

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE  
COMMISSION

In the Matter of:

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

**ATTORNEY GENERAL'S OFFICE'S  
MOTION IN SUPPORT OF  
INTERVENOR IBEW'S AND TRADES COUNCIL'S  
MOTION FOR RECONSIDERATION  
AND MOTION TO COMPEL DISCOVERY REQUESTS**

Comes now the Attorney General's Office, by and through his Office of Rate Intervention, and files this Motion In Support of Intervenor IBEW's and Trades Council's ("IBEW") Motion for Reconsideration and Motion To Compel Discovery Requests. As grounds for his motion, the Attorney General states as follows:

First and foremost, the Attorney General does not believe, at this time, that a Certificate of Public Convenience and Necessity and a Site Compatibility Certificate for the expansion of the Trimble County Generation Station should be awarded to Louisville Gas & Electric Company and Kentucky Utilities Company. However, in the event that the Commission does, in fact, grant the certificate, the Attorney General suggests that consideration should be given to attempts to secure employment for Kentuckians in the construction of the particular facilities. While one of the primary missions, if not the main one, of the Attorney General, is to secure the lowest-cost utility rates for the citizens of the Commonwealth of Kentucky, other economic benefits should likewise be pursued. This is particularly true in this instance because the 25%

ownership of the out-of-state municipalities will be considered in companion cases brought under the merchant plant statutes with their consideration of the economic benefits presented under KRS 278.706(2)(j).

IBEW advances the position that it should be entitled to fair treatment in the hiring process for the facilities by prohibiting the companies from “engaging in contracting strategies that undermine Kentucky workers, and their unions, by allowing construction to be performed through the importation of out of state workers, employed at sub-standard wages and benefits.”<sup>1</sup> This request should be openly embraced as a matter of fairness for Kentucky’s workers because to do otherwise would create an unfair advantage for other states’ workers as well as to foster animosity toward, and damage to, the goodwill of the companies – companies which used to be “Kentucky” companies. Moreover, it is unequivocal that an economic benefit would arise if Kentuckians are gainfully employed by this project, again even assuming the project is necessary. It is unequivocal that money earned from employment will generate an economic benefit for the local community as well as the state. By way of a taxation consequence example, this means that for every \$1 returned to the people in a certain taxing jurisdiction, the economy in that jurisdiction will increase by \$2.00.<sup>2</sup> It is axiomatic that the comparison works in a similar manner in the case at hand in that for every dollar generated from employment, approximately two dollars are ultimately created within that jurisdiction.

In conclusion, the Attorney General does not suggest that the PSC can mandate the companies hire only Kentuckians for the construction of the requested facilities, assuming the certificate is required which the Attorney General does not concede. Rather, consideration for

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<sup>1</sup> See IBEW’s *Motion for Reconsideration and Motion to Compel Discovery Responses* at pages 2 and 3.

<sup>2</sup> For reference, please see <http://www.cafirman.com/EconomicImpactAnalysis.htm> for an explanation of the Economic Output Multiplier as used by the Department of Commerce, Bureau of Economic Analysis.

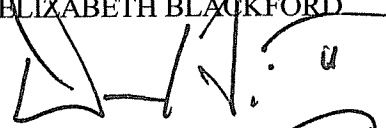
fairness in the employment contracting process should be made as a result of the potential economic benefit. Nonetheless, any such benefit ultimately must be weighed against, and in light of, any increase borne by the ratepayers.

Respectfully submitted,

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CERTIFICATE OF SERVICE AND NOTICE OF FILING

I hereby give notice that this the 13th day of April, 2005, I have filed the original and ten copies of the foregoing Motion In Support of Intervenor IBEW's and Trades Council's Motion for Reconsideration and Motion To Compel Discovery Requests with the Kentucky Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky, 40601 and certify that this same day I have served the parties by mailing a true copy of same, postage prepaid, to those listed below.

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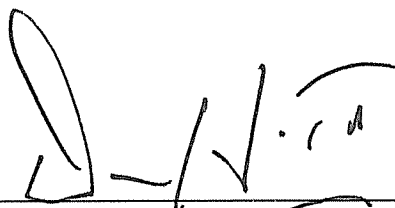
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