

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION INTO THE	)	
MEMBERSHIP OF LOUISVILLE	)	
GAS AND ELECTRIC COMPANY	)	
AND KENTUCKY UTILITIES	)	CASE NO. 2003-00266
COMPANY IN THE MIDWEST	)	
INDEPENDENT TRANSMISSION	)	
SYSTEM OPERATOR, INC.	)	

O R D E R

The Commission has pending before it the motion of Thoroughbred Generating Company, LLC ( Thoroughbred ) requesting full intervention. Thoroughbred is an independent power producer that intends to construct a 1,500-megawatt coal-fired power plant in Muhlenberg County, Kentucky. Thoroughbred states that its plant is to be interconnected with the transmission systems of Big Rivers Electric Corporation and Tennessee Valley Authority, and will have a potential impact on Louisville Gas and Electric Company ( LG&E ). Thoroughbred claims that it has a special interest arising from its interconnections to Kentucky s electric transmission grid, its dependency on that grid to move the power it generates to other states, and the potential for eliminating the payment of multiple transmission rates if LG&E and Kentucky Utilities Company ( KU ) participate in the Midwest Independent Transmission System Operator, Inc. ( MISO ), a regional transmission organization ( RTO ).

Based on the motion and being otherwise sufficiently advised, the Commission finds that the interest expressed by Thoroughbred is in the use of the LG&E and KU

transmission facilities for the wholesale transmission of electric energy and in the wholesale rates for such use. The terms and conditions for the wholesale transmission of electric energy on LG&E's and KU's facilities, and the wholesale rates for such use, are not under this Commission's jurisdiction. Rather, the use of transmission facilities for those wholesale power transfers and the rates for such transfers are within the exclusive jurisdiction of the Federal Energy Regulatory Commission (FERC).

In initiating this investigation, the Commission's July 17, 2003 Order enumerated a number of issues to be reviewed, including the costs and benefits of MISO membership to LG&E and KU as providers of bundled retail electricity, the applicability of KRS 278.020(4) to membership, MISO's provision of services that have traditionally been under the jurisdiction of this Commission, and the feasibility of joining a different RTO. The Commission's regulatory authority over LG&E and KU is limited to their respective rates and service for retail customers. Since issues relating to the wholesale transmission of electric energy over facilities owned by an investor-owned utility and the rates for that transmission have always been under FERC's jurisdiction, they are not within the scope of this investigation. Consequently, the Commission finds that Thoroughbred does not have a special interest in the issues subject to investigation in this case.

IT IS THEREFORE ORDERED that Thoroughbred's motion requesting full intervention is denied.

Done at Frankfort, Kentucky, this 2<sup>nd</sup> day of October, 2003.

By the Commission

ATTEST:

  
Executive Director