

LG&E/KU – Mill Creek Station

Phase II Air Quality Control Study

Project Design Memorandum

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1.0 Project Description

1.1 Introduction

1.1.1 Purpose

This site-specific Project Design Memorandum document defines the technical and functional requirements on which the Mill Creek Phase II Air Quality Control Study will be based. The stated functional and technical requirements include LG&E/KU requirements and are applicable to the Mill Creek portion of the overall project. Separate PDMs will be developed for other stations included in the overall project.

1.1.2 Organization of the Document

This Project Design Memorandum document is organized into various sections covering scope of work, environmental, and engineering criteria and requirements. Additional sections may be added during other phases of the project.

1.1.3 Revisions

The Project Design Memorandum document is dynamic in nature. Black & Veatch (B&V) controls this document and is thus responsible for updates and revisions. It is anticipated that this document will be periodically updated and potentially expanded during the life of the project as additional data and specific design criteria become available.

1.2 Overview

The purpose of this Phase II air quality control study is to build upon the previous fleet-wide, high-level air quality technology review and cost assessment conducted for six LG&E/KU facilities (Phase I) in order to develop a facility-specific project definition consisting of a conceptual design and a budgetary cost estimate for selected air quality control technologies (Phase II) for three different facilities, including Mill Creek. Similar studies will be performed for the Ghent and E.W. Brown facilities. Each facility will have a specific project design memorandum.

The Mill Creek Station is located in southwestern Jefferson County, approximately 10.5 miles southwest of the city of Louisville, Kentucky, on a 509 acre site. Mill Creek Station includes four coal fired electric generating units with a gross total generating capacity of 1,608 MW. Mill Creek Station Unit 1 was placed in service in 1972, Mill

Creek Station Unit 2 was placed in service in 1974, and Mill Creek Station Unit 3 was placed into service in 1978 and Mill Creek Station Unit 4 was placed into service in 1982.

All four steam generators (boilers) fire high sulfur bituminous coal. Each Mill Creek Station unit is composed of one GE reheat tandem compound, double-flow turbine with a condenser and hydrogen-cooled generator. Units 1 and 2 each consist of one Combustion Engineering subcritical, balanced draft boiler and have a gross capacity of 330 MW each. Units 1 and 2 are equipped with Low NO_x Burners (LNBS) and Overfire Air (OFA) for nitrogen oxide (NO_x) control, a cold-side dry Electrostatic Precipitator (ESP) for particulate matter (PM) control, and a Wet Flue Gas Desulfurization (WFGD) for sulfur dioxide (SO₂) and hydrogen chloride (HCl) control. Units 3 and 4 each consist of one Babcock & Wilcox (B&W) balanced draft, Carolina type radiant boiler and have a gross capacity of 423 MW and 525 MW, respectively. Units 3 and 4 are equipped with LNBS and Selective Catalytic Reduction (SCR) for NO_x control, a cold-side dry ESP for PM control and a WFGD for SO₂ and HCl control.

Gypsum, a scrubber by-product, produced at Mill Creek is either stored in the on-site landfill or sold for use in manufacture of wall board for the home construction industry. Fly ash is either stored in the on-site landfill or sold for beneficial reuse to the concrete industry. Bottom ash is sluiced to on-site storage ponds. Initially, all four units were cooled using water from the nearby Ohio River; however, Units 2, 3, and 4 were retrofitted with mechanical draft cooling towers.

The following is a summary of basic project information.

- Project Name: Phase II Air Quality Control Study – Mill Creek Station
- Client/Owner: LG&E/KU
- Operator: Louisville Gas & Electric (LG&E)
- Engineer & Regulatory Consultant: Black & Veatch Corporation (B&V)
- Project Site Location: Louisville, Kentucky (refer to Figure 1-1 and Figure 1-2)
- Project Type/Size: Retrofit of Environmental/Air Quality Control equipment for existing units.
- On-Site Work: Start Construction – [LATER]
- In Service Date: 2013 to 2017
- Fuel: High Sulfur Western Kentucky Bituminous Coal from Illinois Basin, Natural Gas for startup
- Water Source: Well Water, City Water, Ohio River Water



Figure 1-1
Mill Creek Power Plant Site

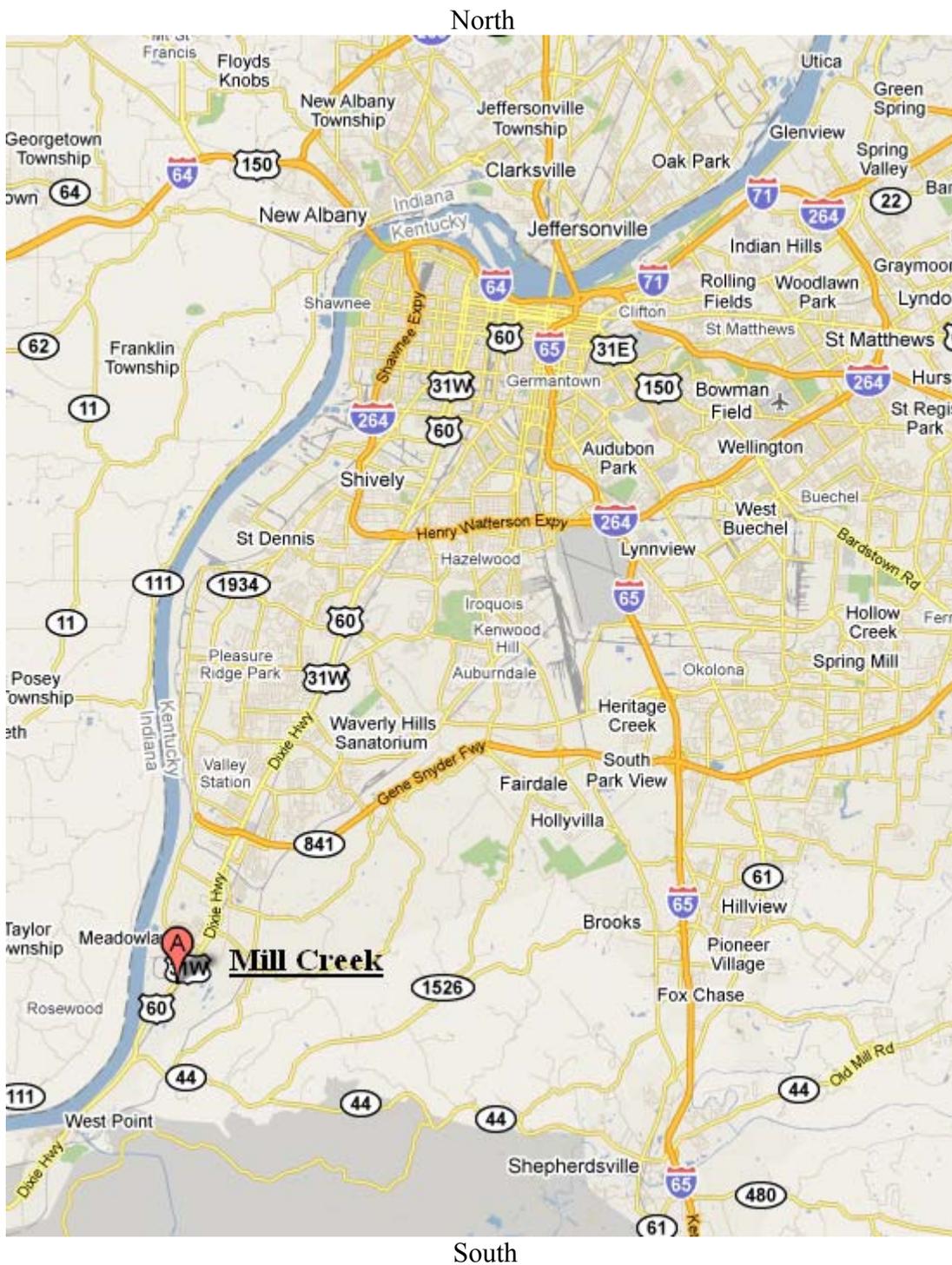


Figure 1-2
Mill Creek and Surrounding Area Map

Existing Facilities:

- Existing On Site Generation Units:
 - Unit 1 - 330 gross MW (in-service date 1972)
 - Unit 2 - 330 gross MW (in-service date 1974)
 - Unit 3 - 423 gross MW (in-service date 1978)
 - Unit 4 - 525 gross MW (in-service date 1982)

- Existing Air Quality Control Equipment:
 - Unit 1 - Low NO_x Burners (LNBs), Overfire Air System (OFA), Cold-side Dry Electrostatic Precipitator (ESP), Wet Flue Gas Desulfurization (WFGD)
 - Unit 2 - LNBS, OFA, Cold-side Dry ESP, WFGD
 - Unit 3 - LNBS, Selective Catalytic Reduction (SCR), Cold-side Dry ESP, WFGD
 - Unit 4 - LNBS, SCR, Cold-side Dry ESP, WFGD

- Site Access: Site is located in Jefferson County, Louisville, Kentucky, on the east side of the Ohio River, approximately 10.5 miles southwest of the city of Louisville, near Meadowlawn with access on Lee Driveway off of Dixie Highway (US 60).

1.3 Scope of Work

A summary of the current scope of work is provided below. Refer to Appendix A for the complete scope of work. Project scope items provided by others, but requiring technical interface, are also listed below.

- Project Kick-off Meeting & Site Visit
- Environmental Regulatory Considerations
- Develop Project Instruction Memorandum
- Project Management
- Develop Project Design Memorandum
- AQC Technology Validation and Selection
- Develop Preliminary Conceptual Design

- Project Cost Estimate
- Implementation Schedule
- Constructability Plan
- Evaluation Report
- Fabric Filter Letter Specification and Vendor Workshop

Project Elements being provided by others:

- Permitting – LG&E/KU Environmental Affairs Department
- Existing Scrubber Condition and Upgrade Evaluation - Vendors

1.4 Governing Building Code

The governing local building code is the Kentucky Building Code, Ninth Edition (2006 International Building Code (IBC), as specifically amended).

1.5 Design and Performance

This section summarizes major plant and scope of work interfaces. When fuel or utilities are considered, the following defined properties shall be used as the design basis.

1.5.1 Unit Performance

Plant design is based on the criteria listed in Table 1-1.

Table 1-1 Performance Design Basis	
Parameter	Basis Value
Ambient Temperature	77 °F Dry Bulb
Ambient Pressure	29.49 in Hg
Ambient Humidity	60.0 % Relative Humidity
Fuel Analysis	Refer to Subsection 1.5.2

1.5.2 Fuel Specifications

All four Mill Creek units burn high sulfur, western Kentucky, bituminous coal from the Illinois Basin. Refer to Appendix B, Design Basis, for main fuel specifications.

Startup fuel is natural gas.

1.5.3 Water

1.5.3.1 Quality Requirements. Water quality characteristics for water to be used as the source for the AQC systems are listed in Table 1-2.

1.5.3.2 Water Balance. The design basis water balance for the new Mill Creek Unit 4 WFGD systems will be provided separately. The water balance for the other units is assumed to remain the same as current operation.

