

COMMONWEALTH OF KENTUCKY
BEFORE THE STATE BOARD ON ELECTRIC
GENERATION AND TRANSMISSION SITING

In the Matter of:

The Application of the Illinois)	
Municipal Electric Agency and the)	
Indiana Municipal Power Agency)	Case No. 2005-00152
For a Merchant Electric Generating)	
Plant Certificate to Construct)	

Response of IMEA and IMPA to Motion
of IBEW, Local 2100 and Greater Louisville Building
and Construction Trades Council for an Informal Conference

The Illinois Municipal Electric Agency (IMEA) and the Indiana Municipal Power Agency (IMPA), by counsel, file their response to motion of the IBEW and the Greater Louisville Building and Construction Trades Council for an informal conference. The Joint Applicants have no objection to a conference, but believe that it is unnecessary and will not produce any substantive results.

The Commission's final order in this case recognized the contractual position of the Joint Applicants in the procurement of labor for the construction project. Based on the contractual role of the Joint Applicants, the Commission imposed a condition on them that they report annually on their efforts "to encourage the use of local workers and vendors." (Order of November 16, 2005, Appendix A). The Joint Applicants efforts to encourage the use of such labor may

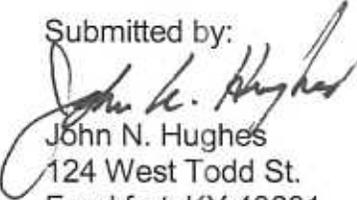
have an impact on the hiring practices, but the actual labor and employment decisions have been assigned to LG&E.

Based on this limited role of the Joint Applicants in the labor issues raised by the IBEW, there is little if any information that the Joint Applicants can provide to the Commission about the labor issues or the hiring strategy of LG&E / KU or the EPC contractor. Similarly, there is little information that the IBEW can provide which can impact the limited role of the Joint Applicants in the hiring process.

In addition, the Joint Applicants state that LG&E and KU have recently filed a declaratory judgment action against the EPC contractor in federal court, seeking a judgment declaring the EPC Agreement to be a binding and enforceable contract. The Joint Applicants are preparing to join in that action based upon their ownership interest in the project at issue, supporting LG&E's and KU's position. The existence of that action and the need to maintain confidentiality of commercially sensitive information provide further reasons why the requested informal conference should not be held.

For these reasons, the Motion should be denied.

Submitted by:

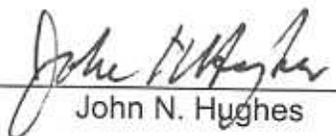

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Certificate of service:

I certify that a copy of this response was served on all parties by first class mail on the 7th day of April, 2006 and electronically as required by Board regulations.


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