

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DUKE)	
ENERGY KENTUCKY, INC. FOR (1) AN)	
ADJUSTMENT OF ELECTRIC RATES; (2))	
APPROVAL OF NEW TARIFFS; (3) APPROVAL)	Case No. 2022-00372
OF ACCOUNTING PRACTICES TO)	
ESTABLISH REGULATORY ASSETS AND)	
LIABILITIES; AND (4) ALL OTHER)	
REQUIRED APPROVALS AND RELIEF)	

SIERRA CLUB’S REPLY BRIEF

Sierra Club writes briefly to respond to Duke Energy Kentucky’s (Duke’s) contention in its Initial Brief that 2030 is an infeasible date for retirement for East Bend.¹ Duke’s own expert testimony describes 2030, not 2035, as the earliest feasible date for retirement. As Duke Witness Park, the managing director responsible for Duke’s integrated resource plan, stated in this proceeding:

The Company believes that based upon current modeling and the recent legislative changes in Kentucky, retiring East Bend 2 **before 2030** would be challenging from an execution standpoint and as we sit today, not in the best interest of customers from a long-term cost perspective due to the remaining undepreciated book value of the East Bend 2 asset.²

Mr. Park confirmed that testimony in cross-examination before the Commission.³ Contrary to Duke’s contention, there is no evidence in this proceeding that 2030 is not a feasible retirement date. Sierra Club Witness Shenstone-Harris’s recommendation is that Duke “retire the plant by 2030, at

¹ Duke Initial Br. at 38.
² Park Reb. Test. 7:9-13.
³ Hr. Video (May 9, 2023) at 4:40:00 (1:36 PM) (Sierra Club cross-examination of Mr. Park).

the latest”⁴ and begin planning for East Bend’s retirement now, including by procuring or building replacement resources “as soon as possible.”⁵ Ms. Shenstone-Harris’s testimony does *not* state or indicate that retirement by 2030 is infeasible; rather, Ms. Shenstone-Harris states that Duke should plan prudently for a 2030 retirement date in light of her conclusion that East Bend is projected to be uneconomic on a going-forward basis, and accordingly begin preparations for anticipated retirement.⁶ And, again, Duke’s own expert witness has confirmed in this proceeding that a 2030 retirement date is feasible.

Date: June 19, 2023

Respectfully submitted,

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⁴ Shenstone-Harris Dir. Test. at 7.

⁵ *Id.* at 46.

⁶ *Id.* at 20, 46-48.

CERTIFICATE OF SERVICE

This is to certify that the foregoing copy of Sierra Club's post-hearing brief in this action is being electronically transmitted to the Commission on June 19, 2023, and that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding.

/s/ Joe F. Childers
JOE F. CHILDERS