s witness testified that this new methodology should provide more rate stability and reduce instances of over/under-recoveries.¹³

¹⁰ KPC’s Nov. 15, 2017 Filing at 3 (“As of September 2017 Kentucky Power had recovered its earlier under-recovery in connection with its residential programs through its current residential D.S.M. factor.”).

¹¹ See Wohnhas Rebuttal at 11-12; Grevatt Direct at 18-21. KPC also agreed with Sierra Club concerning the duration lost revenue recovery (i.e., recovery should be limited to three years absent an intervening base rate case and should not exceed the claimed measure life). See Wohnhas Rebuttal at 12.

¹² KPC’s Nov. 15, 2017 Filing at 12. As Mr. Grevatt explained, this reduction amounts to DSM costing roughly 1 percent of the total kWh charge for a residential customer at current rates. Hrg. Video beginning at 10:28 a.m.

¹³ See Wohnhas Rebuttal at 12; Hrg. Video beginning at 10:53 a.m. (Mr. Wohnhas testifying that “the whole purpose of changing [the methodology] was to eliminate the roller coaster”).

This is a great outcome. Under the Company's proposal, customers would experience a huge decrease in their bills while continuing to have the opportunity to lower their bills even further through DSM.

IV. ELIMINATING KPC'S COST-EFFECTIVE DSM PROGRAMS WOULD DEPRIVE CUSTOMERS OF IMPORTANT ENERGY- AND MONEY- SAVING BENEFITS, AND WOULD REMOVE A LEAST-COST RESOURCE FROM KPC'S RESOURCE MIX.

As discussed above, the evidence shows that KPC can continue to provide its customers with cost-effective DSM while significantly slashing DSM charges. However, all of the programs but one currently remain suspended, and it appears that the Commission may be considering a longer-term suspension. Because the record evidence shows that KPC's programs are cost-effective (not to mention popular with ratepayers), the Commission should lift the suspension so that KPC can restart programs that offer all customers—from households to small businesses and from churches to schools—an opportunity to lower their bills while furthering the system-wide benefits of a least-cost resource.

A. As a least-cost system resource, cost-effective DSM benefits all customers—even during times of declining load and excess capacity.

A key, but misplaced, concern driving the program suspension appears to be that KPC's programs are no longer cost-effective due to the Company's declining load and excess capacity. There is no evidence in the record showing that KPC's modest portfolio of DSM programs is not cost-effective. To be sure, declining load and excess capacity can impact the degree of the cost-effectiveness of DSM, as well as other resources, and their impact should be evaluated.¹⁴

However, the only evidence presented in this case pertaining to scores for the total resource cost

¹⁴ It is important to note that KPC's capacity position may change in the near future. As KPC discussed during the hearing, the contract for Rockport Unit 2, which amounts to 393 MW, expires in 2022, and it is possible that it will not be renewed. Hrg. Video beginning at 10:17 a.m.

(“TRC”) test—the cost-effectiveness test used for program approval—demonstrates that KPC’s programs are cost-effective. The Company’s programs pass the TRC test, with scores above 1.0. This means that the economic benefits of these programs (*i.e.*, the value that they provide to all customers) exceed their total costs.¹⁵ As Mr. Grevatt explained, the programs have planned TRC benefit-cost ratios increasing from 1.24 in 2016 to 1.72 in 2025.¹⁶ Additionally, the programs pass the Utility Cost Test (“UCT”), with scores above one through 2025.¹⁷ This UCT result demonstrates the system-wide benefit of KPC’s DSM portfolio because without it, KPC would have to invest more ratepayer dollars to provide the safe, reliable service.

