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December 10, 2010

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VIA FEDERAL EXPRESS

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DEC 18 2010

PUBLIC SERVICE  
COMMISSION

Mr. Jeff R. Derouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Blvd.  
Frankfort, KY 40601

RE: *Application of Kentucky Utilities Company for a Certificate of Public Convenience and Necessity for the Construction of Transmission Facilities in McCracken County, Kentucky*  
Case No. 2010-00164

Dear Mr. Derouen:

Enclosed please find an original and ten (10) copies of the Motion for Full Intervention filed in the above-referenced matter on behalf of the Electric Plant Board of the City of Paducah, Kentucky d/b/a Paducah Power System. Though Paducah Power System is seeking full intervenor status, it is not requesting that a local public hearing be held with regard to the application of Kentucky Utilities Company.

If you have any questions regarding the enclosed motion, please feel free to contact me.

Very truly yours,

MCMURRY & LIVINGSTON, PLLC



G. Kent Price

E-Mail Address: [kent@ml-lawfirm.com](mailto:kent@ml-lawfirm.com)

GKP:dds

Enclosures

cc: Hon. Helen Helton  
Allyson K. Sturgeon, Esq.  
Robert M. Watt, III, Esq.  
Lindsey W. Ingram, III, Esq.  
Mr. David R. Clark

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES )  
 COMPANY FOR A CERTIFICATE OF PUBLIC )  
 CONVENIENCE AND NECESSITY FOR THE ) CASE NO. 2010-00164  
 CONSTRUCTION OF TRANSMISSION )  
 FACILITIES IN McCRACKEN COUNTY, )  
 KENTUCKY )

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**MOTION OF THE ELECTRIC PLANT BOARD  
 OF THE CITY OF PADUCAH, KENTUCKY,  
 d/b/a PADUCAH POWER SYSTEM,  
 FOR FULL INTERVENTION**

**RECEIVED**

**DEC 18 2010**

**PUBLIC SERVICE  
 COMMISSION**

**[No Public Hearing Requested]**

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Comes the Electric Plant Board of the City of Paducah, Kentucky, d/b/a Paducah Power System ("PPS"), by counsel, and moves the Kentucky Public Service Commission ("Commission"), pursuant to KRS 278.020(8) and 807 KAR 5:001, Section 3(8), and all other applicable law to intervene in the above-styled proceeding as a full party, with all rights and privileges of a full intervenor.

In support of its motion, PPS states as follows:

1. Paducah Power System is a municipal electric power company organized and existing pursuant to KRS 96.550 *et seq.* PPS provides retail electric services to some 22,400 customers within the city of Paducah, Kentucky, and portions of McCracken County, Kentucky, lying beyond the city limits. PPS owns and maintains electric distribution, transmission and generation facilities all of which are located in McCracken County, Kentucky.

2. On November 23, 2010, Kentucky Utilities Company ("KU") delivered to the Commission an *Application of Kentucky Utilities Company for a Certificate of Public*

*Convenience and Necessity for the Construction of Transmission Facilities in McCracken County, Kentucky* (“Application”). The Application seeks approval of a Certificate of Public Convenience and Necessity for the construction of a 161 kV transmission line approximately 1.69 miles in length running from KU's Grahamville substation in McCracken County, Kentucky, to the transmission line of Electric Energy, Inc. near the substation on Department of Energy property in McCracken County, Kentucky. KU's Application initially was rejected for filing by the Commission because of certain deficiencies that have now been corrected. By letter dated December 9, 2010 the Commission accepted the Application for filing.

3. Paducah Power System is an interested person under KRS 278.020(8) and has a special interest in this proceeding entitling it to full intervention under 807 KAR 5:001, Section 3(8). The expeditious approval of KU's application and construction of the subject transmission line is of critical importance to PPS. As explained in the written testimony filed with the Application, until the transmission line is constructed and in service, PPS is limited to only "partial interim service" under its Service Agreement for Network Integration Transmission Service with KU. Such partial interim service limits PPS to receiving only 125 MWs over KU's transmission system for the months of May through October of each year.

4. Because PPS is a summer-peaking system with a peak load of some 161 MWs, the 125 MW limit on delivery across KU's transmission system results in significant increased costs and operational hardships for PPS during summer months. The higher costs arise primarily because during the summer months PPS cannot serve its full load with the relatively cheap power previously purchased on its behalf by Kentucky Municipal Power Agency (“KMPA”) for delivery to PPS out of the Midwest ISO across the KU grid. Although PPS is prevented from availing itself of this economical power, it is still obligated to pay KMPA for same. Because of the KU transmission limitation, PPS must either take delivery of a portion of its network load

under special arrangements made with the Tennessee Valley Authority (“TVA”) or generate its power needs above the 125 MW threshold at the PPS natural gas peaking plant. Both options result in appreciably higher costs to PPS than would otherwise be incurred if PPS could take delivery of its full network load across KU’s transmission system. Last summer, for example, PPS was forced to purchase from TVA energy and transmission services for the portion of the PPS load above 125 MWs at costs that were some 250% higher than the energy and transmission costs for which PPS had already contracted with KMPA for delivery of the power across the KU system. Such increased costs must ultimately be borne by the customers of PPS.

5. The special interest of PPS is not otherwise adequately represented by the applicant or any other intervenor in this proceeding.

6. Full intervention by PPS will assist the Commission in reaching its decision and will not unduly interrupt or delay the proceeding.

7. The attorney authorized to represent PPS in this proceeding and take service of all documents on its behalf is:

G. Kent Price  
McMurry & Livingston, PLLC  
333 Broadway  
P. O. Box 1700  
Paducah, Kentucky 42002-1700  
[for courier delivery use zip code 42001]  
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[kent@ml-lawfirm.com](mailto:kent@ml-lawfirm.com)

8. Paducah Power System fully supports KU’s Application, as filed, and requests that the Commission expedite its consideration and approval of the Application so that construction of the transmission line can be completed at the earliest date possible.


9. Paducah Power System is not requesting that a public hearing be held on the Application.

WHEREFORE, the Electric Plant Board of the City of Paducah, d/b/a Paducah Power System, moves that an order be entered in this proceeding granting it full intervenor status and for any and all other relief to which PPS may be reasonably entitled, including its costs and attorneys' fees herein expended.

SO MOVED, this the 10th day of December, 2010.

Respectfully submitted,

McMURRY & LIVINGSTON, PLLC  
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PADUCAH, KY 42002-1700  
(270) 443-6511  
Attorneys for Electric Plant Board  
of the City of Paducah, Kentucky

By:   
G. KENT PRICE

**CERTIFICATE OF SERVICE**

The undersigned counsel certifies that on this the \_\_\_\_ day of December, 2010, an original and ten (10) photocopies of the foregoing Motion of the Electric Plant Board of the City of Paducah, Kentucky, d/b/a Paducah Power System, for Full Intervention were served and filed by overnight courier (Federal Express) upon Jeff Deroen, Executive Director, Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, KY 40601. The undersigned counsel further certifies that a copy of said motion was served upon Kentucky Utilities Company by mailing a copy of same by first class mail, postage prepaid, to its counsel of record, as follows:

Robert M. Watt, III, Esq.  
Lindsey W. Ingram, III, Esq.  
Stoll Keenon Ogden, PLLC  
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300 West Vine Street  
Lexington, KY 40507  
Counsel for Kentucky Utilities Company

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Senior Corporate Attorney  
LG&E and KU Services Company  
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