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Sent: 9/15/2009 9:18:22 AM

Subject: Daily Media Report for Tuesday, Sept. 15, 2009

Attachments: CJ091509_Editorial_Annus_Horribilis.doc; CJ091509_Groups_To_Sue_EPA_Coal_Ash_Ponds.doc; CNN091509_Community_Swamped_By_Coal_Sludge_to_Get_40_Million.doc; Gleaner091509_Wind_Power_KU.doc; HL091509_green_grants.pdf; Picture (Metafile); WHAS091409_Windstorm_One_Year_Later.doc; WSJ091509_Tweet_Through_Crises.doc

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Daily Media Report

Tuesday, September 15, 2009

Local/State

Courier-Journal** Sept. 15 Editorial: Annus Horribilis
Courier-Journal* Sept. 15 3 Environmental Groups To Sue EPA Over Coal-Ash Ponds

Herald-Leader* Sept. 15 State to Get Green Grants
Henderson Gleaner** Sept. 15 KU Wants To Charge For Wind Power
WHAS 11** Sept. 14-15 LG&E, KU Outage Improvements One Year After Wind Storm
WAVE 3 Sept. 14 LG&E, KU Outage Improvements One Year After Wind Storm

Industry

Wall Street Journal* Sept. 15 Entrepreneurs 'Tweet' Their Way Through Crises
CNN** Sept. 15 Community Swamped By Coal Sludge to Get \$40 Million

*-Article is attached; **-Article is attached and LG&E, KU, E.ON U.S. or E.ON is mentioned

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This report has been provided by Corporate Communications. Should you have questions or need additional information, please email Brian Phillips or Cliff Feltham.

Annus horribilis

While Wall Street was in freefall a year ago, Louisville found itself beginning its own whirlwind as Hurricane Ike leveled its winds on the region the afternoon of Sept. 14. Just four months later, a vicious ice storm coated the region. Then just last month, a freakish flash flood devastated vast portions of the city.

We take note of this today not to bemoan our recent woes. No, the purpose is to offer a few words of praise for the hundreds of thousands of people who faced hardships over and over again. As in the great flood of 1937, Louisvillians were bloodied, but unbowed, by the triple punch.

We learned a lot about community during these crises. Neighborhoods became not just addresses but places for people to care for one another. This was especially true after January's ice storm, when thousands were stranded in bitter cold with no electricity, no phones and, in many cases, no heat. Churches and social service agencies did their parts. LG&E repairmen became local heroes.

Through it all, Mayor Jerry Abramson kept his smile and challenged us to keep ours. The storms cost the city tens of millions of dollars.

We're all inclined to complain about what's wrong in our city, and goodness knows, there are plenty of things. But let us always remember that in this year of living dangerously, Louisville rose to the challenge.

3 environmental groups to sue EPA over coal-ash ponds

By James Bruggers

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Three environmental groups have put the U.S. Environmental Protection Agency on notice that they intend to sue the agency, alleging it has failed to regulate water pollution from the nation's electric utilities, including discharges into rivers and lakes from hundreds of coal-ash ponds.

Defenders of Wildlife, the Sierra Club and the Environmental Integrity Project on Monday filed their notice of intent to sue the EPA — the first step in a federal lawsuit — alleging that EPA officials should have tightened their rules on power plant water pollution as far back as 1982.

At issue are the heavy metals and other toxic pollutants found in effluent from ponds that store electric utilities' combustion wastes, such as ash, as well as scrubber sludge wastewater, and wastewater produced during the cleaning of cooling towers, said Jen Peterson, an attorney with the Environmental Integrity Project.

"Toxic discharges from power plants can threaten the health of local communities, contaminate ground and surface waters, and destroy aquatic life," said the Environmental Integrity Project executive director Eric Schaeffer, a former high-ranking EPA enforcement official. "EPA needs to stop kicking the can down the road and set a date for regulation."

He said the agency's data shows that coal plants discharge millions of pounds of toxic pollutants like arsenic, mercury, selenium and lead, each year. Yet existing federal rules, which have not been revised since 1982, set no national limits on metals discharges, which can get into local water supplies and contaminate waterways, he said.

The EPA responded by saying it will announce "the way forward on standards for water discharges from coal-fired plants" on Tuesday, according to EPA spokeswoman Adora Andy.

Dan Riedinger, spokesman for the Edison Electric Institute, which represents many of the nation's electric utilities, referred questions to one of the institute's attorneys, Kristy Bulleit, who said she was still reviewing the filing and could not comment on it.

