



REPLY TO  
ATTENTION OF

DEPARTMENT OF THE ARMY  
UNITED STATES ARMY LEGAL SERVICES AGENCY  
901 NORTH STUART STREET  
ARLINGTON, VA 22203-1837

6 JANUARY 2004

Regulatory Law Office  
U4117

SUBJECT: In the Matter of Adjustment of Gas and Electric Rates of Louisville Gas  
and Electric Company, KY PSC Case No. 2003-00433

Hon. Thomas M. Dorman  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40602

RECEIVED

JAN 07 2004

PUBLIC SERVICE  
COMMISSION

Dear Mr. Dorman:

Enclosed for filing find the original and twelve copies of the Motion for Leave to Intervene on behalf of the consumer interest of the United States Department of Defense and other affected Federal Executive Agencies (hereinafter "DOD") in the above styled proceeding. Enclosed is a computer diskette with an electronic copy of the motion in MicroSoft Word.

Copies of this pleading are being sent in accord with the Certificate of Service. Inquiries regarding this proceeding should be directed to the undersigned at the address above or at telephone number (703) 696-1646.

Sincerely yours

David A. McCormick  
General Attorney

CF: Certificate of Service  
Hon. Daniel M. Kininmonth, Fort Knox, KY

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**JAN 07 2004**

**PUBLIC SERVICE  
COMMISSION**

**BEFORE THE  
KENTUCKY PUBLIC SERVICE COMMISSION**

**IN THE MATER OF:**

)  
)  
Application for Adjustment of the Gas and Electric )  
Rates of Louisville Gas and Electric Company )  
)

Case No. 2003-00433

**MOTION FOR LEAVE TO INTERVENE**

Robert N. Kittel  
Chief  
Regulatory Law Office  
U.S. Army legal Services Agency  
DAJA-RL 4118  
901 N. Stuart Street, Room 713  
Arlington, VA 22203-1837

For

**THE DEPARTMENT OF DEFENSE AND  
OTHER FEDERAL EXECUTIVE AGENCIES**

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David A. McCormick  
Daniel M. Kininmonth  
Attorneys

Of Counsel

Dated: 6 January 2004

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**JAN 07 2004**

**PUBLIC SERVICE  
COMMISSION**

**BEFORE THE  
KENTUCKY PUBLIC SERVICE COMMISSION**

**IN THE MATER OF:** )  
 )  
Application for Adjustment of the Gas and Electric )  
Rates of Louisville Gas and Electric Company )  
 )

Case No. 2003-00433

**MOTION FOR LEAVE TO INTERVENE**

The Secretary of Defense, through duly authorized counsel, on behalf of the consumer interest of the United States Department of Defense and other affected Federal Executive Agencies (collectively referred to herein as "DOD"), requests leave to intervene, pursuant to KRS §278.310 and 807 KAR 5:001 § 3(8), in the above styled proceeding which has been instituted by the Louisville Gas and Electric Company (LG&E). As grounds for this motion, your movant states:

**I.**

That he is duly authorized by law to make and file this motion.<sup>1</sup>

**II.**

That the name, address, telephone and facsimile copier numbers of the person to whom communications in regard to this petition should be addressed are:

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<sup>1</sup> The Secretary of Defense has been delegated authority by the General Services Administration to represent, through Department of the Army counsel, the consumer interest of all the Federal Executive Agencies in this proceeding under 40 U.S.C.A. 481(a)(4) and 486(d) in matters related to the Louisville Gas and Electric Company (LG&E). See also: 48 CFR § 41.101.

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### III.

That the interest of DOD, as a rate paying customer in this proceeding is manifest:

