

**Louisville Gas and Electric Company and Kentucky Utilities Company
Southeast Energy Exchange Market (“SEEM”) Quarterly Status Report No. 4
Case Nos. 2020-00349 and 2020-00350
June 30, 2022**

SEEM Agreement

As reported in the Companies’ third Quarterly Status Report, on October 13, 2021, FERC issued its Notice of Filing Taking Effect By Operation of Law arising out of a 2-2 tie vote on the SEEM Agreement.¹ On November 12, 2021, rehearing requests were filed in the dockets by Clean Energy Coalition and Public Interest Organizations (collectively, “Rehearing Parties”) seeking rehearing of FERC’s failure to act on the SEEM Agreement.² On December 20, 2021, FERC issued an order by majority decision, rejecting the rehearing requests as untimely.³ The Rehearing Parties then filed a request for rehearing of the order rejecting their prior rehearing request. On March 24, 2022, FERC issued an order rejecting the second rehearing request of the Rehearing Parties.⁴

On November 24, 2021, the Companies, along with the other FERC-jurisdictional SEEM Members, filed ministerial revisions to the SEEM Agreement to address commitments previously made to FERC.⁵ FERC issued an order accepting the revisions on January 21, 2022.⁶ The Rehearing Parties requested rehearing on February 18, 2022, and FERC issued a notice that

¹ *Ala. Power Co., et al.*, Notice of Filing Taking Effect by Operation of Law, FERC Docket Nos. ER21-1114-002 and ER21-1120-002 (October 13, 2021). FERC explained that because the FERC Commissioners were divided two against two, the Commission did not act on the filing on or before October 11, 2021. Thus, pursuant to Section 205 of the Federal Power Act, the proposed SEEM Agreement became effective by operation of law as of October 12, 2021.

² *Ala. Power Co., et al.*, Request for Rehearing of the Public Interest Organizations, Docket Nos. ER21-1114-002 (November 12, 2021); Request for Rehearing of Clean Energy Coalition for the October 13, 2021 Deadlock Notice, FERC Docket Nos. ER21-1114-003 and ER21-1120-003 (November 12, 2021).

³ *Ala. Power Co., et al.*, Order Rejecting Rehearing Requests as Untimely, 177 FERC ¶61,178 (December 10, 2021).

⁴ *Ala. Power Co., et al.*, Order Addressing Arguments Raised on Rehearing, 178 FERC ¶61,196 (March 24, 2022).

⁵ *Ala. Power Co.*, Revisions to the Southeast Energy Exchange Market Agreement and Request for Waiver of Prior Notice, FERC Docket No. ER22-476-000 (November 24, 2021).

⁶ *Ala. Power Co.*, Order Accepting Tariff Revisions, 178 FERC ¶ 61,048 (January 21, 2022).

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the rehearing request was denied by operation of law on March 21, 2022.⁷ On May 19, 2022, FERC issued an order addressing the arguments raised on rehearing sustaining the results of the January 21, 2022 order.⁸

OATT Amendment

The Companies’ separate FERC filing of the revisions to the Companies’ Open Access Transmission Tariff (“OATT”) to enable a zero- cost transmission service in connection with SEEM transactions was accepted by FERC on November 8, 2021.⁹ Requests for Rehearing were filed on December 8, 2021, by the Rehearing Parties. FERC issued a notice denying rehearing by operation of law on January 10, 2022 and a subsequent order denying rehearing with additional discussion in support of the November decision on March 24, 2022.¹⁰

Appeal

On February 8, 2022, the Rehearing Parties filed a joint petition for review with the D.C. Circuit Court of Appeals. Specifically, the petition seeks review of the following: the October 13, 2021 SEEM Agreement order, the December 10, 2021 rehearing order, the November 8, 2021 OATT order, the January 10, 2022 rehearing order, and the February 7, 2022 rehearing order. The Companies, along with the other FERC-jurisdictional SEEM Members, intervened in the appeal proceeding and filed a motion to dismiss the appeal on May 16, 2022 due to the failure of the Rehearing Parties to timely file their request for rehearing of the October SEEM Agreement order. FERC also filed a motion for summary affirmance on May 16, 2022.

⁷ *Ala. Power Co.*, Notice of Denial of Rehearing by Operation of Law and Providing for Further Consideration, 178 FERC ¶ 62,157 (March 21, 2022).

⁸ *Ala. Power Co.*, Order Addressing Arguments Raised on Rehearing, 179 FERC ¶ 61,128 (May 19, 2022).

⁹ A compliance filing was made as directed by FERC on December 7, 2021 and accepted by letter order on January 7, 2022. *See*, LG&E/KU, Tariff Filing, Docket Nos. ER21-1118-004.

¹⁰ *Duke Energy Progress, LLC, et. al.*, Order Addressing Arguments Raised on Rehearing, 178 FERC ¶61,195 (March 24, 2022).