Constituent	Clearwell Pond (Note 1)	Ohio River Water (Service Water)	Cooling Tower Unit 3	Cooling Tower Unit 4
Calcium, mg/L as CaCO ₃	141.79	119	161	183
Magnesium, mg/L as CaCO ₃	64.46	55	73	81
Sodium, mg/L as CaCO ₃	57.07	47.7	65.1	73.78
Potassium, mg/L as CaCO ₃	No data	No data	No data	No data
M-alkalinity, mg/L as CaCO ₃	113.91	98	125	145
Sulfate, mg/L as CaCO ₃	93.58	75.9	109.2	124.8
Chloride, mg/L as CaCO ₃	54.91	47.9	59.2	69.09
Nitrate, mg/L as CaCO ₃	No data	No data	No data	No data
Silica, mg/L as such	5.77	5.1	6.6	6.7
pH (range)	No data	7.7	8	8.2
Specific Conductance, µS/cm	550.88	481	598	689
Temperature (range), °F	No data	No data	No data	No data
Total Suspended Solids	13.65	13	19	10
Total Phosphate, mg/l as PO ₄	1.02	0.4	1.3	2.4
Aluminum, mg/L as such	No data	No data	No data	No data
Barium, mg/L as such	No data	No data	No data	No data
Boron, mg/L as such	No data	No data	No data	No data
Cadmium, mg/L as such	No data	No data	No data	No data
Chromium, mg/L as such	No data	No data	No data	No data
Copper, mg/L as such	0.17	0.14	0.28	0.13

**Table 1-2
Design Basis Water Analysis**

Constituent	Clearwell Pond (Note 1)	Ohio River Water (Service Water)	Cooling Tower Unit 3	Cooling Tower Unit 4
Iron, mg/L as such	0.71	0.74	0.83	0.49
Manganese, mg/L as such	0.07	0.07	0.07	0.05
Nickel, mg/L as such	No data	No data	No data	No data
Strontium, mg/L as such	No data	No data	No data	No data
Zinc, mg/L as such	0.08	0.07	0.16	0.04

Note:

1. WFGD makeup water source is from Clearwell Pond. The ratio mixture of WFGD makeup water is Service Water: Cooling Tower Blowdown Unit 3: Cooling Tower Unit 4 = 0.57 : 0.215 : 0.215

References:

- GE Power & Water “Water Analysis Report” to LG&E, Sampled date: 04-AUG-2010.

1.5.4 Emissions

Plant design is based on the primary target emissions criteria defined in Table 1-3.

Table 1-3 Primary Design Emission Targets				
Pollutant	Unit 1	Unit 2	Unit 3	Unit 4
NO _x	0.139 ^(b) lb/MBtu	0.139 ^(b) lb/MBtu	N/A ^(a)	N/A ^(a)
SO ₂	N/A ^(a)	N/A ^(a)	N/A ^(a)	98% removal
Sulfuric Acid Mist (SAM)	N/A ^(a)	N/A ^(a)	64.3 lb/hr	76.5 lb/hr
Mercury (Hg)	90% control or 0.012 lb/GWh	90% control or 0.012 lb/GWh	90% control or 0.012 lb/GWh	90% control or 0.012 lb/GWh
HCl	0.002 lb/MBtu	0.002 lb/MBtu	0.002 lb/MBtu	0.002 lb/MBtu
Particulate Matter ^{(c),(d)}	0.03 ^(b) lb/MBtu	0.03 ^(b) lb/MBtu	0.03 ^(b) lb/MBtu	0.03 ^(b) lb/MBtu
Arsenic (As) ^(e)	0.5 x 10 ⁻⁵ lb/MBtu			
CO	0.10 lb/MBtu	0.10 lb/MBtu	0.10 lb/MBtu	0.10 lb/MBtu
Dioxin/Furan	15 x 10 ⁻¹⁸ lb/MBtu			
Data from LG&E/KU Mill Creek kickoff meeting of September 15, 2010 (Gary Revlett handouts and meeting notes) unless noted otherwise.				
^(a) Not applicable for this Phase II study.				
^(b) Emission rate target is higher than what can typically be achieved with chosen technology; a lower emission target may be possible.				
^(c) Particulate matter control limits for PM _{2.5} or PM _{condensable} have not been determined for this project.				
^(d) Particulate matter assumed to be the surrogate for emissions of certain non-mercury metallic HAP (i.e., antimony (Sb), beryllium (Be), cadmium (Cd), cobalt (Co), lead (Pb), manganese (Mn), and nickel (Ni)).				
^(e) Arsenic assumed to be the surrogate for non-mercury metallic HAP (i.e., arsenic (As), chromium (Cr), and selenium (Se)).				

1.5.5 Bulk Material

The following bulk materials may be associated with this project:

- Limestone will be used as a reagent in the WFGD systems.

- Pebble or powdered lime may be used if a dry scrubber is included on any of the units for SO₃ control and support of SO₂ control.
- Powder Activated Carbon (PAC) will be used for Hg control
- Fly ash will be collected dry from the precipitator and fabric filter.

1.5.5.1 Limestone Handling and Storage. Refer to Table 1-4 for the limestone properties.

Table 1-4 Limestone Properties		
<u>Dry Basis, Percent (%) by Weight</u>	<u>Nominal</u>	<u>% Guaranteed</u>
Calcium Carbonate, CaCO ₃	93%	90% minimum
Magnesium Carbonate, MgCO ₃	3%	6% maximum
Silica Dioxide, SiO ₂	-	3.5% maximum
Ferric Oxide, Fe ₂ O ₃	-	1.5% maximum
Aluminum Oxide, Al ₂ O ₃	-	4.3% maximum
Total Inerts	4%	7% maximum
Bond Work Index (kWh/t)	12	12 maximum
Surface Moisture	3%	7% maximum
Fluorides	500	ppm
Chlorides	550	ppm
<u>Bulk Density Design Basis</u>		
Average Density	109	pcf
Volumetric Sizing	85	pcf
Structural Loading	115	pcf
Angle of Repose	30	degree
Surcharge Angle	25	degree
Maximum lump size	1¼	inch
Data from Environmental Compliance Project Quality Data spreadsheet.		

1.5.5.2 Pebble Lime Handling and Storage. Refer to Table 1-5 for the pebble lime properties.

Table 1-5 Pebble Lime Properties		
<u>Proximate Analysis, Dry Basis, Percent (%) by Weight</u>	<u>Nominal</u>	<u>Range</u>
Available Calcium Oxide (CaO) Content	90.00	90% minimum
Magnesium Oxide (MgO) Content	0.00	0 – 5%
Inert	10.00	5 – 10%
Total	100.00	--
<u>Bulk Density Design Basis</u>		
Volumetric Sizing	55	pcf
Structural Loading	110	pcf
Angle of Repose	30	degree
Surcharge Angle	25	degree
Maximum lump size	3/4	inch

1.5.5.3 Powdered Lime Handling and Storage. Refer to Table 1-6 for the powdered lime properties.

Table 1-6 Powdered Lime Properties		
<u>Bulk Density Design Basis</u>		
Volumetric Sizing	60	pcf
Structural Loading	85	pcf

1.5.5.4 Powdered Activated Carbon (PAC) Handling and Storage. Refer to Table 1-7 for the powdered activated carbon properties.

Table 1-7 Powdered Activated Carbon Properties		
<u>Bulk Density Design Basis</u>		
Volumetric Sizing	15	pcf
Structural Loading	35	pcf

1.5.5.5 Fly Ash from Precipitator/Fabric Filter Handling and Storage. Refer to Table 1-8 for the fly ash properties.

Table 1-8 Fly Ash Properties		
<u>Bulk Density Design Basis</u>		
Volumetric Sizing	65	pcf
Structural Loading	90	pcf

1.5.6 Classification of Hazardous Areas

Electrical equipment, materials, raceway and wiring will be selected, designed, and installed in accordance with NFPA-70 [NEC].

1.5.7 Future Expansion Considerations

The arrangement of the facility will be based on the configuration of the existing units. No additional units or future expansion is planned. Equipment layouts of the air quality control options must leave room for the modification or addition of biomass utilization and ash handling equipment as identified in the recently completed Black & Veatch Mill Creek Biomass Co-Firing Study dated August 23, 2010.

1.6 Permits and Licenses

1.6.1 Permits

The Environmental Affairs Department of LG&E/KU is responsible for identifying and obtaining the necessary Federal, State and Local permits required to construct and operate the facility and associated equipment. B&V is contracted to coordinate with the environmental counterpart at LG&E/KU, and provide guidance relevant to regulatory scenario planning to ensure project conceptual design is compliant with applicable federal, state, and local statutes and regulations.

1.7 Site Investigations

1.7.1 Surveys and Topography

The general area of the Mill Creek site under consideration for siting the AQC equipment has been developed as part of the existing plant installation and additional improvements. General site arrangement drawings covering the existing site were developed previously and are available for use in this study. However, several subsequent improvements have been completed in the area and the data on some of the older drawings may not be up to date. The existing drawings are sufficient for purposes of this study with regard to available space and topography, but a full survey of the as-built conditions is recommended before start of detailed design to ensure the latest information is used.

1.7.1.1 Underground Utilities. Relatively extensive existing underground utilities are located in the general area under consideration for the AQC improvements. The expected locations of underground utilities are documented on existing drawings, but

again the degree of completeness and accuracy may be suspect. The existing drawings are adequate for purposes of the AQC study, but a survey of existing underground utilities should be completed prior to detailed design.

1.7.2 Geology and Seismology

Several site-specific geotechnical investigations have previously been completed to support onsite modifications since original construction. Included in these investigations are the following.

- Geotechnical Engineering Investigation, Proposed SCR Unit, Mill Creek Generating Station, ATC Associates, Inc., 2001
- Soil Test Borings, Mill Creek Generating Station, Compilation of Various Soil Boring Logs Completed by Testing Services Corp., Raymond International, Greenbaum Associates, Pittsburg Testing Labs, and ATEC Associates dating back to 1967
- Test Boring Logs, Mill Creek Generating Station, Drawings CA-10621 and CA-10622, IU Conversion Systems, Inc., 1980

This information was reviewed for general characteristics applicable to the areas under consideration for the AQC improvements. In general, the existing documentation noted indicated the following subsurface conditions.

- During original construction the area received significant amount of fill material varying from small areas of very soft clay to general areas of medium stiff clay and silty clay with some coarse construction rubble. Fill depth varied from 20 to 40 feet in depth.
- Below the fill, a natural soft clay exists to an approximate depth of 40 feet.
- Below 40 feet, the natural soil consisted of stiff to very stiff sandy clay extending to a depth of 70 to 90 feet.
- A stratum of very dense fine silty to coarse sand exists below the sandy clay to a maximum depth of 100 feet.
- A hard gray shale exists below this depth.
- Groundwater elevation varies with the pool elevation of the nearby river, but was expected at approximately 75 feet below grade. However, perched water above that elevation is likely in pockets of granular soil.

Based on the information above as well as foundations previously installed at the site, for purposes of the AQC study, new foundations for substantial structures will be assumed as driven piles or drilled piers with a safe working capacity of 150 ton in compression. Nominal length of driven piles is assumed at 90 feet for estimating purposes. Light

structures not subject to significant overturning can be assumed to be supported on shallow footing or raft foundations extending below the frost line. Shallow foundations will be designed based on an allowable bearing pressure of 3.0 ksf.

Prior to start of detailed design, additional geotechnical investigation should be completed to more exactly determine the geotechnical design parameters in the immediate area of the proposed improvements.

1.7.3 Hydrology

The site in the area of the AQC improvements is fully developed. Hydrology and storm event design have previously been established and will not be modified unless required. The addition of runoff volume due to any increase in impermeable surfaces resulting from the AQC modifications will be evaluated and the impact to existing stormwater systems estimated as a part of the study. Modifications to existing stormwater systems, if any, deemed necessary by the improvements proposed by the study will be recommended.

1.7.4 Noise

The project's conceptual engineering for noise control will be based on compliance with OSHA requirements and local noise restrictions, as applicable.

1.8 Environmental Design Criteria

1.8.1 Meteorology

Table 1-9 summarizes the meteorological data applicable to plant design. Wind data for the indicated location have been analyzed to develop the wind roses which are included in Appendix C.