As a cost-effective resource, the Company’s DSM programs provide multiple system-wide benefits for utility customers, *even in times of declining load and excess capacity*, in addition to the immediate savings for program participants. As ACEEE summarized in public comments:

Whether or not Kentucky Power’s customers participate directly in programs, they still receive benefits in the form of reduced utility system costs, including avoided energy, deferred or avoided transmission and distribution investments, avoided operations and maintenance costs, avoided ancillary services (like spinning reserves or power and voltage support), and avoided costs of complying with current or future environmental compliance costs. All of these benefits are delivered through efficiency *regardless of excess capacity*, and are currently valued in cost-benefit tests in several states.¹⁸

¹⁵ Grevatt Direct at 7:21-22 (“Cost-effective DSM, by definition, returns greater value than it costs.”). The TRC looks at the total cost and benefits of DSM. While certain questions at the hearing focused on the cost side of the equation only, when evaluating DSM, both the costs and benefits must be considered. Hrg. Video beginning at 9:41 a.m.

¹⁶ Grevatt Direct at 6 (citing KPC’s discovery responses and its DSM plan approved in 2015, in Case No. 2015-000271).

¹⁷ KPC’s Response to Sierra Club Data Request 1-6, Attachment 1 at 24. *See also* KPC’s Response to Commission Data Request 1-5, Attachment 2.

¹⁸ ACEEE Comments at 4 (emphasis added).

KPC's DSM programs do, and would continue to, provide system-wide benefits that outweigh their costs. As such, the Commission should lift the current suspension so that KPC can continue to make this important resource available to customers.

B. Lost revenues are not a cost of DSM; rather, without DSM, lost revenues are just revenues.

Another concern raised in this case is lost revenues—specifically, whether lost revenues are a huge cost of DSM. But as witnesses Grevatt and Wohnhas explained, while lost revenues are a component of the DSM rates, they are not an actual cost of DSM.¹⁹ Lost revenues are not a cost because the Company will collect this revenue *with or without DSM*—either through the DSM rates when DSM reduces the amount of energy sold, or by selling more energy in the absence of DSM. In the former case, they are called “lost revenues,” but in the latter, they are simply “revenues.” For this reason, lost revenues are not appropriately considered when assessing whether DSM is cost-effective under the TRC.

However, this does not mean that lost revenues should be ignored. To the contrary, lost revenues should be carefully examined. Indeed, Sierra Club witness Grevatt provided two recommendations aimed at ensuring that the Company does not over-collect lost revenues for measures that are no longer saving energy and, therefore, are no longer reducing sales.²⁰

¹⁹ Grevatt Direct at 13-15; Supplemental Testimony of Ranie K. Wohnhas at 11:4-9 (Jan. 10, 2018); *see also* ACEEE Comments at 2 (explaining that “considering net lost revenues as a cost of an energy efficiency program is a flawed analytical approach [because]...lost revenues reflect the collection of already authorized utility costs (unrelated to energy efficiency programs), a sum of money a utility would have collected even in the absence of energy efficiency programs”); Hrg. Video beginning at 9:37 a.m. (Mr. Grevatt testifying that lost revenues “is not really a cost of the program” because it is “intended to make up for the shortfall that occurs as a result of energy efficiency in that fixed cost recovery that’s already been approved by the Commission.”).

²⁰ Grevatt Direct at 16 (recommending that the Commission clarify that lost revenues can be collected for up to three years, but not to exceed the claimed savings life of measures).

C. There is no record evidence of cross-subsidies, and the best way to address any potential cross-subsidization is to provide opportunities for all customers to participate.

Finally, also discussed at the hearing was the issue of potential cross-subsidization—namely, DSM program participants having their bills effectively subsidized by nonparticipants. As an initial matter, the evidence of record does not establish that cross-subsidization is actually occurring via KPC’s DSM programs, as that newly-raised question was never explored in either discovery or testimony in this case; thus it does not provide a proper evidentiary basis on which to reduce or eliminate DSM in this docket.

In any event, and as discussed above, proper cost-effectiveness testing through the TRC gauges the overall value of DSM by comparing efficiency costs and benefits that would be shared across all ratepayers. The UCT specifically compares ratepayer costs of DSM to the ratepayer costs of non-DSM alternatives. In other words, a positive UCT result means that it costs ratepayers less to fund DSM programs than it would to fund the alternative costs of operating the system to provide electricity. Thus, the UCT measures the value that DSM brings to ratepayers as a whole in delivering the least-cost electricity service regardless of whether they participate in programs and individually use less electricity as a result. The Company’s programs pass both the TRC and UCT tests and there is no record evidence of cross-subsidies. It is also important to note that potential cross-subsidies exist throughout the electric system (*e.g.*, based on geographic disparities in cost of service), so this concern should not be viewed solely in the context of DSM..

