Ernie Fletcher Governor

LaJuana S. Wilcher, Secretary **Environmental and Public Protection Cabinet** 

Christopher L. Lilly Commissioner **Department of Public Protection** 

Commonwealth of Kentucky **Public Service Commission** 

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July 21, 2005

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

RE: Case No. 2005-00053

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

Beth O'Donnell **Executive Director** 

BOD/sa Enclosure



An Equal Opportunity Employer WF/D

Mark David Goss

**Gregory Coker** 

Commissioner

Chairman

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 Charles A. Lile Senior Corporate Counsel East Kentucky Power Cooperative, Inc. 4775 Lexington Road P. O. Box 707 Winchester, KY 40392-0707 Honorable Brent L. Caldwell Attorney McBrayer, McGinnis, Leslie and Kirkland, PLLC 201 East Main Street Suite 1000 Lexington, KY 40507 Honorable Michael L. Kurtz Attorney at Law Boehm, Kurtz & Lowry 36 East Seventh Street Suite 2110 Cincinnati, OH 45202

## COMMONWEALTH OF KENTUCKY

## BEFORE THE PUBLIC SERVICE COMMISSION

## In the Matter of:

APPLICATION OF EAST KENTUCKY	)
POWER COOPERATIVE, INC. FOR	)
A CERTIFICATE OF PUBLIC	)
CONVENIENCE AND NECESSITY,	)
AND A SITE COMPATIBILITY CERTIFICATE,	) CASE NO. 2005-00053
FOR THE CONSTRUCTION OF A	)
278 MW (NOMINAL) CIRCULATING	)
FLUIDIZED BED COAL FIRED UNIT AND	)
FIVE 90 MW (NOMINAL) COMBUSTION	)
TURBINES IN CLARK COUNTY, KENTUCKY	)

## ORDER

Pending before the Commission is a motion filed by Siemens-Westinghouse Power Corporation ("Siemens-Westinghouse") requesting full intervention in this proceeding. In support of its motion, Siemens-Westinghouse states that it believes that certain information filed in this case by East Kentucky Power Cooperative, Inc. ("East Kentucky Power") is inaccurate and misleading, and that Siemens-Westinghouse has the experience and expertise to assist the Commission in determining the accuracy of the facts presented.

The motion specifically references East Kentucky Power's response to Item No. 7 of the March 18, 2005 data request, which addresses the reasons why East Kentucky Power rejected the Siemens-Westinghouse bid to supply Model V84.3A gas turbine generators and selected a bid for General Electric gas turbine generators. The motion is supported by an affidavit of Gregory J. Snyder, Vice President for Siemens-

Westinghouse, which contradicts some of the statements by East Kentucky Power regarding operational and maintenance problems experienced by owners of Model V84.3A gas turbine generators.

East Kentucky Power filed a response in opposition to the Siemens-Westinghouse motion. East Kentucky Power states that Siemens-Westinghouse has no right to intervene in this case, neither purchases electric power nor receives electric service from East Kentucky Power, and is merely an unsuccessful bidder in a solicitation for wholesale power supplies. East Kentucky Power further states that, by merely submitting a power supply bid, which was not accepted, Siemens-Westinghouse obtained no legal rights and has no contractual relationship with East Kentucky Power. East Kentucky Power also states that Siemens-Westinghouse does not have an interest sufficient to justify its intervention, and that, due to its self-interest as a rejected bidder, its participation would unduly complicate or disrupt the proceedings. Finally, East Kentucky Power objects to the request for intervention on the grounds that it could result in Siemens-Westinghouse obtaining confidential information which has already been filed by East Kentucky Power, and that such access could provide Siemens-Westinghouse with an unfair competitive advantage.

Based on the motion and being otherwise sufficiently advised, the Commission finds that Siemens-Westinghouse is not a customer of East Kentucky Power. Siemens-Westinghouse pays to East Kentucky Power no rates that are regulated by this Commission, and Siemens-Westinghouse receives from East Kentucky Power no electric service that is regulated by this Commission. Rather, the status of Siemens-Westinghouse is that of an unsuccessful bidder in a solicitation for wholesale power

supplies. Siemens-Westinghouse has no legally recognized interest in any issue within the Commission's jurisdiction under KRS Chapter 278. As an unsuccessful bidder, Siemens-Westinghouse has merely the expectancy of a benefit, not an interest sufficient to justify intervention in this case. To the extent that Siemens-Westinghouse seeks intervention to represent, protect, and advance the public interest, that interest is already adequately protected by the Commission and the parties, including the Office of the Attorney General and East Kentucky Power's largest customer, Gallatin Steel.

The Commission further finds that the issue raised by Siemens-Westinghouse regarding the specific model of combustion turbines proposed to be installed by East Kentucky Power had already been raised by the Commission as part of its ongoing investigation. We note that the Siemens-Westinghouse affidavit contradicts some, but not all, of the reasons for East Kentucky Power's decision to reject the Model V84.3A gas combustion turbines. The Commission will continue its investigation, and we anticipate that Siemens-Westinghouse will file additional information and comments on this issue. To facilitate the monitoring of this investigation by Siemens-Westinghouse, its name will be added to the service list.

IT IS THEREFORE ORDERED that the motion of Siemens-Westinghouse requesting full intervention is denied, but its name shall be included on the service list for the limited purpose discussed in the findings above.

Done at Frankfort, Kentucky, this  $21st\ day\ of\ July,\ 2005$ . By the Commission

Executive Director