An EPA survey made public earlier this month found that Indiana and Kentucky are the nation's top two states for coal ash ponds — and many of the many were built without the guidance of trained engineers.

The survey documented nearly 600 ash ponds across the U.S. — 53 in Indiana and 44 in Kentucky. It was conducted after a massive December coal ash spill in Tennessee.

The Clean Water Act requires anybody filing such lawsuits to give the EPA a 60-day notice.

Reporter James Bruggers can be reached at (502) 582-4645.

Additional Facts

On the Web

Read the environmental groups' notice at:

http://www.environmentalintegrity.org/pubs/FINAL_NOI%20Steam%20Electric%20ELG_20090914.pdf

Community swamped by coal sludge to get \$40 million

(CNN) -- The Tennessee community that was buried under more than a billion gallons of coal sludge last year is getting \$40 million from the nation's largest public utility for economic development projects.

However, some say the cash from the Tennessee Valley Authority is for nothing more than a facelift for Roane County, and they argue that it will do little to address their environmental and medical concerns.

The enormity of the December spill at the TVA's power plant in Kingston was unprecedented, with enough waste to fill nearly 800 Olympic-size swimming pools. The sludge, a byproduct of the ash from coal combustion, coated 300 acres, a bigger area than the 1989 Exxon Valdez oil spill.

The \$40 million is to pay for projects such as improvements to infrastructure and recreation, "so we can help improve quality of life," TVA spokeswoman Barbara Martocci said Monday.

The projects will have to be approved through a foundation made up of four TVA officials and four local elected officials, three of them mayors.

"This foundation offers an important opportunity for achieving local projects for the benefit of local citizens," Kingston Mayor Troy Beets said in a statement through the TVA. "As the foundation board, we will begin our work together by first considering the projects that our communities have identified as priorities."

But some residents of the area 35 miles west of Knoxville aren't buying it.

"Initially, it looks like a good deal," said Sarah McCoin, who lives about a mile from the spill site. "In reality, you have a situation that will only be politically correct."

Residents are afraid of the chemicals that were released into the environment: arsenic, selenium, lead and radioactive materials including chromium and barium. They say fly ash is still visible in the air, and many complain of medical issues they believe are linked to the disaster, ranging from headaches to respiratory ailments.

"Our environment is damaged, and there are people here who are really, really sick," McCoin said. "We are continually fighting respiratory problems."

McCoin said the big problem is fly ash from the sludge, which gets into the air during dry spells. The TVA routinely sprays the ash down, but it's only a temporary fix.

The TVA says contact with wet coal fly ash does not present a serious health risk, though direct skin contact may cause localized irritation.

In a statement on its Web site, the agency says: "Testing of the Kingston ash samples shows that concentrations of metals are well below the limits for classification as a hazardous waste." It also says there's been rigorous testing of public drinking water supplies, private wells and river water -- and all have met safety standards.

The TVA and the Environmental Protection Agency have released reports indicating that the air, water and general environment are safe. They say the levels of toxic chemicals found in coal ash do not exceed federal standards. As of mid-May, the TVA said it had taken 44,000 air samples; none had indicated health concerns.

Even so, hundreds of civil complaints -- lumped into eight lawsuits, four of them class-action -- have been filed against the TVA, demanding reparations for property damage, trespassing, mental anguish, medical issues and scores of other allegations.

The \$40 million announced Monday is part of a larger fund set up for clean-up efforts, Martocci said.

But it has nothing to do with possible settlements in the future, said one environmental lawyer representing Roane County plaintiffs.

The residents "won't get a penny of this" TVA funding, attorney Gary Davis added.

KU wants to charge for wind power

By Chuck Stinnett

Kentucky Utilities Co. intends to purchase wind power from northern Illinois and will soon ask state regulators to charge home customers about a buck a month more to pay for that alternative energy.

The wind power, including the cost of transmitting the electricity to Kentucky, is about twice as much as it costs KU to generate power by burning coal at power plants.

To pay for the wind power, KU plans to file an application with the Kentucky Public Service Commission, requesting permission to impose a "renewable resource clause" so it can recover the costs of purchased wind power and transmission costs.

The wind power purchase will increase power bills an estimated 92 cents per month in 2009 for a residential customer using 1,000 kilowatt-hours per month, KU said in a public notice in today's Gleaner.

KU is asking the charge to be applied on or after Oct. 31.