Table 1-9 Meteorological (Ambient and Extreme) Data		
Design Parameter	Design Value	Units
Rainfall – 24 Hour, 10 Year Event (Design rainfall parameter may vary depending on local codes or agencies.)	4.55 ^(A)	inches
Rainfall – 24 Hour, 25 Year Event (Design rainfall parameter may vary depending on local codes or agencies.)	5.43 ^(A)	inches
Rainfall – Average Annual Total	44.54 ^(B)	inches
Design Rain Rate (100 year recurrence)	3.2 ^(C)	inches per hour
Evaporation Rate – Annual Average NWS Class A Evap Pan	51.13 ^(D)	inches
Design Wind Speed	90 ^{*(C,1)}	mph
Structural Category for Wind (Table 1-1)	III ^(E)	
Wind Importance Factor, I_w (Table 6-1)	1.15 ^(E)	
Wind Design Exposure (Chapter 6)	Category C ^(E)	N/A
Average Wind Speed	8.3 ^(F)	mph
Prevailing Wind Direction (from)	South-southwest ^(G)	
Frost Depth (50 Year Recurrence)	32 ^(C)	inches
Snow Load – Ground, p_g	15 ^(I)	lb/ft ²
Snow Importance Factor, I_s	1.1 ^(E)	
Open Structure Icing Design Conditions	0.75 inches ice thickness with 30 mph concurrent wind speed ^(I)	
Freeze Protection Design Conditions	-23.1°F ^(H) DB with 8.3 ^(F) mph coincident wind	
Annual Barometric Pressure, adjusted to site elevation	29.49 ^(C)	in. Hg
Design Ambient Temp (Extreme High)	105.4 DB ^(H)	°F
Design Ambient Temp (Extreme Low)	-23.1 DB ^(H)	°F
Design Annual Average Ambient Temp	56.9 ^(B)	°F
Winter Design (Dec-Feb) Ave Temp	36.1 ^(B)	°F
Summer Design (Jun-Aug) Ave Temp	76.5 ^(B)	°F
Space Conditioning Ambient Design Temps (ASHRAE Fundamentals, 1.0%)	91.2 DB ^(H) 75.3 MCWB ^(H)	°F °F
Space Conditioning Ambient Design Temps (ASHRAE Fundamentals, 2.0%)	89.0 DB ^(H) 74.3 MCWB ^(H)	°F °F
Space Conditioning Ambient Design Temps (ASHRAE Fundamentals, 99.0%)	14.5 DB ^(H) 13.0 MCWB ^(C)	°F °F

<p><u>Notes:</u> Design conditions based on ASHRAE 2009 data for: Louisville, KY Approximate Location (Google Earth): Latitude: 38.05N Longitude: 85.91W Elevation: 465 ft MSL *3-second gust at 33 ft. above ground</p> <p><u>References:</u> (A)National Weather Service- Hydrometeorological Design Studies Center. (B)National Climatic Data Center (NCDC) Climate 20-Climate Normals; Louisville, KY. (C)Engineering Weather CD, “Summary for Louisville, KY 1973-1996,” Engineering Weather Data, 2000 Interactive Edition, 2001, Version 1.0, [CD]. (D)Technical Memorandum No. 34 from NWS, 1982. (E)ASCE 7-05. (F)NCDC United States Average Wind Speeds for US cities; Louisville, KY. Based upon 55 years of data, through 2002. (G)Wind roses from Integrated Surface Hourly Data (ISH) 1995-2008 data for Louisville, KY. (H)National Climatic Data Center (NCDC), “2009 ASHRAE Handbook Annual Summary with Comparative Data for Louisville, KY.” (I)Kentucky Building Code, Ninth Edition</p>
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1.8.2 Site Seismicity

Table 1-10 summarizes Seismicity parameters applicable to plant design. Table references are to ASCE 7 as referenced by the Kentucky Building Code.

Table 1-10 Seismicity Data	
Design Parameter	Value
Building Code	Kentucky Building Code (IBC 2006 as specifically amended)
Building Use/Occupancy Category (main plant structures)	III
Seismic Importance Factors	1.25
Site Class (based on assumed soil profile)	D
Spectral Response Accelerations: 0.2 second response (S_s) 1.0 second response (S_1)	$S_s = 0.272$ $S_1 = 0.110$
Adjusted maximum considered earthquake response acceleration parameters: F_a (site coefficient from Table 11.4-1) F_v (site coefficient from Table 11.4-2)	$F_a = 1.58$ $F_v = 2.36$
Maximum considered spectral response accelerations: S_{MS} (short periods; $F_a * S_s$) S_{M1} (1-second period; $F_v * S_1$)	$S_{MS} = 0.430$ $S_{M1} = 0.260$
Design spectral response acceleration parameters: $S_{DS} = 2/3 (S_{MS})$ $S_{D1} = 2/3 (S_{M1})$	$S_{DS} = 0.287$ $S_{D1} = 0.173$
Seismic Design Category (SDC) (from Table 11.6-2)	C

1.8.3 Site Elevation

Site Elevation: Existing at-grade floor of plant is 460 feet above Mean Sea Level (MSL).

1.8.4 Soil Resistivity

Minimal existing electrical soil resistivity information was available from the various geotechnical investigations previously noted. Resistivity data in the general area under consideration was documented at approximately 36,000 ohm-cm with probes at 10 foot spacing and 38,000 ohm-cm for a 20 foot spacing. For purposes of this study, these values will be assumed as representative and will be utilized to estimate material requirements. The electrical soil resistivity profile used for future grounding design will need to be determined from additional geotechnical investigations to be completed prior to detailed design.

1.9 Electrical Data

The electrical power system conceptual configuration shall be based on the project’s one-line diagram which will be provided separately. Table 1-11 includes electrical parameters to be considered in the plant configuration.

Table 1-12 lists prevailing voltages and frequencies to be considered in the plant configuration.

Table 1-11 Electrical Design Data		
Design Parameter	Maximum	Units
Available system fault current at electrical system interface point.		
<ul style="list-style-type: none"> • 345 KV Tie Bus: • 138 KV Tie Bus: • Unit 1 22 KV Generator Bus: • Unit 4 22 KV Generator Bus: • 14 KV BusA: • 14 KV Bus B: 	<p>26.6</p> <p>36.3</p> <p>141.2</p> <p>197.5</p> <p>36.0</p> <p>25.5</p>	<p>kilo amps (KA)</p> <p>KA</p> <p>KA</p> <p>KA</p> <p>KA</p> <p>KA</p>

Table 1-12
Electrical Equipment and System Voltages
(New AQC Auxiliary Electrical System Design Basis)

Power Supply Code	Continuous Voltage (Volts)	Momentary Voltage Dip % of Nominal	Frequency (Hz)	Configuration	System Neutral Grounding	Transfer to Alternate Source Method	Max Sym Short-Circuit at Max Voltage (Amps)
	Nom Max Min		Nom Max Min		Type		3-Phase Phase –Ground
MV-1 Medium Voltage (>5,000 hp)	13,800 14,500 11,000	80	60 60 60	3-Phase, 3 Wire, Wye (3/PE)	Resistance (IT)	Manual	48,500 2,000
MV-2 Medium Voltage	4,160 4,400 3,744	80	60 60 60	3-Phase, 3 Wire, Wye (3/PE)	Resistance (IT)	Manual	48,500 1,500
LV-1 Low Voltage (Power)	480 504 432	80	60 60 60	3-Phase, 3 Wire, Wye (3/PE)	High Resistance (IT)	Manual	65,000 10
LV-2 Low Voltage (Lighting)	480Y/277 504Y/292 432Y/249	80	60 60 60	3-Phase, 4 Wire, Wye (3/N/PE)	Solidly Grounded (TN)	N/A	10,000 10,000
LV-3 Low Voltage (Power)	208Y/120 220Y/127 187Y/108	80	60 60 60	3-Phase, 4 Wire, Wye (3/N/PE)	Solidly Grounded (TN)	N/A	10,000 10,000
UPS-1 UPS Power	120 126 108	95	60 60 60	Single-Phase, 2 Wire (1/N/PE)	Solidly Grounded (TN)	Static ½ Cycle	N/A 10,000
DC-1 DC Power	125 140 100	70	0 0 0	Two-Pole	Ungrounded	N/A	N/A N/A
CP-1 Control Power (AC)	120 126 108	80	60 60 60	Single-Phase, 2 Wire (1/N/PE)	Solidly Grounded (TN)	N/A	N/A N/A

1.10 Temporary Facilities

Construction support services will be required by all onsite contractors, subcontractors, and their personnel. These support services and facilities, depending on contract requirements, may be provided by LG&E/KU and the Contractor(s), and/or their subcontractors. The following list summarizes construction facilities that will be estimated in this phase of the project:

- Field Office(s): B&V will estimate size and location of field offices and construction trailers.
- Material Lay-Down Area(s): B&V will estimate size of area needed for material lay-down during construction.
- Project Parking Requirements: B&V will estimate size and location of temporary parking facilities needed during construction.

1.11 Fire Protection Design Data

Fire protection systems design will be based on NFPA requirements. Details of planned fire protection design will be provided later.

1.12 Economic Evaluation Criteria

1.12.1 Economic Evaluation Factors

Table 1-13 lists economic criteria to be considered in the project cost estimate.

Table 1-13 Economic Criteria				
Economic Parameters^(a)	2010 Costs by Unit			
	1	2	3	4
Remaining Plant Life (years)	30			
Capacity Factor (percent)	68.00	70.00	75.00	75.00
Auxiliary Power Cost (\$/MWh)	21.56	21.69	23.31	22.35
Limestone Cost (\$/ton)	7.54			
Lime Cost (\$/ton)	118.13			
Ash Disposal Cost (\$/ton)	15 ^(b)			
SCR Catalyst Replacement Cost (\$/m ³)	6500 ^(b)			
Ammonia Cost for SCR (\$/ton)	530.03			
Trona Cost (\$/ton)	195			
Halogenated PAC Cost (\$/lb)	1.1 ^(b)			
Water Cost (\$/1,000 gal)	2 ^(b)			
Fully-Loaded Labor Rate (\$/year)	132,901			
Fully-Loaded Labor Rate (\$/hr)	63.89 ^(c)			
Capital Escalation Rate (%)	2.5			
O&M Escalation Rate (%)	2			
Levelized Fixed Charge Rate or Capital Recovery Factor (%)	12.17			
Interest During Construction (%)	4.5			
Data from “Table 3-3 Economic Evaluation Parameters” of the Phase I Air Quality Control Technology Cost Assessment report. ^(a) Utilities costs are as delivered costs. ^(b) Economic variable was not provided by E.ON and are assumed data based on similar economic data for other E.ON plants. ^(c) Based on Fully-Loaded Labor Rate (\$/year) value and 2080 hours per year.				

1.12.2 Load Model

Table 1-14 displays the average annual unit load model used for economic evaluations based on unit operation.

Table 1-14 Load Model				
<u>Unit #</u>	<u>Unit Load Rating</u>	<u>Unit Gross Output MW</u> ^(a)	<u>Operating Hours Hours/year</u> ^(b)	<u>Gross MW-Hours/year</u>
Unit 1	High	302	6,282.8	1,897,108
	Medium	213	911.1	194,134
	Low	136	630.0	85,819
	Offline	0	936.1 ^(c)	0
	Total		8,760.0	2,177,061 ^(d)
Unit 2	High	302	6,446.0	1,949,529
	Medium	213	872.1	186,150
	Low	137	581.6	79,445
	Offline	0	860.3 ^(c)	0
	Total		8,760.0	2,215,124 ^(d)
Unit 3	High	395	6,557.2	2,587,979
	Medium	306	1,276.7	390,062
	Low	224	130.8	29,364
	Offline	0	795.3 ^(c)	0
	Total		8,760.0	3,007,405 ^(d)
Unit 4	High	489	6,657.1	3,256,921
	Medium	366	800.2	292,817
	Low	264	163.1	43,054
	Offline	0	1,139.5 ^(c)	0
	Total		8,760.0	3,592,792 ^(d)
<p>Notes:</p> <p>^(a) Unit Gross Output is a representative point estimated from within the provided range of unit gross outputs per load rating (low, medium, and high). The point was selected so that when multiplied by the respective operating hours ^(b) and summed per unit, the total would equal the estimated Gross MW-Hours/Year ^(d).</p> <p>^(b) Calculated from a weighted average of the operating hours per load rating in the provided 2008 and 2009 Operating Load Analysis reports and converted to a basis of 8760 hours per year.</p> <p>^(c) Offline hours include all hours below the specified lower operating boundary including hours not in operation (e.g., on Units 1 and 2, any operating point below the lower operating boundary of 100 MW gross.)</p> <p>^(d) Calculated by averaging the capacity factors from Table 1-13 and the 2008 and 2009 Mill Creek Operating Reports and then multiplying by 8760 hours and the gross capacity ratings from Table 1-15.</p>				

Table 1-15 lists the gross and net capacity ratings for each unit during summer and winter operation.

