

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND)
ELECTRIC COMPANY FOR APPROVAL OF) CASE NO. 98-426
AN ALTERNATIVE METHOD OF REGULATION)
OF ITS RATES AND SERVICES)

O R D E R

On February 24, 1999, the Kentucky Resources Council, Inc. (KRC), a nonprofit corporation dedicated to the protection, prudent use, and conservation of Kentucky's natural resources, filed a motion for full intervention. The motion states that many of its members are customers of the Louisville Gas and Electric Company (LG&E) and that these members have property, economic, esthetic, health, and recreational interests in assuring that any alternative form of regulation not adversely affect the environment.

On March 3, 1999, LG&E filed an objection to KRC's motion, arguing that the interests of KRC are already adequately represented, any special interest possessed by KRC is too remote, and intervention at this late date would unduly complicate and disrupt the case. LG&E's objection states that granting intervention is within the sound discretion of the Commission, that ratepayers have no property interest in rates paid for utility service, and that the Commission's exclusive jurisdiction over utility rates and service does not encompass the state's natural resources. Further, LG&E notes that KRC's motion does not identify any specific LG&E customers who would be represented by KRC if its intervention is granted.

Based on the motion, being otherwise sufficiently advised, the Commission finds that its jurisdiction is limited by statute to the rates and service of utilities, and

ratepayers do not possess any property rights in the rates they pay for service. While environmental and esthetic issues are, by statute, properly considered in certain Commission proceedings, the record here does not indicate that this is one of those proceedings. However, to the extent that KRC raises economic, conservation, and efficiency issues, they may be relevant and proper for consideration. Intervention has traditionally been granted to customers who appear to have a special interest in a Commission proceeding. KRC should not be foreclosed at this stage from having an opportunity to develop and present issues that are within our jurisdiction over rates and service. In the event KRC does raise issues that are beyond our jurisdiction, objections will be considered at that time. The Commission does, however, find merit in LG&E's observation that KRC has not disclosed the identity of any LG&E customers that it represents.

It appears to the Commission that KRC has a special interest which is not otherwise adequately represented, and that KRC's intervention is likely to present issues and develop facts that will assist the Commission in fully considering this case without unduly complicating or disrupting the proceedings. Therefore, the Commission will grant KRC's motion to intervene, but KRC should file within 10 days a notice setting forth the names and addresses of one or more customers of LG&E that it represents in this proceeding.

IT IS HEREBY ORDERED that:

1. The motion of KRC to intervene is granted.

2. Within 10 days of the date of this Order, KRC shall file a notice setting forth the name and address of one or more customers of LG&E that it represents in this proceeding.

3. KRC shall be entitled to the full rights of a party and shall be served with the Commission's Orders and with filed testimony, exhibits, pleadings, correspondence, and all other documents submitted by parties after the date of this Order.

4. Should KRC file documents of any kind with the Commission in the course of these proceedings, it shall also serve a copy of said documents on all other parties of record.

Done at Frankfort, Kentucky, this 24th day of March 1999.

By the Commission

ATTEST:

Executive Director