



PPL companies

Mr. Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

RECEIVED

MAY 10 2012

PUBLIC SERVICE
COMMISSION

LG&E and KU Energy LLC
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
www.lge-ku.com

Rick E. Lovekamp
Manager Regulatory Affairs
T 502-627-3780
F 502-627-3213
rick.lovekamp@lge-ku.com

May 10, 2012

RE: *Application of East Kentucky Power Cooperative, Inc. To Transfer Functional Control of Certain Transmission Facilities to PJM Interconnection, L.L.C. – Case No. 2012-00169*

Dear Mr. DeRouen:

Please find enclosed and accept for filing an original and ten copies of Louisville Gas and Electric Company and Kentucky Utilities Company's Petition to Intervene in the above-referenced proceeding.

Please confirm your receipt of this filing by placing the stamp of your Office with the date received on the attached copy.

Should you have any questions regarding the enclosed, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Rick E. Lovekamp". The signature is written in a cursive, flowing style.

Rick E. Lovekamp

cc: Parties of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF EAST KENTUCKY)	
POWER COOPERATIVE, INC. TO TRANSFER)	
FUNCTIONAL CONTROL OF CERTAIN)	CASE NO. 2012-00169
TRANSMISSION FACILITIES TO PJM)	
INTERCONNECTION, L.L.C.)	

**PETITION FOR FULL INTERVENTION OF
LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY**

Pursuant to KRS 278.310 and 807 KAR 5:001, Section 3(8), Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities Company (“KU”) (jointly the “Companies”) request that they be granted full intervenor status in the above-captioned proceeding and state in support thereof as follows:

1. LG&E is a public utility, as defined in KRS 278.010(3)(a), engaged in the electric and gas business. LG&E generates and purchases electricity, and distributes and sells electricity at retail in Jefferson County and portions of Bullitt, Hardin, Henry, Meade, Oldham, Shelby, Spencer, and Trimble Counties. LG&E also purchases, stores, and transports natural gas and distributes and sells natural gas at retail in Jefferson County and portions of Barren, Bullitt, Green, Hardin, Hart, Henry, Larue, Marion, Meade, Metcalfe, Nelson, Oldham, Shelby, Spencer, Trimble, and Washington Counties.

2. KU is a public utility, as defined in KRS 278.010(3)(a), engaged in the electric business. KU generates and purchases electricity, and distributes and sells electricity at retail in the following counties in Central, Northern, Southeastern, and Western Kentucky:

Adair	Edmonson	Jessamine	Ohio
Anderson	Estill	Knox	Oldham
Ballard	Fayette	Larue	Owen
Barren	Fleming	Laurel	Pendleton
Bath	Franklin	Lee	Pulaski
Bell	Fulton	Lincoln	Robertson
Bourbon	Gallatin	Livingston	Rockcastle
Boyle	Garrard	Lyon	Rowan
Bracken	Grant	Madison	Russell
Bullitt	Grayson	Marion	Scott
Caldwell	Green	Mason	Shelby
Campbell	Hardin	McCracken	Spencer
Carlisle	Harlan	McCreary	Taylor
Carroll	Harrison	McLean	Trimble
Casey	Hart	Mercer	Union
Christian	Henderson	Montgomery	Washington
Clark	Henry	Muhlenberg	Webster
Clay	Hickman	Nelson	Whitley
Crittenden	Hopkins	Nicholas	Woodford
Daviess			

3. Following the acquisition of KU Energy Corporation by LG&E Energy Corp. in 1997, LG&E and KU began jointly operating their generation and transmission systems on a combined basis for the purpose of achieving more efficient operations than could be achieved independently.¹

¹ *In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for Approval of Merger*, Case No. 1997-00300, Order (Sept. 12, 1997).

4. On February 1, 2002, in an effort to comply with and to help shape emerging federal regulations,² the Companies transferred operational control of their transmission facilities to the Midwest Independent Transmission System Operator, Inc. (“MISO”), a Federal Energy Regulatory Commission (“FERC”)-approved Regional Transmission Organization (“RTO”).³

5. Subsequent changes in the structure and operation of MISO, including the requirements of its day-ahead and real-time power markets, caused the Companies to reassess their decision and determine to pursue more cost-effective methods of operating their transmission system. After a lengthy investigation in Case No. 2003-00266 to determine whether the Companies’ membership in MISO was still in the public interest, on May 31, 2006, the Commission issued an order authorizing the Companies to withdraw from MISO and to transfer functional control of their transmission facilities back to themselves.⁴