Table 1-15				
Nominal Unit Capacity Ratings in MW				
<u>Unit #</u>	<u>Gross</u>		<u>Net</u>	
	<u>Summer</u>	<u>Winter</u>	<u>Summer</u>	<u>Winter</u>
Unit 1	330	330	303	303
Unit 2	330	330	301	299
Unit 3	422	423	391	397
Unit 4	517	525	477	492

2.0 Design Codes and Standards

2.1 Project Specifications

B&V's scope includes development of technical specifications for the purchase and erection of Fabric Filters for the various units requiring Fabric Filters as part of the AQC Study. Specifications will include technical specifications developed by B&V along with Front End Documents and General Conditions as developed by LG&E/KU. Technical specifications are expected to be letter form in B&V standard format.

2.2 Codes and Standards

The design and specification of work shall be in accordance with applicable state and federal laws and regulations and local codes and ordinances. The codes and industry standards which will be the basis for design, fabrication, and construction are listed below and will be the editions in effect, including all addenda, as stated in equipment and construction purchase or contract documents. Other recognized standards may also be used as design, fabrication, and construction guidelines when not in conflict with the listed standards. Applicable codes will be as established based on consideration of applicable laws and regulations:

- American Association of State Highway and Transportation Officials (AASHTO)
- American Concrete Institute (ACI).
- American Institute of Steel Construction (AISC).
- American Iron and Steel Institute (AISI).
- American National Standards Institute (ANSI).
- American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE).
- American Society of Civil Engineers (ASCE)
- American Society of Mechanical Engineers (ASME).
- American Society for Testing and Materials (ASTM).
- American Water Works Association (AWWA).
- American Welding Society (AWS).
- Compressed Gas Association (CGA).
- Concrete Reinforcing Steel Institute (CRSI).

- Conveyor Equipment Manufacturers Association (CEMA)
- U.S. Department of Transportation (DOT).
- Factory Mutual (FM).
- Illuminating Engineering Society (IES).
- Institute of Electrical and Electronics Engineers (IEEE).
- Instrument Society of America (ISA).
- Insulated Cable Engineers Association (ICEA).
- International Building Code (IBC).
- Kentucky Building Code
- National Electrical Manufacturer’s Association (NEMA).
- National Electrical Safety Code (NESC) and National Electric Code (NEC) as applicable.
- National Fire Protection Association (NFPA).
- Occupational Safety and Health Administration (OSHA).
- Underwriters Laboratory (UL) Standards.

2.3 Engineering Drawings and Data Content

B&V standards will be used to establish tagging schemes, drawing content, drawing borders, drawing software and formats, symbols, data report content and formats, virtual modeling format and protocols, and interfaces to contractor and subcontractor drawings and data. Interfaces with and references to non-B&V drawings will be provided in sufficient detail to describe the complete design, but generally will not be a duplication of non-B&V data on B&V drawings. Major equipment interfaces will be represented as needed to support construction.

In instances where the new design impacts existing LG&E/KU drawings, such drawings will be modified by B&V as required to reference new drawings or reflect the new design, depending on which results in the most practical, functional, and cost-effective set of deliverables.

Appendix A

LG&E/KU AQC Budgetary Cost Estimate Proposal (Rev 1 - Pages 1-8)

PROPOSAL FOR AIR QUALITY CONTROL BUDGETARY COST ESTIMATE

The purpose of this scope of work is to build upon the previous fleet-wide, high-level air quality technology review and cost assessment conducted for six LG&E/KU facilities (Phase I) in order to develop a facility-specific project definition consisting of a conceptual design and a budgetary cost estimate for selected air quality control technologies (Phase II). The Phase II scope of work is proposed for the Mill Creek, Ghent, and Brown facilities, and will be composed of the following tasks and deliverables to ensure that the study is properly defined, documented, and completed on time. It should be noted that there are some scope differences between the three facilities because of variations in the complexity of the future AQC equipment scenarios for each. These differences in study scope are noted below in the appropriate tasks and reflected in the cost estimate. For the purpose of this proposal, LG&E/KU's Mill Creek facility is assumed to be the first facility to begin the Phase II services, with the Ghent and Brown facilities to have a staggered kick-off delay of approximately 1 month each.

SCOPE OF WORK

Task 1 – Project Kick-off Meeting & Site Visit

The Black & Veatch project team members will attend project kickoff meetings at Mill Creek, Ghent, and Brown as depicted in the schedule. It is anticipated that Mill Creek's kick-off meeting will consist of an initial meeting with Project Engineering in Louisville, followed by a technical meeting and site walk down at the facility. The kick-off meetings for Ghent and Brown will be held on site. An agenda will be prepared prior to each kick-off meeting.

The following are the main objectives for the kick-off meeting and initial site visit:

- Discuss project objectives, expectations, and constraints.
- Discuss project communication procedures and identify project team contacts for both LG&E/KU and Black & Veatch for utilization in the *Project Instructions Memorandum*.
- Obtain or identify key site specific drawings, plant performance data, and existing equipment information not previously collected.
- Continue discussions of potential equipment locations with plant engineers.
- Develop understanding of draft system capabilities for supporting new emissions control equipment.
- Develop understanding of the general condition of the balance-of-plant and major equipment to estimate existing equipment upgrade costs for various plans.
- Assess potential arrangement interferences for support of cost estimate.
- Obtain copies of existing reports and studies that will be used during the preparation of the study.
- Establish and agree upon the study schedule and deliverables.

To expedite onsite communications and information collection, Black & Veatch understands that utilization of a single point of contact (SPOC) throughout the project is desirable to ensure proper communications and tracking of data exchanges.

Task 2 – Environmental Regulatory Considerations

During the technology evaluation part of the analysis (Task 6), Black & Veatch's experienced staff of regulatory specialists, air quality scientists, biologists, and other environmental professionals will participate in an advisory capacity to the Black & Veatch engineering staff assigned to the project. We will assign an Environmental Permitting Manager who will be responsible for coordinating with the environmental counterpart at LG&E/KU, providing guidance to LG&E/KU and Black & Veatch engineers relevant to regulatory scenario planning to ensure project conceptual design compliance with applicable federal, state, and local statutes and regulations.

Task 3 – Develop Project Instruction Memorandum

To ensure proper communications, interchange of data and information, and development of a sound project definition and cost estimate, the project itself must have a set of processes and procedures. Black & Veatch will develop a Project Instructions Memorandum (PIM) for the project that will include all Owner specific procedures and additional procedures established by Black & Veatch for use during the execution of the project. The memorandum will establish guidelines, methods, procedures, and lines of communication to administer, control, and coordinate the work between Black & Veatch, other project participants, and LG&E/KU as determined during the kick-off meeting. A full PIM will be completed for Mill Creek and amended for the Ghent and Brown facilities.

Task 4 – Project Management

The following Project Management tasks will be provided to ensure the success of the study.

Schedule & Planning

A project milestone schedule will be developed and issued to LG&E/KU for review within 30 days of Kick-off meeting. After discussion and receipt of comments, a base line schedule will be prepared and issued.

Communications & Coordination

To facilitate communications for the project, we would hold weekly teleconferences between the LG&E/KU team and the Black & Veatch project team. These meetings would include review of project status, schedule review, and review of the Action Item list. In addition to the weekly teleconferences, we would plan to attend periodic Progress Meetings at the plant site or LG&E/KU offices to discuss present project status and address any questions or concerns. A monthly Project Progress Report will be prepared and issued to LG&E/KU. In addition to normal email and telephone communication, Black & Veatch will establish a web based system for rapidly transmitting and exchanging information between LG&E/KU, Black & Veatch and Third parties. Information and instructions for utilizing this system will be included in the PIM.

Management Documentation

In addition to the project schedule and the Monthly Progress Reports, Black & Veatch will prepare minutes of the weekly teleconference and prepare an Action Item List which will address pending actions and note responsible parties and commitments dates. The Action Item list will be updated weekly and discussed during the weekly teleconference and the Progress Meetings.

Project Documentation

As defined in the PIM, Black & Veatch will prepare meeting minutes of all meeting attended with LG&E/KU and third parties for the project. The meeting minutes will be prepared and submitted for review and approval and subsequently issued as final. Project E-mail traffic will be captured and filed within the project filing system and key telephone conversations will be documented using confirming email to all parties. Black & Veatch will transmit, file, and track all reports, studies, drawings and other documentation in accordance with the PIM to ensure that the information is stored and retrievable.

Task 5 – Develop Project Design Memorandum.

Black & Veatch will build upon the initial design basis prepared for the fleet-wide, high-level cost assessment and develop a Project Design Memorandum (PDM) for each facility, which will incorporate the controlling requirements for the conceptual engineering design of the project. The purpose of this document will be to describe the design requirements of the project and to provide the basis for conceptual design and cost estimating. The PDM will include information already submitted by LG&E/KU, as well as addition information that may be necessary.

Information contained in the PDM includes the following

- Project description and purpose.
- Scope of Work.
- Governing Building Codes and Standards.
- The site information in the form of data summaries resulting from initial investigations or monitoring of ambient environment, hydrology, meteorology, geology, topography, background noise, and the load bearing capability and resistive characteristics of soils.
- Air emission rate targets as identified by LG&E/KU and reviewed by Black & Veatch.
- Unit capacity factors
- Capacities
- Flue gas temperature
- ID fan / FD fan capacities
- Other operating parameters
- Fuel data
- Water data
- Reagent/sorbent data
- Economic evaluation criteria
- Engineering design criteria, standards and codes for the engineering disciplines: mechanical, civil, structural, electrical, control, and chemical engineering, including site specific criteria.
- Flue gas flow rates and conditions.
- Ash production rates.

The project team will develop the PDM early in the project, but it will be a living document that will undergo updates during the course of the project to include new data and, results of decisions. The document will incorporate any modifications required by LG&E/KU so that the project going forward will be utilizing the most up to date data and information. The chief purpose of the PDM is to encapsulate the preferences of LG&E/KU under which the various control alternatives and conceptual design will be developed.

Task 6 – AQC Technology Validation and Selection

As LG&E/KU is aware, during the course of the high-level, fleet wide analysis conducted in the previous study, preliminary air quality control (AQC) technologies were initially recommended and approved for the purpose of generating order-of-magnitude cost estimates. However, the very nature of the previous work may have resulted in overly conservative AQC technology assumptions and selections in order to meet the project schedule and bracket the cost estimate. Accordingly, Black & Veatch understands that LG&E/KU may have plant-specific AQC preferences, configurations, and alternative control technology scenarios that may also be feasible and capable of meeting the stated environmental goals, particularly in light of fleet-wide averaging opportunities or other constraints.

To address the potential AQC technology scenarios, Black & Veatch will conduct a more refined available technology selection analysis to evaluate and validate the preliminary retrofit technologies, as well as improvement to existing site control equipment, that can achieve the required future emissions target levels. The evaluation includes estimating emissions reduction, addressing technical feasibility and capability, applying known site constraints, providing technical descriptions of each technology, addressing commercial availability and guarantees, and describing the pros and cons of each technology. The technology analysis will validate which retrofit technologies, or improvement to existing control technologies, are technically feasible and capable of meeting the established emission target levels. The analysis will also document and explain, based on physical, chemical, or engineering principles, why technical difficulties may preclude the successful use of a certain control or technology option. The analysis will consider various unit arrangements, including single unit as well as various combinations of multiple units. This task will ensure that the initial technology selection scenarios are feasible and suitable to the facility based on established selection criteria.