KU and sister company Louisville Gas and Electric Co. last month announced a plan to purchase a combined 109.5 megawatts of wind power for 20 years from Grand Ridge Energy Center in LaSalle County, Ill.,

The 109.5 MW of power represents just a fraction of KU's existing generation capacity of 4,570 megawatts.

But with increasing environmental pressures, KU is seeking to increase the amount of renewable energy in its power portfolio, spokesman Cliff Feltham said.

"Sustainable wind production in Kentucky is probably not a cost-effective way to do it" since wind doesn't blow consistently here, he said. So it intends to import power from the prairies of northern Illinois.

Wind power and other renewable energies are mentioned regularly in federal energy proposals, Feltham noted.

"It's going to be a fact of life for all power companies," he said.

In 2007, KU and LG&E announced a Green Energy Program allowing customers to voluntarily pay extra to help their power company buy more alternative energy.

That voluntary program "was met with not a whole of acceptance," Feltham said. "But it's out there."

Lexington Herald-Leader -- Date: Sep 15, 2009; Section: Obituaries & Memorials; Page: C3

FRANKFORT

State to get green grants

Kentucky will receive nearly \$10.5 million in federal stimulus funds for programs that lower energy use, reduce carbon pollution and create green jobs, officials said Monday. The money will be administered by the state Energy and Environment Cabinet. At least 60 percent will be passed through to local governments. Some of the money will go toward photovoltaic systems to provide solar energy to one or more schools.

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<http://www.whas11.com/news/consumer/stories/whas11-local-090914-windstorm-anny.17da856a2.html>

One year later: City waits for Windstorm LG&E response report

WHAS11) - One year after the Windstorm of 2008 knocked out power to most of Kentuckiana, with some residents without electric service more than one week, the official report from the Kentucky Public Service Commission is still months away.

But Louisville Gas & Electric is disclosing the findings of an independent study, and has also provided the report to the state.

The utility says the third party consultant reviewed three main areas:

- Whether LG&E should consider burying overhead lines
- How LG&E can strengthen the system, including vegetation management
- How communications can be improved

The question of whether to bury overhead lines has been a constant since the windstorm. Metro Mayor Jerry Abramson eventually asked the Public Service Commission to issue an opinion on whether it is feasible.

“What I would like is for all the citizens in this community to understand what it means to put a line underground. How much more often than not would there be no problem?

What would it cost as far as an increase on their bill, are people willing to pay that cost? And also, what can be done to harden the system?” Abramson said.

The PSC has not yet released its conclusion, but LG & E’s Chip Keeling says the independent study ruled it out.

“They quickly took off the table ‘undergrounding,’” Keeling said, “To underground what is out there right now within our distribution system would cost about \$24 billion and would probably take decades to complete.

So we started looking at strengthening, (such as) vegetation management, tree trimming, stronger lines and stronger poles.”

Keeling says it is getting more aggressive in tree trimming, and a pilot program is asking customers to allow them to expand LG & E’s vegetative maintenance outside the right of way.

The report also suggests strengthening the system with “bigger wires, and stronger poles,” Keeling said.

“But if you have another storm that came through like the hurricane and the ice storm, I mean there's barely a system out there that could have done any better, I mean the damage was so severe.”

One year later, one day of devastating winds is still making a difference.

Mayor Jerry Abramson says lessons learned include a better idea of how citizens will volunteer, what we can expect of disaster relief like the Red Cross, and how city workers can better respond, plus -- now with three natural disasters here in the last 12 months, we've learned what FEMA will and won't pay for.

“We are almost paid off as far as what the Feds owe us through FEMA,” said Louisville Mayor Jerry Abramson (D),

“We have to assume 12.5% of the cost ourselves, but when you put the ice storm on top of it and now the flood on top of it, it has a significant effect on our balancing the budget for this fiscal year we are in now.”

When the windstorm hit, customers had to call LG&E to register a power outage.

In the future, LG & E plans a system in which customers will be able to do that online, where they can also track where the power crews are working. LG&E is also adding Twitter to update customers on power restoration.

The Public Service Commission says a combined report on the windstorm and January ice storm will be released in November. A spokesman said the PSC was in the midst of the windstorm report when the ice storm hit.

The combined report will also make recommendations to water and telecommunications providers, the spokesman added. One issue for cellular phone service providers is whether cell phone towers should have a power back-up.

The report, expected to be more than 200 pages, may also address how utilities can convey safety messages to the public, such as the proper use of gas-powered electric generators.

