BLACKBURN, HUNDLEY & DOMENE, PLLC

350 STARKS BUILDING 455 SOUTH FOURTH AVENUE LOUISVILLE, KENTUCKY 40202 (502) 584-1600 Toll Free 1-866-584-1600

R. DOUGLAS BURCHETT

RECEIVED

PUBLIC SERVICE COMMISSION

EMAIL DBURCHET@BHDLAWKY.C

August 28, 2003

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

Re: Petition to Intervene in Case No. 2003-00266

Dear Mr. Dorman:

Please find enclosed the original of the Petition to Intervene of Thoroughbred Generating Company to be filed in the above-referenced matter. In addition, eleven copies of the petition are also enclosed of which ten are to be furnished to the Commission pursuant to KAR 5:001, Section 4(10). Please file-stamp the remaining copy and return to me in the enclosed, postage-stamped, selfaddressed envelope.

By copy of this letter, all parties listed on the attached Certificate of Service have been served. Please place this document on file.

Sincerely,

R. Douglas Burchett

H:\PEABODY\Kypsc_00266\Correspondence\kypsc.1.wpd Enclosure

cc: Certificate of Service Richard Raff, Esq. Winfrey P. Blackburn, Jr., Esq. . •

COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of:

INVESTIGATION INTO THE MEMBERSHIP OF)LOUISVILLE GAS AND ELECTRONIC COMPANY)AND KENTUCKY UTILITIES COMPANY IN THE)MIDWEST INDEPENDENT TRANSMISSION)SYSTEM OPERATOR, INC.)

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PUBLIC SERVICE COMMISSION

CASE NO. 2003-00266

PETITION TO INTERVENE OF THOROUGHBRED GENERATING COMPANY

Pursuant to 807 KAR 5:001, Section 3(8), Thoroughbred Generating Company LLC ("Petitioner"), requests that it be granted full intervenor status in this proceeding. In support thereof, Petitioner states as follows:

1. Petitioner is an independent power producer that is constructing an electric

generating station in Muhlenberg County, Kentucky. The Thoroughbred generating station will be a 1500 MW coal-fired power plant with coal supplied from the adjacent underground mine. Thoroughbred will provide reliable, low-cost electricity for 1.5 million homes in a manner that is environmentally sound. The plant is modeled at a dispatch position that is ahead of all of the region's coal and gas plants and below some nuclear plants. This means Thoroughbred will benefit Kentuckians by continuing to help keep energy prices low. Both the mine and power plant will be owned by the petitioner and/or affiliates of the petitioner. The generating station will be interconnected with the Big Rivers Electric Corporation and Tennessee Valley Authority transmission systems, with potential impact to the Louisville Gas & Electric Energy and Owensboro Municipal Utilities transmission systems.

2. Petitioner has a special interest in this proceeding which is not otherwise adequately

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represented by any existing party. Petitioner is an independent power producer proposing a Kentucky generating station of significant size with interconnections to portions of Kentucky's transmission system. Obviously, the Thoroughbred station's size and its use of coal for fuel will provide the diversity of new generating units which will be added to Kentucky's energy portfolio. As a large Western Kentucky coal producer, Thoroughbred's operations and its employees will be very dependent on the ability/inability of the transmission system to move power produced from Kentucky coal to the adjoining states. In Thoroughbred's opinion, the participation of LGE/KU in a larger regional transmission organization may reduce the pancaking of transmission rates and should provide helpful transmission studies that quantify the value of new transmission (and who benefits from this transmission). In short, these benefits will be critical to maintaining or expanding coal production in Western Kentucky. In addition, Thoroughbred is expected to accelerate economic growth in the region, creating more than 450 permanent jobs and employing up to 2,500 workers during a four-year construction process. This compares to a similar sized natural gas combined cycle plant, which creates approximately 50 full-time jobs and 500 construction jobs at peak periods over a two-year construction cycle. Once operational, the station could annually inject nearly \$100 million in annual economic benefits or more than \$3.35 billion during the life of the project. Additional benefits of clean coal-based generation would include the likely spill-over of jobs to other industries such as wallboard plants, which use the gypsum created from the byproducts of a new coal-fired power plant.

3. Petitioner's full intervention will not unduly complicate or disrupt the proceedings.

4. The representative for Petitioner authorized to receive service of documents filed herein is:

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R. Douglas Burchett
Blackburn, Hundley & Domene PLLC
350 Starks Building
455 South 4th Avenue
Louisville, Kentucky 40202

WHEREFORE, Thoroughbred Generating Company LLC respectfully requests that it be

granted full Intervenor status in this proceeding.

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Respectfully submitted,

R. Douglas Burchett Blackburn, Hundley & Domene PLLC 350 Starks Building, 455 South 4th Avenue Louisville, Kentucky 40202 Telephone: (502) 584-1600 Facsimile: (502) 584-9971 *Counsel for Petitioner*

CERTIFICATE OF SERVICE

I hereby certify that a true and exact copy of the foregoing was mailed on this **29**⁻ day of August, 2003, to the following:

Michael S. Beer Vice President, Rates & Regulatory Louisville Gas and Electric Company 220 W. Main Street P. O. Box 32010 Louisville, KY 40232-2010

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Honorable Elizabeth E. Blackford Assistant Attorney General Office of the Attorney General Utility & Rate Intervention Division 1024 Capital Center Drive Suite 200 Frankfort, KY 40601-8204

Honorable Michael L. Kurtz Attorney at Law Boehm, Kurtz & Lowry 36 East Seventh Street Suite 2110 Cincinnati, OH 45202

RNY

R. Douglas Burchett

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