Based on the initial results of the Phase I work, as well as an AQC screening workshop conducted for Mill Creek, the following preliminary AQC technologies scenarios (and embedded options) have been identified for each facility.

- Mill Creek:
 - NIDs/DFGD or FF on Units 1-4
 - SCRs on Units 1 and/or 2
 - Refurbishing or replacing WFGDs on Units 1, 2 and 4, including using Unit 4's refurbished WFGD for Unit 3
 - New WFGD on Unit 4
 - PAC and/or trona/lime injection/SBS injection
 - Feasibility of neural network (NN) on Units 1-4
 - Feasibility of ESPs for pre-filtering
- Ghent
 - FFs on Units 1-4
 - PAC and trona/lime injection/SBS injection
 - SCR on Unit 2
 - Feasibility of neural network (NN) on Units 1-4
- Brown
 - FFs on Units 1-3
 - Separate or combined FF on Units 1 and 2
 - LNB/OFA or SCR on Unit 1
 - SCR on Unit 2
 - PAC and trona/lime injection/SBS injection
 - Feasibility of neural network (NN) on Units 1-3

In order to verify, properly vet, and ultimately select an AQC technology suite for each facility for final evaluation, Black & Veatch proposes to perform the following high level studies and comparative analyses.

- Overview analysis of existing water/wastewater systems (Mill Creek only)
- Water mass balance (Mill Creek only)
- Flue gas conditions
- Fan analysis
- Furnace design pressure analysis
- Simplified AQC mass balance
- Auxiliary electric system analysis/comparison
- Chimney analysis (Mill Creek only)
- High level differential cost analysis comparison for scenarios with multiple options (capital and O&M)
- Reagent cost analysis/comparison (Mill Creek only)
- WFGD mass balance and byproduct disposal analysis/comparison (Mill Creek only)
- Existing WFGD upgrade analysis with support from vendors for modeling (Mill Creek only)
- Truck and rail traffic analysis (Mill Creek only)
- Fly ash analysis/comparison
- High level site arrangement drawings for each AQC suite

Upon completion of the aforementioned studies and analyses, Black & Veatch will prepare a draft technology validation and selection report for LG&E/KU's review and comment. Following incorporation of comments, Black & Veatch will meet with LG&E/KU to discuss the results. During the meeting, the team will review the options suggested by the selection study to ensure they are consistent with the requirements and specific goals of the facility. Following the presentation of results, the LG&E/KU/Black & Veatch team will formally select the AQC technology suite for final evaluation.

Task 7 – Develop Preliminary Conceptual Design

The following list defines the predominant conceptual design engineering services to be performed by Black & Veatch to define the basis for the cost estimate, as well as specific deliverables for LG&E/KU. The conceptual design evaluation will address each item for the selected AQC technology scenario, as appropriate.

- Preliminary description of scope of work.
- Equipment performance and emissions review. Current emissions review of plant historical data provided by LG&E/KU.
- Assessment of potential modifications to existing equipment, including upgrading existing WFGDs at Mill Creek.
- Determine the associated balance-of-plant requirements and plant modifications necessary.
- Develop key process flow diagrams (conceptual)
- An overall site plan drawing (conceptual) of the project major equipment, including air quality control equipment, chimney, fuel handling systems, reagent (limestone or lime) handling system, ash handling system, chemical storage, sorbent or PAC injection systems, etc, as applicable. The location of other existing key buildings such as boiler, administration/services building(s) and other buildings and structures, electrical transmission lines/corridors, and access roads will also be identified.
- Building and Plant Arrangements
- Equipment Logistics/Transportation Requirements (see Task 10)
- Permitting/Environmental Impacts (see Task 2)
- Specification and System List
- Lighting Requirements
- Grounding Requirements
- Fire Protection Requirements
- Communication Requirements
- Layout of Critical System and Underground Piping
- Terminal Point List
- Water Mass Balance Diagram (Mill Creek only)
- Equipment Lists
- One-Line Drawing
- Construction Equipment Requirements
- System Descriptions
- Demolition/Relocation Requirements
- Civil/Structural Discipline Drawings
- Mechanical Discipline Drawings
- Electrical Discipline Drawings
- Instrumentation/Control System Discipline Drawings

In addition to the conceptual design services listed above, this task will address the following topics and issues in the manner described for each.

- **Construction Materials.** Black & Veatch will select the materials of construction based on engineering judgment, past experience, and general site technology specifics.
- **Sparing and Capacity.** Since the final selection of AQC technologies may allow a single system to influence the direct operations of more than one unit, impacts to outage scheduling, unit operations and unit reliability are important considerations. Black & Veatch will use LG&E/KU's planned usage pattern for the affected units to identify draft sparing and capacity guidelines and their implications for the units. Provision of these draft guidelines will allow LG&E/KU to evaluate potential tradeoffs and conflicts with the various goals of the project to allow adjustment of the guidelines to achieve the overall project goals in the best approach possible.
- **Draft System.** Depending on the existing ID fan capacity and the incremental draft load to be imposed by the new emissions control equipment, draft system modifications may be required. Additionally, draft

system modifications may require ductwork and/or boiler stiffening to withstand the new operating conditions or for compliance with NFPA-85. Black & Veatch will evaluate the existing draft system capacity and design, operating ranges, and anticipated additional draft losses and recommend modifications, including fan capacity (flow and head) and margins, motor speed(s), draft control alternatives, and structural reinforcing. This will be a high level evaluation based upon the conceptual design developed and is intended to provide sufficient information to allow LG&E/KU to evaluate the various options in the study. Additional future detailed study work would be required for any selected scenario implementation.

- **Chimney Alternatives.** As part of the overall study, Black & Veatch will evaluate the necessity for modifications or replacement of existing chimneys. This evaluation will only consider the physical characteristics of the stack(s) and its availability to operate under any new conditions imposed by the technology scenarios. This analysis is limited to the Mill Creek facility only.
- **Auxiliary Electric System.** Auxiliary electric power supply alternatives for multi-unit emissions control equipment retrofits typically involve a combination of unit-specific power supply and at a minimum, common load and/or startup power supply from the plant switchyards. Considerations in selecting the optimum site-specific configuration include unit startup, redundancy, bus capacity, load flow, generation metering, and capital cost issues. Black & Veatch will evaluate the emissions control equipment affects on the existing auxiliary electric system and a recommend solution for a reliable redundant power supply to the new AQC equipment. This will be a conceptual evaluation in order to provide sufficient information to evaluate the various AQC options of the study.
- **FGD and Landfill Waste Disposal.** As part of the study, Black & Veatch will define the physical and chemical characteristics of the by-products and determine the production rates. LG&E/KU may utilize this information in addressing the transport and final disposition of the byproducts. This analysis is limited to the Mill Creek facility only.
- **FGD System Water Supply.** The water supply to the FGD systems and auxiliaries will be determined by evaluating the potential water and wastewater streams that could be required or produced for the different scenarios. Preliminary water mass balances will be developed for the new or added systems. An overall plant water mass balance has not been included but can be added to the work at LG&E/KU's direction. This analysis is limited to the Mill Creek facility only.
- **Fly Ash Handling.** Black & Veatch will address modifications or replacement of the fly ash handling system only as necessary to accommodate the technology scenarios.

Task 8 – Project Cost Estimate

Black & Veatch will prepare a budgetary cost estimate for the AQC scenario selected by LG&E/KU for continuation. The cost estimate will include monthly cash flows based on the determined contracting strategy (see Contracting Strategy Analysis task). Black & Veatch will solicit major equipment letter quotations to support the cost estimate. As a provider for AQC solutions, Black & Veatch has developed estimating tools that will be utilized for this project, as well as leveraging the information available from the many large AQC projects and coal projects recently completed and ongoing. The capital costs estimates will be generated from proprietary in-house data for similar sized coal fueled units. The cost estimate will go through our internal review processes and procedures that we use when developing our own project pricing structure. When available, this data can also be supplemented with actual pricing and labor rates. Construction contracts will be adjusted for craft wage rates and productivity at the project site. Owner's costs (project development, permitting, financing, etc.) will be estimated as a percentage of the total capital cost unless identified as an amount from LG&E/KU.

In addition to the capital costs, annual O&M costs, both fixed and variable components, will be estimated. Black & Veatch will formulate the overall cost and cash flow estimate (month and year) for the agreed upon scenario. Black & Veatch will prepare capital and operating and maintenance (O&M) cost estimates using current (2010) dollars and include the estimated engineering cost for this project. The cost estimate will include analysis of the contingency use, analysis of any escalation used and a risk analysis for those elements of the cost estimate most at risk from market and pricing concerns.

Task 9 – Implementation Schedule

Black & Veatch will prepare a detailed Level 1 project implementation schedule from inception to commissioning using Primavera. The implementation schedule will begin with the conceptual design and specification development followed by the development period that will include licensing and permitting activities, bid negotiations, and finalization of procurement and construction contracts. Elements in the schedule will include engineering, procurement, construction, startup, and testing.

The implementation schedule will consider time required for each of the activities and their co-relationships, including contingency plans to offset permitting delays and the potential impact of licensing of patented technologies. The facility plant outage planning schedule will be included in the project scheduling process. The procurement and construction duration will also consider regional procurement strategies particularly related to major long lead items, and availability and productivity of local and regional labor.

In addition, as part of this task, Black & Veatch will develop project cash flows based on the implementation schedule and budget estimate.

Task 10 – Constructability Plan

Construction is a key consideration in the success of any major capital plan. The success or failure of a project is realized often only when construction begins. Black & Veatch strongly believes construction professionals must be involved early in the process to ensure the lessons learned from the past are not repeated and that adequate consideration is given to how the plant will be constructed. Simple changes early in the process can save millions only if fully considered at the appropriate time.

A constructability analysis will be developed and included as part of the project implementation schedule. Constructability will be a prime consideration as part of the selection process of virtually all the systems along with the considerations of overall costs, operability, and maintainability. As major systems are defined, the arrangement of the systems on the site will be reviewed with constructability and maintainability in mind. The ability to sequence construction, maintains crane and equipment access, levelize the construction labor force and provide for material deliveries, and lay-down space will be considered. The optimum approach for any one construction phase has to be balanced against available outages, interfacing work, cash flow considerations, fabrication and equipment delivery capabilities, engineering support, etc. In addition to the schedule input from the constructability plan, a construction facilities drawing will be developed as part of this task.

Task 11 – Evaluation Report

The end result of this study will be a document inclusive of the analyses conducted in the above tasks outlining the consideration undergone by LG&E/KU and Black & Veatch to arrive at the selected AQC conclusions. Black & Veatch will prepare and submit five (5) hardcopies and electronic copies of the draft project report of the work performed under this contract to LG&E/KU for review. Black & Veatch will forward some sections as drafts during earlier tasks and then amended to fit within the purpose of the final report. The draft report will include all conceptual engineering, drawings, costs and schedules developed for this project.

Following submittal of the draft report, Black & Veatch will meet with LG&E/KU to discuss the report and obtain any comments or modifications required. Within four (4) weeks of receiving LG&E/KU comments, Black & Veatch will incorporate these comments and issue five (5) hardcopies and electronic copies of the final report. If requested by LG&E/KU, Black & Veatch will prepare and deliver a formal presentation of the report to LG&E/KU noting conclusions, recommendations and decisions required by the project team and management.

Fabric Filter Letter Specification and Vendor Workshop

Black & Veatch will prepare letter specifications for new FFs at Mill Creek, Ghent, and Brown facilities. The letter specification will be approximately 2 to 3 pages in length, describing the design basis, scope of work, and technical requirements for budgetary purposes only. Following LG&E/KU's review and incorporation of final

comments, Black & Veatch will assist LG&E/KU in contacting and scheduling vendor presentations to coincide with a FF workshop to be held at LG&E/KU's engineering offices. A two-day workshop is proposed, with the first half-day consisting of a FF primer and presentation by Black & Veatch personnel, in preparation for 2-3 back-to-back half-day vendor presentations to follow. The actual schedule date of the workshop will be determined once the vendors are contacted. Black & Veatch will prepare meeting minutes summarizing discussions from the workshop.