The best way to mitigate any potential cross subsidization in the context of DSM is to ensure that all customers have a meaningful opportunity to become program participants so that all customers benefit to the maximum extent possible. Thus, the Company should offer both

broad programs and targeted programs,²¹ provide ample opportunities for low-income customer participation,²² and conduct sufficient outreach to all customers.

V. ELIMINATING KPC’S COST-EFFECTIVE DSM PROGRAMS IN 2018 WOULD EFFECTIVELY RESCIND A KEY TERM OF A COMMISSION-APPROVED SETTLEMENT AGREEMENT—INJURING SIERRA CLUB, WHICH RELIED ON THIS TERM, AND DISCOURAGING FUTURE SETTLEMENTS MORE BROADLY.

KPC must meet minimum spending requirements in cost-effective DSM pursuant to a 2013 Stipulation and Settlement Agreement entered in a proceeding concerning the Mitchell Generating Station (“2013 Stipulation”). In that case, KPC proposed to acquire a 50 percent interest in the 1,560 MW generating station and related assets. Sierra Club reached the agreement with KPC and the Kentucky Industrial Utility Customers, and the Commission vetted, adjusted, and approved that agreement as modified. Specifically, after two public hearings, extensive public comments, multiple rounds of discovery and testimony, settlement negotiations, a three-day formal evidentiary hearing, and post-hearing briefing, the Commission approved the Company’s asset transfer request subject to the provisions of the 2013 Stipulation—and the Franklin Circuit Court later affirmed the Commission’s Order approving it.²³ The 2013

²¹ See, e.g., Hrg. Video beginning at 9:13 a.m. (Mr. Grevatt testifying about targeted DSM to overcome barriers for certain customer sectors, such as low-income residents and small business owners).

²² Hrg. Video beginning at 9:17 a.m. (Mr. Grevatt testifying about approaches to reaching low-income customers).

²³ Order, *In the Matter of: Application of Kentucky Power Company for (1) A Certificate of Public Convenience and Necessity Authorizing the Transfer to the Company of an Undivided Fifty Percent Interest in the Mitchell Generating Station and Associated Assets; (2) Approval of the Assumption by Kentucky Power Company of Certain Liabilities in Connection with the Transfer of the Mitchell Generating Station; (3) Declaratory Rulings; (4) Deferral of Costs Incurred in Connection with the Company’s Efforts to Meet Federal Clean Air Act and Related Requirements; and (5) All Other Required Approvals and Relief*, Case No. 2012-00578 at 2-3, 43 (Oct. 7, 2013) (“Mitchell Transfer Order”); see also Opinion and Order, *Commonwealth of Kentucky ex rel. Conway v. Pub. Serv. Comm’n of Ky.*, 13-CI-01398 (April 10, 2015).

Stipulation requires KPC to spend \$6 million in cost-effective DSM in 2018 and to seek Commission approval should it want to spend less than that amount thereafter.²⁴

The Commission’s temporary suspension of all but one of KPC’s DSM programs has already interfered with KPC’s investment obligation. A decision to continue to bar these cost-effective programs in 2018 would effectively rescind a key settlement term on which Sierra Club relied in joining the 2013 Stipulation. That would be unreasonable.²⁵

Barring cost-effective DSM programs in 2018—effectively rescinding the 2018 spending requirement in the 2013 Stipulation—would harm the Sierra Club (in addition to the harm to ratepayers generally of suspending DSM, as discussed above). Sierra Club entered into and supported the 2013 Stipulation because it believed that, taken together, the concessions agreed to by KPC were just, reasonable, and in the best interests of ratepayers.²⁶ Chief among such concessions was the increased investment in cost-effective DSM.²⁷ Sierra Club urged the

²⁴ Mitchell Transfer Order at 36. As explained at the hearing, the \$6 million refers to program costs. Hrg. Video beginning at 12:48 p.m.