Both storms combined, LG&E and KU are each claiming \$65 million in repair costs to be recovered by rate increases. That figure, however, does not include infrastructure replacement.

In December, the PSC allowed LG&E and Kentucky Utilities to classify the repair costs as “regulatory assets” separate from other operating expenditures, with the presumption that the recovery of those costs will be addressed in a future rate case.

Wall Street Journal – Tuesday, September 15, 2009

Entrepreneurs 'Tweet' Their Way Through Crises

Twitter Helps Companies Cope With Site Crashes, Weather Delays; 'You Can't Do That With a 1-800 Number'

By **SARAH E. NEEDLEMAN**

Twitter has turned out to be a useful tool for some small businesses coping with customer-service or public-relations crises.

The social-media service -- where users send short "tweets" to followers who have signed up to receive the messages -- came in handy for Innovative Beverage Group Holdings Inc., whose drankbeverage.com site crashed last month after a surge in traffic following a segment on Fox News for the company's so-called relaxation beverage, which contains "calming" ingredients like valerian root and melatonin. News Corp. owns Fox News as well as The Wall Street Journal.

Innovative Beverage notified consumers on its Twitter feed that it was working to resolve the problem. The company also did a search on Twitter for mentions of the site crash, so it could respond with tweets describing its repair efforts.

Peter Bianchi, Innovative's chief executive, says the site's meltdown was devastating, since a small business rarely receives national TV coverage. But he says the 12-hour site crash didn't appear to have any lasting damage and online sales of the beverage peaked the following day to their highest level to date.

"Twitter gave us an up-to-the-minute ability to take what would normally be a crisis situation and make it just another event," says Mr. Bianchi. "You can't do that with a 1-800-number."

As of Monday, drankbeverage.com had more than 1,000 Twitter followers.

Twitter also helped wine critic Gary Vaynerchuk respond quickly after his company's Web site, Corkd.com, was hacked so that visitors were greeted with pornography.

While technicians plugged away at the problem, which took about eight hours to resolve, Mr. Vaynerchuk says he shot a video of himself apologizing to customers of the wine-review site. He then posted it on a video-hosting site and linked to the footage from Twitter, where he has nearly 900,000 followers.

Mr. Vaynerchuk, who owns New-York based Cork'd LLC, also tweeted apologies to about 65 people who tweeted about the incident. "Every person that mentioned Cork'd on Twitter got a message from me and a link to the video," he says.

Mr. Vaynerchuk says his Web site saw no drop in traffic during the days that followed. He also received about 75 emails from customers complimenting him on how he handled the matter.

To be sure, Twitter can also be the root of a problem for entrepreneurs. Virginia Lawrence, a director at Ballantines PR, a boutique agency in Los Angeles, monitors Twitter daily on behalf of several small businesses for tweets that could harm their reputations.

Recently, she says she found several criticizing a client that were from a former employee the firm had fired. The dismissed worker "was saying negative things about how the company was run, as if they were doing illegal things," she says. Ms. Lawrence notified the client, who then approached the terminated employee about the matter, and soon after the scurrilous tweets stopped.

Twitter can also be an effective way to get a message across to consumers in an emergency. When an ice storm struck the Bartlesville, Okla., area last winter, United Linen & Uniform Services notified customers about the status of their orders through Twitter in addition to its Web site. Scott Townsend, marketing director for the laundry service, says many consumers today will find information about a business on Twitter before anywhere else because it's where they hang out online. "You fish where the fish are," he says.

Mr. Townsend adds that while email was also an option, entering customers' addresses would have been tedious and time-consuming.

Entrepreneurs should bear in mind that Twitter is unlikely to be of help in dealing with a problem if it isn't used regularly otherwise, says Shel Israel, author of "Twitterville: How Businesses Can Thrive in the New Global Neighborhoods."

"If you just go to Twitter when you have a crisis, you will have no followers and no credibility," he says. "The key to using Twitter effectively is to build trust with people who are relevant to your business."

Steve Fusek, owner of Fusek's True Value LLC, a hardware store in Indianapolis, now has an employee dedicated to updating the shop's Twitter profile during business hours. Mr. Fusek says consumers expect to see frequent tweets and swift responses to customer-service inquiries they post.

"You can't just sign up and leave it. You have to have someone on it," he says. "If you're not legitimate, you'll be found out quickly."

Write to Sarah E. Needleman at sarah.needleman@wsj.com