SCHEDULE

As previously discussed with LG&E/KU, this Phase II scope of work is proposed for the Mill Creek, Ghent, and Brown facilities. The Mill Creek facility is assumed to be the first facility to begin the Phase II services, with the Ghent and Brown facilities to have a staggered kick-off delay of approximately 1 month each. The following table identifies the major milestone schedule proposed herein.

Major Milestone Schedule			
Activity	Mill Creek	Ghent	Brown
Notice to Proceed	Aug 26, 2010	Aug 26, 2010	Aug 26, 2010
Project Kickoff and Site Visit Meeting (Task 1)	Sep 14, 2010	Oct 4, 2010	Nov 8, 2010
Begin AQC Validation (Task 6)	Sep 7, 2010	Oct 11, 2010	Nov 15, 2010
Select AQC Technologies - Meeting (Task 6)	Nov 8, 2010	Dec 6, 2010	Jan 10, 2011
Begin Conceptual Design (Task 7)	Nov 15, 2010	Dec 13, 2010	Jan 17, 2011
Begin Cost Estimate (Task 8)	Dec 13, 2010	Jan 10, 2011	Feb 7, 2011
Issue Draft Report (Task 11)	Feb 7, 2011	Mar 14, 2011	Apr 11, 2011
Final Report – Presentation Meeting (Task 11)	Mar 7, 2011	Apr 11, 2011	May 7, 2011

Appendix B

Design Basis

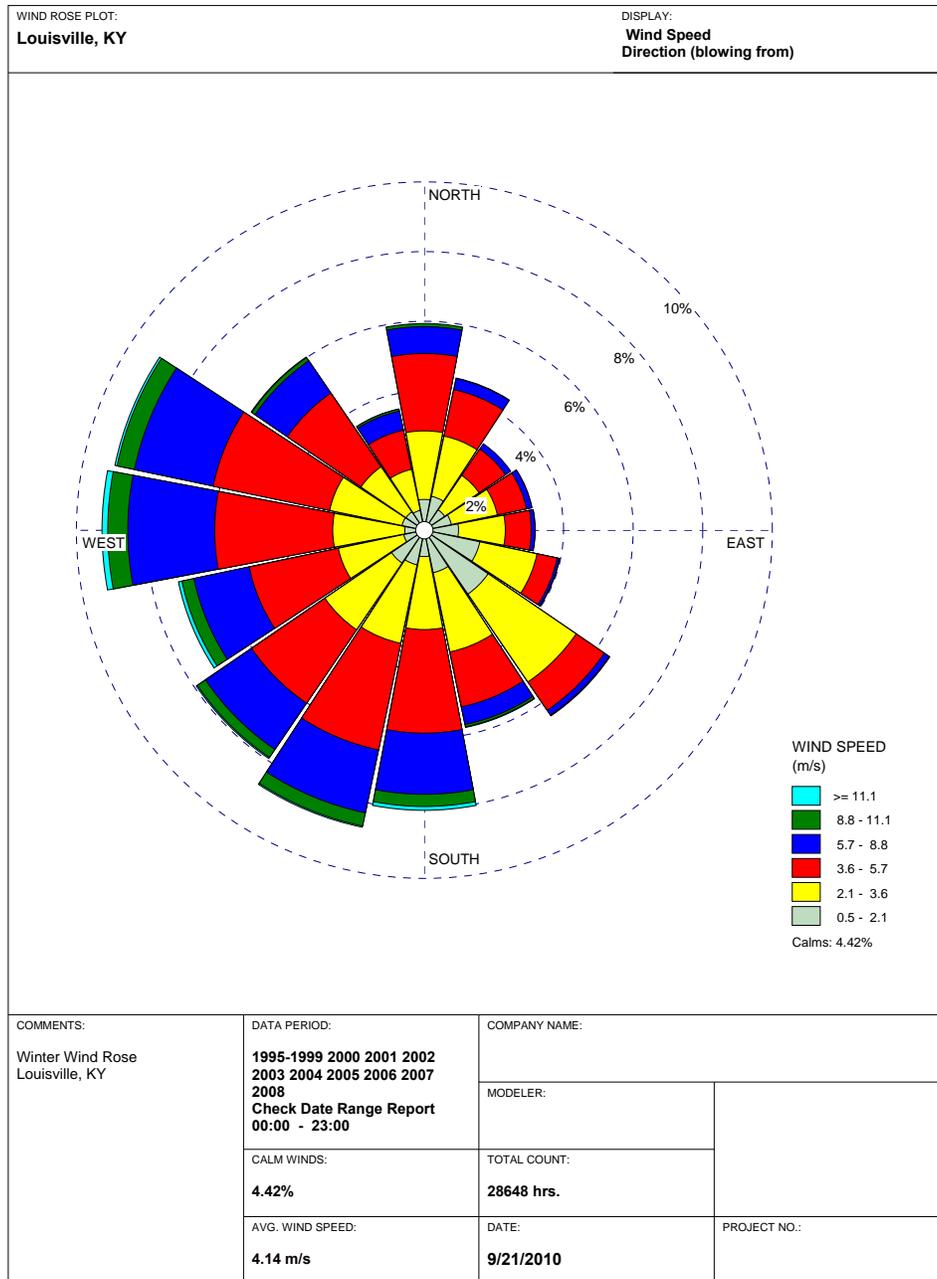
(Excerpt From Phase I Report Appendix C - Mill Creek Only)

LG&E/KU Design Basis 10/19/2010					
Unit Designation	Mill Creek				Reference
	1	2	3	4	
Ultimate Coal analysis, wet basis					
Carbon, %	61.20	61.20	61.20	61.20	Data from E-ON
Hydrogen, %	4.28	4.28	4.28	4.28	Data from E-ON
Sulfur, %	3.36	3.36	3.36	3.36	Data from E-ON
Nitrogen, %	1.27	1.27	1.27	1.27	Data from E-ON
Chlorine, %	0.16	0.16	0.16	0.16	Data from E-ON
Oxygen, %	6.89	6.89	6.89	6.89	Data from E-ON
Ash, %	12.00	12.00	12.00	12.00	Data from E-ON
Moisture, %	11.00	11.00	11.00	11.00	Data from E-ON
Higher Heating Value, Btu/lb	11,200	11,200	11,200	11,200	Data from E-ON
Trace Metal Analysis, ppm					
Antimony (Sb)	1.05	1.05	1.05	1.05	Data from E-ON
Arsenic (As)	13.00	13.00	13.00	13.00	Data from E-ON
Barium (Ba)	74.00	74.00	74.00	74.00	Data from E-ON
Cadmium (Cd)	0.65	0.65	0.65	0.65	Data from E-ON
Chlorine (Cl)	1600.00	1600.00	1600.00	1600.00	Data from E-ON
Chromium (Cr)	23.00	23.00	23.00	23.00	Data from E-ON
Fluorine (F)	98.00	98.00	98.00	98.00	Data from E-ON
Lead (Pb)	11.00	11.00	11.00	11.00	Data from E-ON
Magnesium (Mg)	684.00	684.00	684.00	684.00	Data from E-ON
Mercury (Hg)	0.12	0.12	0.12	0.12	Data from E-ON
Nickel (Ni)	20.00	20.00	20.00	20.00	Data from E-ON
Selenium (Se)	2.94	2.94	2.94	2.94	Data from E-ON
Strontium (Sr)	56.00	56.00	56.00	56.00	Data from E-ON
Vanadium (V)	40.00	40.00	40.00	40.00	Data from E-ON
Zinc (Zn)	48.00	48.00	48.00	48.00	Data from E-ON
Ash Analysis, % by mass					
Alumina (Al2O3)	21.69	21.69	21.69	21.69	Data from E-ON
Barium Oxide (BaO)	0.07	0.07	0.07	0.07	Data from E-ON
Lime (CaO)	2.74	2.74	2.74	2.74	Data from E-ON
Iron Oxide (Fe2O3)	21.80	21.80	21.80	21.80	Data from E-ON
Magnesia (MgO)	0.91	0.91	0.91	0.91	Data from E-ON
Manganese Oxide (MnO)	0.04	0.04	0.04	0.04	Data from E-ON
Phosphorous Pentoxide (P2O5)	0.26	0.26	0.26	0.26	Data from E-ON
Potassium Oxide (K2O)	2.33	2.33	2.33	2.33	Data from E-ON
Silica (SiO2)	45.88	45.88	45.88	45.88	Data from E-ON
Sodium Oxide (Na2O)	0.48	0.48	0.48	0.48	Data from E-ON
Strontium Oxide (SrO)	0.05	0.05	0.05	0.05	Data from E-ON
Sulfur Trioxide (SO3)	2.58	2.58	2.58	2.58	Data from E-ON
Titania (TiO2)	1.04	1.04	1.04	1.04	Data from E-ON
Undetermined	0.12	0.12	0.12	0.12	Data from E-ON
Unit Characteristics					
Gross Turbine Generator Load, MW	330	330	423	525	Data from E-ON
Boiler Efficiency, % (HHV)	85.40	85.40	86.51	86.51	Data from E-ON
Boiler Heat Input, MBtu/hr (HHV)	3,224	3,311	4,209	5,122	Data from E-ON
Coal Flow Rate, lb/hr	287,857	295,625	375,804	457,321	Data from E-ON
Capacity Factor, %	68.00	70.00	75.00	75.00	Data from E-ON
Fly Ash Portion of Total Ash, %	80.0	80.0	80.0	80.0	Data from E-ON
Air Heater Leakage, %	10.0	10.0	10.0	10.0	Data from E-ON
Excess Air, %	20.00	20.00	20.00	20.00	Data from E-ON
Economizer Outlet Conditions					
Flue Gas Temperature, F	760	760	690	640	B&V Combustion Calculations
Flue Gas Pressure, in. w.g.	-5.0	-5.0	-5.0	-5.0	B&V Combustion Calculations
Flue Gas Mass Flow Rate, lb/hr	3,169,029	3,254,545	4,137,234	5,034,667	B&V Combustion Calculations
Volumetric Flue Gas Flow Rate, acfm	1,608,445	1,651,849	1,979,343	2,303,938	B&V Combustion Calculations
Uncontrolled Sulfur Dioxide Concentration, lb/MBtu	6.00	6.00	6.00	6.00	= % Sulfur in Coal x 20,000 / HHV
Uncontrolled Sulfur Dioxide Mass Flow Rate, lb/hr	19,324	19,846	25,228	30,701	B&V Combustion Calculations
Uncontrolled PM Concentration, lb/MBtu	8.746	8.746	8.746	8.746	B&V Combustion Calculations
Uncontrolled PM Mass Flow Rate, lb/hr	28,197	28,958	36,812	44,797	= Uncontrolled PM (lb/MBtu) x Heat Input (MBtu/hr)
Uncontrolled Mercury Concentration, lb/TBtu	10.71	10.71	10.71	10.71	= Hg in Coal (ppm) x Coal Flow Rate (lb/hr) / Heat Input (MBtu/hr)
Uncontrolled HCl Mass Flow Rate, lb/hr	474	486	618	752	= HCl in Coal (ppm) / 1,000,000 x Coal Flow Rate (lb/hr) x MW of HCl / MW of Cl
Uncontrolled HCl Concentration, lb/MBtu	0.15	0.15	0.15	0.15	= HCl Flowrate (lb/hr) / Heat Input (MBtu/hr)
Hot-Side ESP Outlet Conditions					
Flue Gas Temperature, F					B&V Combustion Calculations
Flue Gas Pressure, in. w.g.					B&V Combustion Calculations
Flue Gas Mass Flow Rate, lb/hr	No Hot-side ESP. Unit has a Cold-side ESP	No Hot-side ESP. Unit has a Cold-side ESP	No Hot-side ESP. Unit has a Cold-side ESP	No Hot-side ESP. Unit has a Cold-side ESP	B&V Combustion Calculations
Volumetric Flue Gas Flow Rate, acfm					B&V Combustion Calculations
Controlled PM Concentration, lb/MBtu					B&V Combustion Calculations
Controlled PM Mass Flow Rate, lb/hr					= Controlled PM (lb/MBtu) x Heat Input (MBtu/hr)
Particulate Removal Efficiency, %					= (1 - Controlled PM (lb/MBtu) / Uncontrolled PM (lb/MBtu)) x 100
SCR Outlet Conditions					
Flue Gas Temperature, F			690	640	B&V Combustion Calculations
Flue Gas Pressure, in. w.g.			-13.0	-13.0	B&V Combustion Calculations
Flue Gas Mass Flow Rate, lb/hr	No SCR	No SCR	4,219,979	5,135,360	B&V Combustion Calculations
Volumetric Flue Gas Flow Rate, acfm			2,061,162	2,399,175	B&V Combustion Calculations
Controlled NOx Concentration, lb/MBtu			0.0584	0.0589	Data from E-ON
Controlled NOx Mass Flow Rate, lb/hr			246	302	= Controlled NOx (lb/MBtu) x Heat Input (MBtu/hr)
Air Heater Outlet Conditions					
Flue Gas Temperature, F	375	375	330	330	B&V Combustion Calculations
Flue Gas Pressure, in. w.g.	-10.0	-10.0	-18.0	-18.0	B&V Combustion Calculations
Flue Gas Mass Flow Rate, lb/hr	3,485,932	3,580,000	4,641,976	5,648,896	B&V Combustion Calculations
Volumetric Flue Gas Flow Rate, acfm	1,229,416	1,262,592	1,581,582	1,924,653	B&V Combustion Calculations
Cold-Side ESP Outlet Conditions					
Flue Gas Temperature, F	340	340	330	330	B&V Combustion Calculations
Flue Gas Pressure, in. w.g.	-14.0	-14.0	-23.0	-21.0	B&V Combustion Calculations
Flue Gas Mass Flow Rate, lb/hr	3,660,228	3,759,000	4,874,075	5,931,341	B&V Combustion Calculations
Volumetric Flue Gas Flow Rate, acfm	1,250,977	1,284,735	1,684,442	2,039,199	B&V Combustion Calculations
Controlled PM Concentration, lb/MBtu	0.0385	0.0443	0.0517	0.0354	Data from E-ON
Controlled PM Mass Flow Rate, lb/hr	124	147	218	181	= Controlled PM (lb/MBtu) x Heat Input (MBtu/hr)
Particulate Removal Efficiency, %	99.56	99.49	99.41	99.60	= (1 - Controlled PM (lb/MBtu) / Uncontrolled PM (lb/MBtu)) x 100
Fabric Filter Outlet Conditions					
Flue Gas Temperature, F					B&V Combustion Calculations
Flue Gas Pressure, in. w.g.					B&V Combustion Calculations
Flue Gas Mass Flow Rate, lb/hr	No Fabric Filter	No Fabric Filter	No Fabric Filter	No Fabric Filter	B&V Combustion Calculations
Volumetric Flue Gas Flow Rate, acfm					B&V Combustion Calculations
Controlled PM Concentration, lb/MBtu					Data from E-ON
Controlled PM Mass Flow Rate, lb/hr					= Controlled PM from fabric Filter (lb/MBtu) x Heat Input (MBtu/hr)
Particulate Removal Efficiency, %					= (1 - FF Controlled PM (lb/MBtu) / ESP Controlled PM (lb/MBtu)) x 100
ID Fan Outlet Conditions					
Flue Gas Temperature, F	354.85	355.15	348.83	348.83	B&V Combustion Calculations
Flue Gas Pressure, in. w.g.	10.00	10.00	10.00	10.00	B&V Combustion Calculations
Flue Gas Mass Flow Rate, lb/hr	3,660,228	3,759,000	4,874,075	5,931,341	B&V Combustion Calculations
Volumetric Flue Gas Flow Rate, acfm	1,200,841	1,233,697	1,588,066	1,932,543	B&V Combustion Calculations