²⁵ KRS § 278.410(1). During the current investigation, there were suggestions that this settlement term may no longer be appropriate because circumstances have changed. *See, e.g.*, Feb. 23 Order at 5-6. But concerns about changes in circumstances, including changes in avoided costs, do not justify rescinding this settlement term, in part because the 2013 Stipulation requires KPC to invest only in “*cost-effective* DSM and energy efficiency measures” (emphasis added). Mitchell Transfer Order, Appendix A, ¶ 12. Thus, the spending requirement only covers DSM resources for which the benefits outweigh the costs, and there has been no showing that KPC’s programs are not cost-effective.

²⁶ Sierra Club’s Post-Hearing Brief, Case No. 2012-00578 at 2 (Aug. 12, 2013) (“Sierra Club’s Post-Hearing Mitchell Transfer Brief”); *see also* Mitchell Transfer Order, Appendix A at 4 (prefatory settlement language stating that “for and in consideration of the mutual premises set forth above, and the agreements and covenants set forth herein, Kentucky Power and the Settling Intervenor hereby agree...”).

²⁷ Indeed, while Sierra Club believed a more reasonable approach to KPC’s proposed asset transfer would have been for KPC to evaluate a full range of supply and demand-side options, Sierra Club agreed to the Mitchell transfer because the settlement agreement would, among other things, “require KPC to double its annual investments in demand side management....” Sierra Club’s Post-Hearing Mitchell Transfer Brief at 6; *see also id.* at 14-18 (“The Commission should

Commission to approve the 2013 Stipulation “so that KPC’s customers can begin reaping the benefits of increased investment in cost effective DSM.”²⁸ To change the terms of the agreement that Sierra Club negotiated and relied on more than four years after Commission approval would be unfair, unjust, and otherwise unreasonable.

Meanwhile, more broadly, a decision to rescind this term would cast serious doubts on the ability of parties to rely on Commission decisions going forward, particularly with respect to settlements. Parties would not be assured that the terms that they negotiate – for which they make concessions – would be honored by the Commission, even after the Commission approves the settlement. If the Commission can undo a settlement agreement term years after approval, there would be a huge disincentive to attempt to resolve disputes through settlement, contrary to Kentucky law and this Commission’s policy.²⁹

VI. CONCLUSION

For the foregoing reasons, the Commission should lift the suspension of KPC’s portfolio of cost-effective DSM in 2018; approve the DSM rates associated with KPC’s Alternative A, which allows KPC to meet the \$6 million investment obligation (while reducing the DSM surcharge by 88 percent); and direct KPC to submit a proposed portfolio for the 2019-2021 DSM cycle that builds and improves upon the current portfolio by, among other things, providing increased opportunities for low-income customers to save energy.

approve the Proposed Settlement so that KPC’s customers can begin reaping the benefits of increased investment in cost effective DSM.”).

²⁸ Sierra Club’s Post-Hearing Mitchell Transfer Brief at 18.

²⁹ See generally, e.g., Order, *In the Matter of Holly Creek Prod. Corp. v. Jefferson Gas Transmission Co., Inc.*, Case No. 2003-00012 (June 4, 2003) (“The Commission encourages settlements between parties.”); see also *M. N. Berry Co. v. Gay*, 434 S.W.2d 43, 46 (Ky. 1968) (“The law favors compromise settlements.”); *Jones v. Conner*, 915 S.W.2d 756, 757 (Ky. Ct. App. 1996) (“Settlements are favored by the courts.”).

Dated: January 16, 2018

Respectfully submitted,



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CERTIFICATE OF SERVICE

This is to certify that the foregoing copy of the POST-HEARING BRIEF OF BEVERLY MAY, JIM WEBB, AND SIERRA CLUB in this action is a true and accurate copy of the document being filed in paper medium; that the electronic filing was transmitted to the Commission on January 16, 2018; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that a copy of the filing in paper medium is being hand delivered to the Commission.



JOE F. CHILDERS