COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY UTILITIES COMPANY FOR APPROVAL OF ITS 2025 COMPLIANCE PLAN FOR RECOVERY BY ENVIRONMENTAL SURCHARGE PLAN

CASE NO. 2025-00105

<u>order</u>

This matter arises upon Kentucky Utilities Company's (KU) application for approval of its 2025 Compliance Plan for recovery through the Environmental Cost Recovery Surcharge. On April 30, 2025, contemporaneously with the application, KU filed a motion requesting that the Commission consolidate this proceeding into Case No. 2025-00045.¹ KU also moved the Commission to issue an order incorporating by reference the record of evidence in this proceeding into Case No. 2025-00045.² Relatedly, KU also moved the Commission to issue an order incorporating to all parties who are intervenors in Case No. 2025-00045, if granting such intervention is necessary to effect KU's requested case consolidation.³

As a basis for its motion, KU explained that filing the Certificate of Public Convenience and Necessity (CPCN) application, Case No. 2025-00045, first and seeking

¹ Case No. 2025-00045, Electronic Application of Kentucky Utilities Company and Louisville Gas and Electric Company for Certificates of Public Convenience and Necessity and Site Compatibility Certificates.

² Motion of KU to Consolidate Proceedings, Incorporate by Reference, and Grant Intervention (Motion to Consolidate) (filed Apr. 30, 2025) at 1.

³ Motion to Consolidate at 1.

to consolidate the two cases would provide the Commission, Louisville Gas and Electric Company (LG&E) and KU (jointly, LG&E/KU), and intervenors with the best opportunity to fully develop a record for the Commission's ultimate decision at a reasonable pace.⁴ LG&E authorized KU to state it did not object to the motion.⁵ KU argued that this application, which relies on the same basic facts, some of the same record, and the same operative reasoning as Case No. 2025-00045, is a complementary piece of that case, which KU would have filed as part of a single, combined application if not for the different statutory timelines.⁶ KU explained that the application in this case depends almost entirely on the Commission's approval of a CPCN to construct the Ghent 2 selective catalytic reduction (SCR) in Case No. 2025-00045.⁷ KU stated that consolidation will serve the interests of administrative efficiency and will not unduly burden or prejudice the Commission, KU, or any other party.⁸

LEGAL STANDARD

Commission regulation 807 KAR 5:001, Section 4(14) provides that two or more proceedings involving similar question of law or fact can be consolidated if rights of the parties or the public interest will not be prejudiced. The Commission specifies which case is consolidated into the other. Anything filed prior to the consolidation order remains in the respective case files and anything filed after the consolidation order is filed into the consolidated case.

- ⁶ Motion to Consolidate at 2.
- ⁷ Motion to Consolidate at 2.
- ⁸ Motion to Consolidate at 2.

⁴ Motion to Consolidate at 2.

⁵ Motion to Consolidate at 1.

Commission regulation 807 KAR 5:001, Section 11(5) provides that, upon the Commission's own motion or a party's motion, the record of a case can be made part of the record by reference only and incorporated into the record of another case.

KRS 278.183(4) authorizes the Commission to engage independent consultants to assist it in the review of an environmental compliance plan. Pursuant to KRS 278.183(4), the costs associated with retaining a qualified, competent consultant to assist in the review of the applicant's environmental compliance plan shall be paid by the applicant and be recoverable in the environmental surcharge and not be an obligation of the Commonwealth.

DISCUSSION AND FINDINGS

Based upon a review of the motion, the case records of Case No. 2025-00045 and Case No. 2025-00105, and being otherwise sufficiently advised, the Commission finds that this matter, Case No. 2025-00105, should be consolidated into the CPCN matter, Case No. 2025-00045, as there are similar questions of fact in both cases. Case No. 2025-00105 is based on the building of the SCR on the Ghent 2 generating unit, for which a CPCN is requested for in Case No. 2025-00045. The Commission does not believe that the parties or the public would be prejudiced by consolidation. The Commission agrees with KU that consolidation will serve the interests of administrative efficiency.

The Commission recognizes that generally the environmental surcharge mechanism cases do not have intervenors; however, to the extent that this case is related, the intervening parties in Case No. 2025-00045, should be granted intervention here so to participate in requests for information and assist the Commission in establishing a thorough, well-rounded record. To the extent that the parties have been granted

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intervention for the underlying CPCN, the Commission finds that based on the consolidation, the parties are permitted to inquire and participate in the totality of the case. The issues in the ESM case will be subject to discovery and testimony by intervenors in accordance with an amended procedural schedule, to be issued in Case No. 2025-00045.

IT IS THEREFORE ORDERED that:

1. Case No. 2025-00105 is incorporated into Case No. 2025-00045.

2. The record of Case No. 2025-00105 is consolidated into Case No. 2025-00045 as of the date of this Order.

All documents filed in the future shall contain only the caption of Case No.
2025-00045.

4. All parties granted intervention in Case No. 2025-00045 are deemed to have been granted intervention in Case No. 2025-00105.

5. This case is closed and removed from the docket.

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PUBLIC SERVICE COMMISSION

Vice Chairman

Commissioner

ATTEST:

RP

Executive Director



Case No. 2025-00105

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