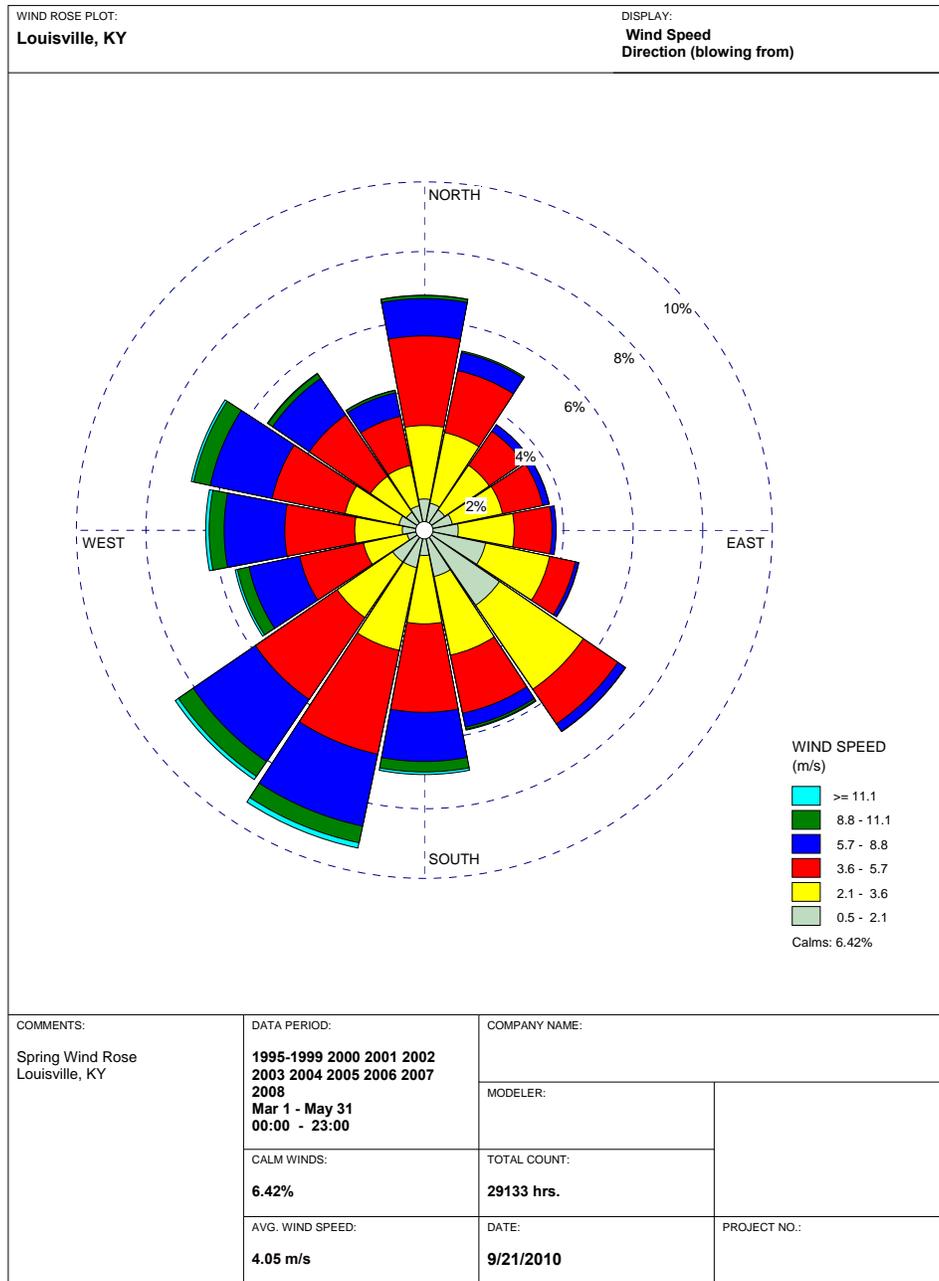
LG&E/KU Design Basis 10/19/2010					
Unit Designation	Mill Creek				Reference
	1	2	3	4	
Scrubber Outlet Conditions					
Flue Gas Temperature, F	130.30	130.32	129.60	129.60	B&V Combustion Calculations
Flue Gas Pressure, in. w.g.	1.00	1.00	1.00	1.00	B&V Combustion Calculations
Flue Gas Mass Flow Rate, lb/hr	3,879,298	3,984,228	5,157,618	6,277,442	B&V Combustion Calculations
Volumetric Flue Gas Flow Rate, acfm	972,502	998,878	1,291,025	1,571,359	B&V Combustion Calculations
Controlled Sulfur Dioxide Mass Flow Rate, lb/hr	1,515	1,556	2,441	2,407	B&V Combustion Calculations
Controlled Sulfur Dioxide Concentration, lb/MBtu	0.47	0.47	0.58	0.47	= Controlled SO ₂ (lb/hr) / Heat Input (MBtu/hr)
Sulfur Dioxide Removal Efficiency, %	92.17	92.17	90.33	92.17	= (1 - Controlled SO ₂ (lb/MBtu) / Uncontrolled SO ₂ (lb/MBtu)) x 100
Wet ESP Outlet Conditions					
Flue Gas Temperature, F					B&V Combustion Calculations
Flue Gas Pressure, in. w.g.	No WESP	No WESP	No WESP	No WESP	B&V Combustion Calculations
Flue Gas Mass Flow Rate, lb/hr					B&V Combustion Calculations
Volumetric Flue Gas Flow Rate, acfm					B&V Combustion Calculations
Stack Outlet Emissions¹					
Sulfur Dioxide Emission Concentration, lb/MBtu	0.47	0.47	0.58	0.47	Data from E-ON
Sulfur Dioxide Emission Rate, lb/hr	1,515	1,556	2,441	2,407	= SO ₂ Emission (lb/MBtu) x Heat Input (MBtu/hr)
PM Emission Concentration, lb/MBtu	0.0385	0.0443	0.0517	0.0354	Data from E-ON
PM Emission Rate, lb/hr	124	147	218	181	= PM Emission (lb/MBtu) x Heat Input (MBtu/hr)
NOx Emission Concentration, lb/MBtu	0.3169	0.3139	0.0584	0.0589	Data from E-ON
NOx Emission Rate, lb/hr	1,022	1,039	246	302	= NOx Emission (lb/MBtu) x Heat Input (MBtu/hr)
Hg Emission Concentration, lb/TBtu	3.0	3.0	2.5	2.5	Data from E-ON
Hg Emission Rate, lb/hr	9.67E-03	9.93E-03	1.05E-02	1.28E-02	= Hg Emission (lb/TBtu) x Heat Input (MBtu/hr) / 1,000,000
HCl Emission Concentration, lb/MBtu	0.0015	0.0015	0.0015	0.0015	Data from E-ON
HCl Emission Rate, lb/hr	5	5	6	8	= HCl Emission (lb/MBtu) x Heat Input (MBtu/hr)
CO Emission Concentration, lb/MBtu	--	--	--	--	CO Emissions are not known
CO Emission Rate, lb/hr	--	--	--	--	CO Emissions are not known
Dioxin/Furan Emission Concentration, lb/MBtu	--	--	--	--	Dioxin/Furan Emissions are not known
Dioxin/Furan Emission Rate, lb/hr	--	--	--	--	Dioxin/Furan Emissions are not known
Notes:					
1. Current Outlet Emissions as noted in E-ON Matrix					
Revision History:					
	Rev	Date	Description		
	0	5/21/2010	Initial Issue		
	1	6/1/2010	Final Issue		
	2	10/19/2010	Corrected Chlorine Percentage for Phase II		