- \* On December 29, 2003, Louisville Gas and Electric Company filed a proposed general increase in electric and gas base rates which may raise average electric rates by about 12 percent and may raise gas utility service rates about 6 percent.
- \* The United States maintains certain military installations and civilian activities within the Commonwealth of Kentucky, some of which obtain electric and gas utility service from LG&E. A major federal installation receiving such electric and gas utility service from LG&E is Fort Knox.
- \* Total electric billings to Fort Knox, alone, are about \$7 million, annually, on the LG&E system. Fort Knox gas billings on the LG&E system are also, substantial. Other federal installations have a similar, but proportional, large consumer economic interest in this proceeding, also.
- \* Fort Knox has a Special Contract Rates with LG&E, and no other party would likely have an interest in protecting provision which might affect that rate.
- \* The bulk of the electric service procured by major federal facilities is received at high voltages, for distribution on government owned electric distribution facilities. The load factor, characteristics, and rate schedules upon which the federal facilities buy electric utility service make their usage distinct from the other large customers such as industrial users. DOD installations have substantial investments in utility distribution plant, and have a moderate load factor similar to that of a municipal utility
- \* The bulk of the gas utility service procured by major federal facilities is received in high volumes, and at high pressures, for distribution on government owned electric distribution facilities. The load factor, characteristics, and rate schedules upon which the federal facilities buy gas utility service make their usage distinct from the other large customers such as industrial users. DOD

installations have substantial investments in utility distribution plant, and have a moderate load factor similar to that of a municipal utility

#### IV.

That the interest of DOD is such that it cannot be adequately protected by any other party. DOD may present evidence which will be of value to the Commission in its determination of the issues involved in this proceeding. The undersigned counsel has been advised that DOD has retained the firm of Decision Analysis Corp. of Virginia to assist in-house engineers and utility specialists in this proceeding. While it would be premature to state any positions on the LG&E rate increase filing in this proceeding, if DOD presents any witnesses they will likely be Mr. Thomas Prisco, an accountant and in-house utility expert employed by the Department of the Army, who has testified in numerous proceedings including prior LG&E proceedings before this Commission and most likely:

Mr. Kenneth L. Kincel,  
Decision Analysis Corp. of Virginia  
8009 Snowpine Way, Suite 100  
McLean, VA 22102

Telephone: (703) 893-5087  
Telecopier: (703) 893-7104  
E-mail: [Kenkincel@aol.com](mailto:Kenkincel@aol.com)

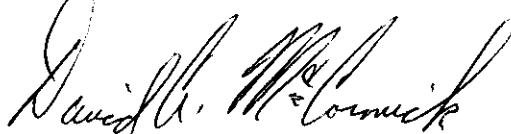
Mr. Kincel has previously sponsored expert testimony before this Commission. He is a graduate of Rensselaer Polytechnic Institute. He has presented expert testimony in proceedings before the Federal Energy Regulatory Commission (FERC) and several other State regulatory tribunals. Again, it is premature to articulate the issues, if any, upon which such potential DOD witnesses might offer direct testimony or exhibits.

#### V.

The intervention of petitioner will neither unduly broaden the issues nor unduly delay the proceeding. The consumer interest of DOD has been recognized and DOD has participated as an intervenor, for many years in regulatory cases of the gas and electric utilities of Kentucky.

WHEREFORE, your movant prays for leave to intervene and be treated as a party hereto with right to have notice of and appear at the taking of testimony, produce and cross examine witnesses, and be heard through counsel, upon brief and at oral argument, if oral argument is granted.

By,



David A. McCormick,  
Attorney

Regulatory Law Office  
U.S. Army Legal Services Agency  
DAJA-RL 4118  
901 N. Stuart Street, Room 700  
Arlington, VA 22203-1837

For

THE DEPARTMENT OF DEFENSE AND  
OTHER FEDERAL EXECUTIVE AGENCIES

Of Counsel:

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Certificate of Service

I certify that I have caused a copy of this document to be sent to the following addressees  
by first class, postage prepaid, U.S. Mail:

Hon. Kendrick R. Riggs  
Ogden, Newell, & Welch  
1700 Citizens Plaza  
500 West Jefferson Street  
Louisville, KY 40202-2874

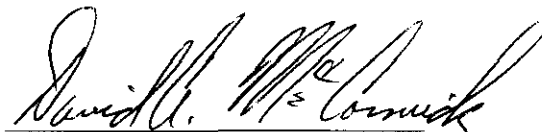
Hon. Michael L. Kurtz  
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36 East Seventh Street  
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1024 Capital Center Avenue, Suite 200  
Frankfort, KY 40601

Office of the Staff Judge Advocate  
HQ, US Army Armor Center & Fort Knox  
ATTN: ATZK-JA (Hon. Daniel M. Kininmonth)  
Fort Knox, KY 40121-5000

Dated this 6<sup>th</sup> day of January 2004, at Arlington County, Virginia.



*David H. McConick*