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ELECTRIC GENERATION AND
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COMMONWEALTH OF KENTUCKY
BEFORE THE KENTUCKY STATE BOARD ON
ELECTRIC GENERATION AND TRANSMISSION SITING

In the Matter of:

**JOINT APPLICATION OF THE ILLINOIS)
MUNICIPAL ELECTRIC AGENCY AND THE)
INDIANA MUNICIPAL POWER AGENCY FOR)
APPROVAL TO BE A 25% PARTNER IN THE)
CONSTRUCTION OF A 750 MEGAWATT)
ADDITION TO THE EXISTING TRIMBLE)
COUNTY GENERATING FACILITY IN)
TRIMBLE COUNTY, KENTUCKY)**

CASE NO.: 2005-00152

MOTION TO INTERVENE
BY IBEW, LOCAL 2100 AND
GREATER LOUISVILLE BUILDING
AND CONSTRUCTION TRADES COUNCIL

Come the parties, International Brotherhood of Electrical Workers, Local 2100 (IBEW) and the Greater Louisville Building and Construction Trades Council (Trades Council), and move for full intervenor status in this action pursuant to 807 KAR 5:001(8). The IBEW represents employees of Louisville Gas & Electric that do the maintenance and power production activities for the Company, currently representing approximately 750 employees. The Trades Council is a 501(c)(5) organization made up of affiliated building and construction trades unions.

The parties seek full intervenor status as the employees represented by IBEW, and the workers represented by the Trades Council, share a common interest with the public and other parties in the quality of service, economy and safety of all projects involving LG&E. The IBEW brings to the proceedings particular expertise arising from actual involvement in all operational aspects of the utility, and can make a valuable contribution to the understanding, clarification and development of issues that fall within the Board's regulatory authority.

The IBEW has historically been granted full intervenor status in significant PSC cases involving LG&E, and has participated in the discovery and hearing processes of those cases. In particular, the IBEW participated in all phases of LG&E's Joint Application of LG&E and KU for

Approval of Merger, Case 97-300; the subsequent consolidated rate cases 98-426 and 98-474, and subsequent proceedings regarding the sale of LG&E to PowerGen, and the acquisition of PowerGen and LG&E by German owned E.on (Case No. 2001-104). The IBEW/Trades Council have been granted full intervenor status in LG&E's pending application for construction of Trimble II, (2004-00507) and has recognized the relevance of IBEW/Trades Council issues to the companion proceeding before this Board. (See PSC Order, May 12, 2005) The PSC has recognized the authority of this Board to impose conditions to insure that the proffered economic impact is secured, such as requiring the use of local laborers. (Citing The Application of Estill Co. Energy Partners, No. 2002-00172.)

The Trades Council represents various building and construction trade affiliates that include the following: Boilermakers; Bricklayers; Carpenters; Electrical Workers; Elevator Constructors; Glaziers; Insulators; Asbestos Workers; Iron Workers; Laborers; Operating Engineers; Pipefitters; Plumbers; Plasterers and Cement Masons; Sprinkler Fitters; Roofers; Sheet Metal Workers and Teamsters.

The Trades Council collectively represents approximately 10,000 Kentucky workers. It is this group of workers that is the repository of collective skill, trade and technical knowledge that is utilized for major construction projects. The Trades Council has historically performed the major utility construction work in the area under the auspices of project labor agreements with Cinergy, Eastern Kentucky Power, TVA and utilities in Western Kentucky. The Trades Council affiliates are currently involved in the installation of a scrubber at Clifty Creek in Indiana, and have been involved in the construction of Spurlock Station for Eastern Kentucky Power, TVA work at Kentucky Dam, the Cash Creek Project in Henderson and numerous other capital construction projects.

The IBEW and Trades Council will concentrate on the issue of insuring that the economic benefits of the construction project are enjoyed by LG&E rate payers, and their local communities, by the utilization of a workforce drawn exclusively from the Kentuckiana region. A construction

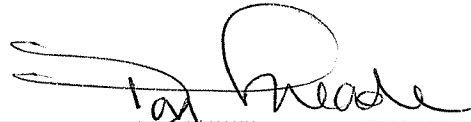
project of this magnitude, stretching over several years, will pump millions of dollars of payroll, taxes and spending power into the economy. Yet all this presumes that the construction and related work will be done by contractors and vendors that utilize employees drawn from the local area. Unfortunately, the experience of the Trades Council is that general contractors will secure the job bid through labor costs that are premised on the importation of out of state workers. By securing the cheapest labor possible, and capitalizing on difficult economic circumstances in surrounding states, Kentucky workers can be robbed of the opportunity to earn the wages and benefits of the Trimble County Project, while itinerant out of state workers perform the work and export the major economic benefit out of state.

It is the intention of the IBEW and Trades Council to develop this point through expert testimony to insure that any construction contract secure the construction and related work to the economic benefit of the local area. The economic benefit of the project must inure to the enrichment of the communities and citizens upon whom the merchant plant is imposed.

Full intervention status should be granted both parties.