Appendix C

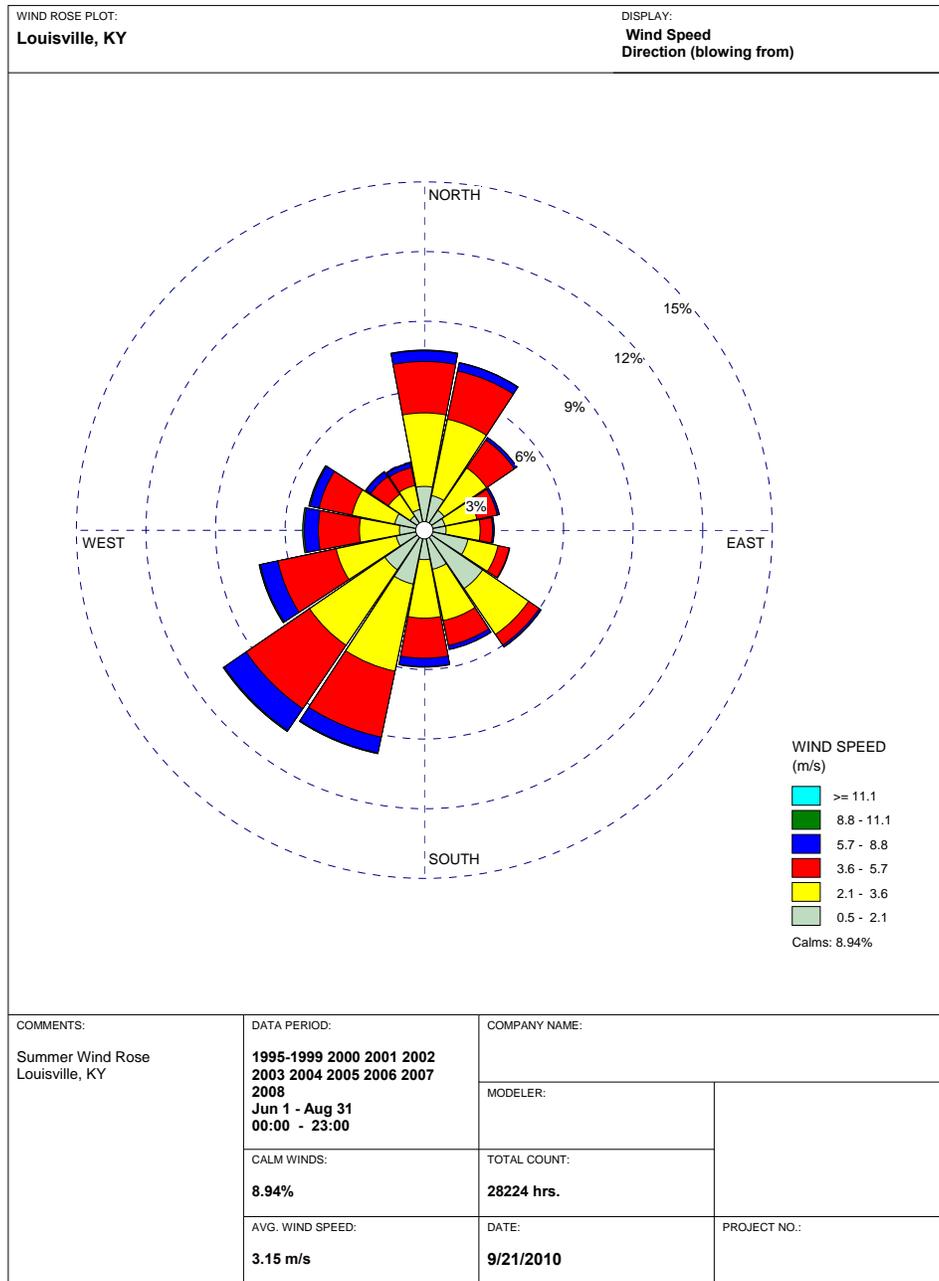
Wind Roses



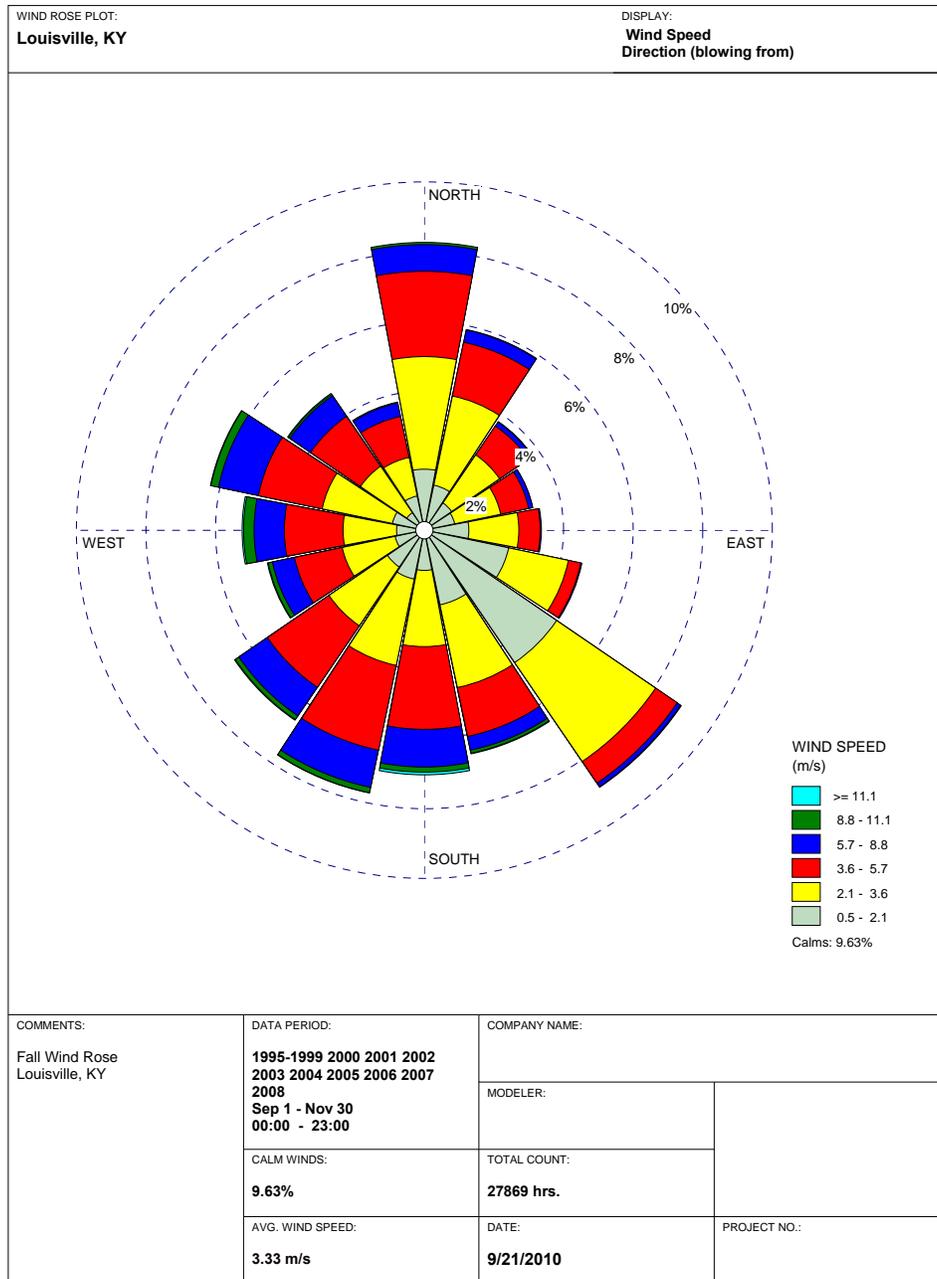
Winter Wind Rose 1995-2008
Louisville, KY



Spring Wind Rose 1995-2008
Louisville, KY

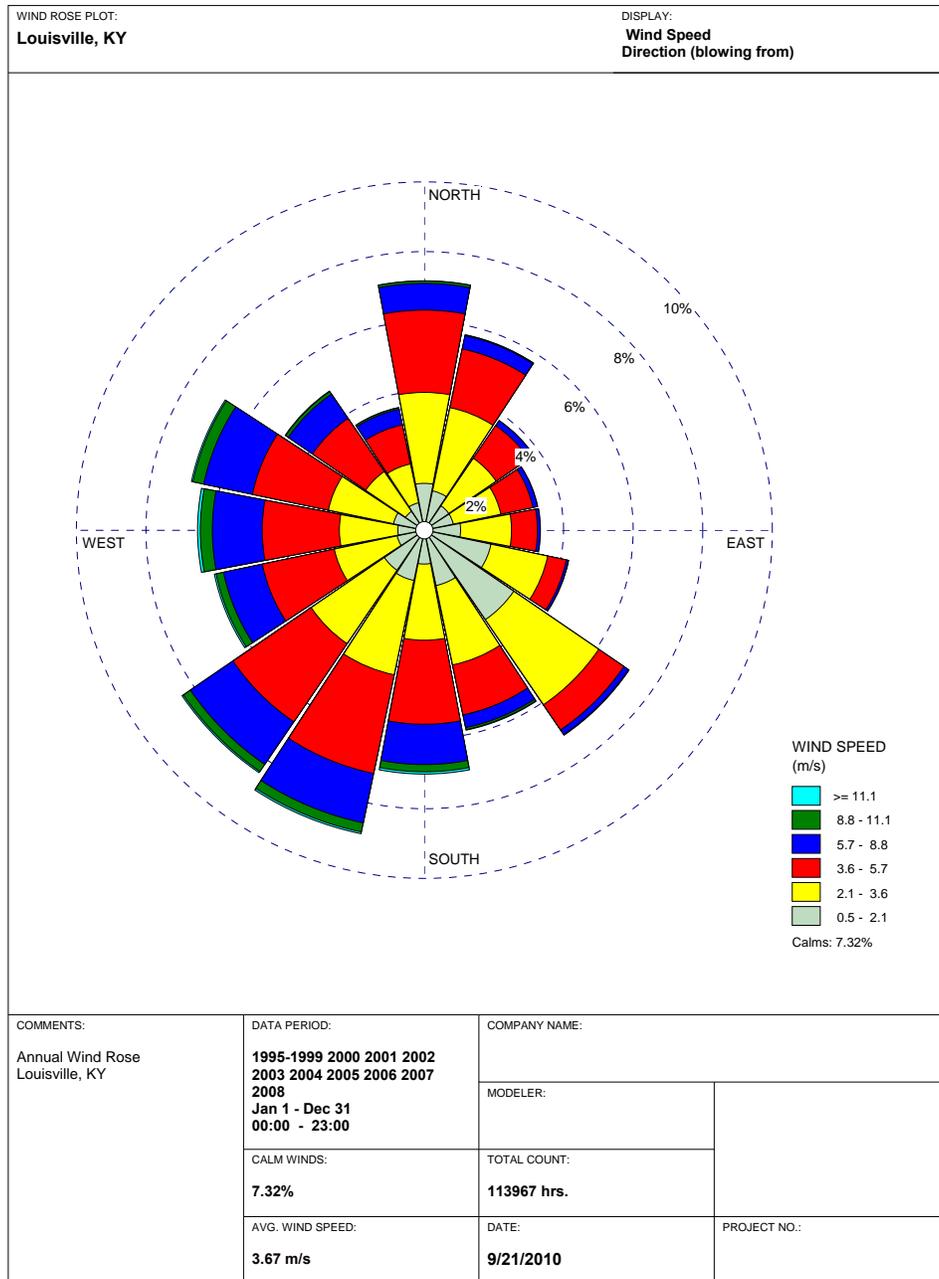


Summer Wind Rose 1995-2008
Louisville, KY



WRPLOT View - Lakes Environmental Software

Fall Wind Rose 1995-2008
Louisville, KY



Annual Wind Rose 1995-2008
Louisville, KY