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February 23, 2005

RECEIVED

FEB 24 2005

PUBLIC SERVICE
COMMISSION

VIA HAND DELIVERY

Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

RE: In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for a Certificate of Public Convenience and Necessity, and a Site Compatibility Certificate, for the Expansion of the Trimble County Generating Station
Case No. 2004-00507

Dear Ms. O'Donnell:

Enclosed please find and accept for filing the original and ten copies of Louisville Gas and Electric Company's and Kentucky Utilities Company's Response to IBEW, Local 2100, and Greater Louisville Building and Construction Trades Council's Motions to Intervene and for Leave to File Data Requests in the above-referenced matter. Please confirm your receipt of this filing by placing the stamp of your Office with the date received on the enclosed additional copies and return them to me in the enclosed self-addressed stamped envelope.

Should you have any questions or need any additional information, please contact me at your convenience.

Very truly yours,

J. Gregory Cornett

JGC/ec

Enclosures

cc: Parties of Record

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

In the Matter of:

FEB 24 2005

JOINT APPLICATION OF LOUISVILLE GAS)
AND ELECTRIC COMPANY AND KENTUCKY)
UTILITIES COMPANY FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECESSITY,)
AND A SITE COMPATIBILITY CERTIFICATE,)
FOR THE EXPANSION OF THE TRIMBLE)
COUNTY GENERATING STATION)

PUBLIC SERVICE
COMMISSION

CASE NO: 2004-00507

**RESPONSE OF KENTUCKY UTILITIES COMPANY AND
LOUISVILLE GAS AND ELECTRIC COMPANY TO
IBEW, LOCAL 2100 AND GREATER LOUISVILLE BUILDING AND
CONSTRUCTION TRADES COUNCIL'S MOTIONS TO INTERVENE AND FOR
LEAVE TO FILE DATA REQUESTS**

Kentucky Utilities Company and Louisville Gas and Electric Company (collectively, the "Companies") hereby respond to the Motion to Intervene and for Leave to File Data Requests filed by the International Brotherhood of Electrical Workers, Local 2100 ("IBEW") and the Greater Louisville Building and Construction Trade Council ("Trade Council") on February 18, 2005. Although the Companies do not object to the IBEW's and Trade Council's intervention in this case, the Companies do object to the requested alteration to the existing procedural schedule, and to the proposed introduction of expert testimony or other evidence seeking relief in the form of an order directing the Companies to contract for construction services exclusively from the Kentuckiana region. In support of these objections, the Companies specifically state as follows:

The Companies object to any change to the procedural schedule to allow the IBEW and Trade Council time to have their own round of data requests. The current procedural schedule, which was established after an informal conference involving Commission Staff and all parties, provides for one more round of data requests to the Companies. Thus, if granted intervenor status, the IBEW and Trade Council will have an opportunity to propound data requests on the

Companies in the absence of a special round created for them. To ensure that the IBEW and Trade Council will be able to make the best use of the data requests the current procedural schedule will allow them if they become intervenors, the Companies are, concurrent with this filing, providing the IBEW and Trade Council with copies of the Companies' application and copies of all the Companies' responses to the data requests other parties have made to date. Thus, allowing the IBEW and Trade Council intervenor status without allowing them a special round of discovery will not unfairly prejudice their participation in this proceeding, and such a ruling would be in accord with prior Commission precedent in cases nearly identical to this.¹

In addition, as the Commission's Memorandum of the January 13, 2005 informal conference notes, the procedural schedule in this case, which the Commission set out in its January 27, 2005 Order, impacts the filing of two other cases: (1) the Companies' filing of an application for a certificate of public convenience and necessity for the needed transmission upgrades concerning the generating plant that is the subject matter of this proceeding; and (2) IMEA/IMPA's filing of an application with the Siting Board for their part of the generating plant. And, if the Commission were to allow the IBEW and Trade Council leave to file data requests outside of the procedural schedule, it would set a precedent which could open the door for further deviations from that schedule should additional persons or entities seek intervention in the future. Therefore, allowing the requested departure from the procedural schedule in this case could not only result in a delay of this proceeding, it could also necessitate changes in the related proceedings as well.

¹ In the Matter of the Tariff Filing of Columbia Gas of Kentucky, Inc. to Implement Gas Cost Incentive Rate Mechanisms, Case No. 96-079, Order (6/6/1996) (allowing KIUC full intervention but denying KIUC's motion for additional 30 days for discovery and to present a witness).

The Companies also object to any attempt by the IBEW and Trade Council to introduce evidence seeking a Commission Order “that any construction contract secure the construction and related work to the economic benefit of the local area,” meaning that “the construction and related work will be done by contractors and vendors that utilize employees drawn from the local area.”² The Companies object to the introduction of that proposed testimony and any other reference to the topic because it would be irrelevant to this proceeding. As the Commission is well aware, this is a proceeding, pursuant to KRS 278.020(1), to determine the “public convenience and necessity” of constructing a new generating plant in Trimble County. The geographic origin of any labor force needed to build the plant does not bear upon the “public convenience and necessity” of the plant itself, which, as the statute sets out, is the only relevant question before this Commission in making its decision whether to issue the necessary certificate to the Companies. The Companies therefore object and ask that the Commission condition the intervention of the IBEW and Trade Council on the requirement that they not seek to introduce any evidence or reference in this proceeding, including expert testimony, concerning the make-up of the workforce the Companies might require to build the generating unit in question.

WHEREFORE, the Companies respectfully request that the Commission issue an order granting the IBEW and Trade Council’s Motions to Intervene subject to the existing procedural schedule and on the condition that IBEW and Trade Council’s intervention be limited to issues properly before the Commission in this proceeding.

² IBEW and Trade Council’s Motion at 2-3.

Dated: February 24, 2005

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Response was served via U.S. mail, first-class, postage prepaid, this 24th day of February 2005, upon the following persons:

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