6. Today, the Companies own and operate a transmission system that spans most of Kentucky. As observed by the Commission, the East Kentucky Power Cooperative, Inc. system “is heavily interconnected with KU due to the contiguous nature of their respective service territories and joint use of transmission facilities.”⁵ As a result, KU and East Kentucky Power Cooperative, Inc. share numerous interconnection points between their transmission systems.⁶ Because the Commission’s decision in this proceeding will ultimately have direct operational

² *In the Matter of: Investigation into the Membership of Louisville Gas and Electric Company and Kentucky Utilities Company in the Midwest Independent Transmission System Operator, Inc.*, Case No. 2003-00266, Companies’ Brief at 10 (Apr. 26, 2004).

³ *In the Matter of: Investigation into the Membership of Louisville Gas and Electric Company and Kentucky Utilities Company in the Midwest Independent Transmission System Operator, Inc.*, Case No. 2003-00266, Order at 4 (May 31, 2006).

⁴ *In the Matter of: Investigation into the Membership of Louisville Gas and Electric Company and Kentucky Utilities Company in the Midwest Independent Transmission System Operator, Inc.*, Case No. 2003-00266, Order at 26 (May 31, 2006).

⁵ *In the Matter of: A Review Of The Adequacy Of Kentucky's Generation Capacity And Transmission System*, Administrative Case No. 387, Order, pp. 24, 58 (December 20, 2001)

⁶ In fact, KU has more interconnects with East Kentucky Power Cooperative Inc. than any other entity. Indeed KU serves approximately 400 MW of East Kentucky Power Cooperative Inc.’s load; and East Kentucky Power Cooperative Inc. serves approximately 100 MW of KU’s load.

impacts on the Companies' transmission system, LG&E and KU have a direct and substantial interest in the outcome of this proceeding.

7. The attorney for LG&E and KU authorized to represent them in this proceeding and to take service of all documents is:

Allyson K. Sturgeon
Senior Corporate Attorney
LG&E and KU Services Company
220 West Main Street
Louisville, Kentucky 40202
Allyson.sturgeon@lge-ku.com
(502) 627-2088

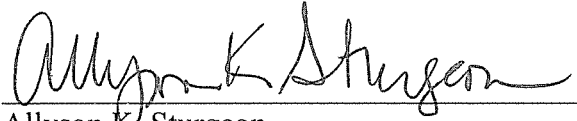
8. The positions of LG&E and KU cannot be adequately represented by any existing party. LG&E and KU intend to play a constructive role in the Commission's decision making process herein and the Companies' participation will not unduly prejudice any party.

9. Furthermore, LG&E and KU will be able to present issues and develop facts that assist the Commission in fully considering this matter because of their past experience with RTO membership and their current dealings with RTO-member utilities on their system's borders (e.g., Duke Energy Kentucky and Big Rivers Electric Cooperative). Also, because LG&E and KU are represented by counsel experienced in practice before the Commission, their full intervention in this proceeding will not unduly complicate or disrupt the proceedings.

WHEREFORE, LG&E and KU respectfully request that they be granted full intervenor status in the above-captioned proceeding.

Dated: May ¹⁰~~10~~, 2012

Respectfully Submitted,



Allyson K. Sturgeon
Senior Corporate Attorney
LG&E and KU Services Company
220 West Main Street
Louisville, Kentucky 40202
Allyson.sturgeon@lge-ku.com
(502) 627-2088

Counsel for Louisville Gas and Electric
Company and Kentucky Utilities Company

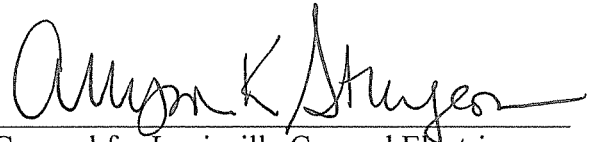
CERTIFICATE OF SERVICE

A copy of the foregoing Petition for Full Intervention has been served by United States mail on the following persons this the 10th day of May, 2012:

Mark David Goss
Frost, Brown, Todd, LLC
250 West Main Street, Suite 2800
Lexington, KY 40507

Ann F Wood
East Kentucky Power Cooperative, Inc.
P. O. Box 707
Winchester, KY 40392-0707

Jennifer Black Hans
Dennis G. Howard, II
Lawrence W. Cook
Assistant Attorneys General
1024 Capital Center Drive
Suite 200
Frankfort, Kentucky 40601-8204



Counsel for Louisville Gas and Electric
Company and Kentucky Utilities Company