Respectfully submitted,

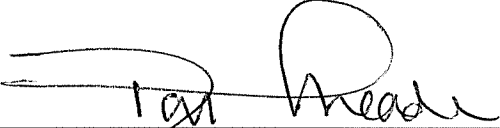
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A handwritten signature in black ink, appearing to read "Don Meade", written over a horizontal line.

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CERTIFICATE OF SERVICE

It is hereby certified that on the 13th day of July, 2005, an original and 10 copies of the foregoing motion was mailed to the Siting Board, P. O. Box 615, 211 Sower Blvd., Frankfort, KY 40602-0615, and a true copy thereof was mailed to the attached service list.



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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF LOUISVILLE)
GAS AND ELECTRIC COMPANY AND)
KENTUCKY UTILITIES COMPANY)
FOR A CERTIFICATE OF PUBLIC) CASE NO. 2004-00507
CONVENIENCE AND NECESSITY, AND)
A SITE COMPATIBILITY CERTIFICATE,)
FOR THE EXPANSION OF THE TRIMBLE)
COUNTY GENERATING STATION)

O R D E R

Louisville Gas and Electric Company and Kentucky Utilities Company ("Applicants") filed a joint application for approval to construct a 750 MW super-critical pulverized coal-fired generating unit at their Trimble County Generating Station on December 17, 2004. On February 21, 2005, the International Brotherhood of Electrical Workers, Local 2100 and the Greater Louisville Building and Construction Trades Council ("Intervenors") moved for full intervenor status in this case. As part of that filing, Intervenors gave notice that they intended "to seek the Commission's Order that any construction contract secure the construction and related work to the economic benefit of the local area." On March 4, 2005, the Commission granted the motion to intervene, but found that the Intervenors "must limit the issues they address in this case to those properly before the Commission."

On April 22, 2005, Intervenors prefiled the testimony of Larry L. Roberts. On April 28, 2005, Applicants moved to strike that testimony in its entirety on the basis that

the questions “call for answers that squarely address the exact issues the Commission has deemed to be outside the scope of this case.”

Initially, the Commission notes that the Motion to Strike is overly broad. The first two pages of the Roberts testimony are introductory and do not deal with any of the controverted issues. With regard to the remainder of the testimony, the Commission recognizes that the subjects Roberts explores may be close to the line discussed in the Commission’s March 4, 2005 Order. The problem in this case, however, is that we cannot draw that line as precisely and distinctly as the Applicants urge. Unmistakably, the March 4, 2005 Order rejected Intervenors’ intention “to seek the Commission’s Order that any construction contract secure the construction and related work to the economic benefit of the local area.”

Nevertheless, the Kentucky State Board on Electric Generation and Transmission Siting (“Siting Board”) will soon have before it a parallel application from the Illinois Municipal Electric Agency and the Indiana Municipal Power Agency (“Municipal Agencies”), Case No. 2005-00152,¹ for this same generating plant. The Siting Board has different standards and jurisdiction than does the Commission, and we believe it is important that Orders from the two sister agencies not be in direct conflict.

One of the factors that the statutes require the Siting Board to consider in reaching a decision is “[t]he economic impact of the facility upon the affected region and the state.” KRS 278.710(1)(c). In prior cases, to meet that criterion, the Siting Board has imposed conditions in its final Orders such as the following from the application of

¹ Case No. 2005-00152, Notice of Intent to File an Application For Approval of the Illinois Municipal Electric Agency and the Indiana Municipal Power Agency 25% Ownership of the Proposed Trimble County Merchant Electric Generating Facility.

Estill County Energy Partners, LLC ("ECEP"): "ECEP shall make reasonable efforts to hire workers, vendors, and contractors from the local area." Condition H from Appendix A, October 12, 2004, Order in Case No. 2002-00172.² In the present case, the Commission has contracted with BBC Research & Consulting to provide a review and evaluation of the site assessment reports of both the Applicants in this case and the Municipal Agencies in the Siting Board case. That report includes the following recommendation: "LG&E should encourage its contractors to consider hiring locally qualified construction workers, where possible." Recommendation 11 from Section D, April 11, 2005, BBC Review and Evaluation of Trimble County Unit 2 Site Assessment Report.

The Commission specifically points out that the Roberts testimony does not seek an Order "that any construction contract secure the construction and related work to the economic benefit of the local area," but simply supports the issue of local employment generally. While the testimony may come very close to the line, that line, as noted earlier, is not as precise and distinct in this case as argued by the Applicants. Under the circumstances, the Commission believes it should admit the testimony and give it appropriate weight in the decision-making process. The Commission therefore finds that the Motion to Strike should be denied.


IT IS THEREFORE ORDERED that Applicants' Motion to Strike the prefiled testimony of Larry L. Roberts is denied.

² Case No. 2002-00172, The Application of Estill County Energy Partners, LLC, For a Certificate to Construct a Coal Combustion/Electric Generating Facility.


Done at Frankfort, Kentucky, this 12th day of May, 2005.

By the Commission

ATTEST



Executive Director



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