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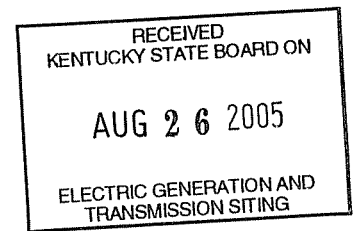
\* ALSO ADMITTED IN INDIANA

\*\* ALSO ADMITTED IN COLORADO & PENNSYLVANIA

RALPH H. LOGAN  
1910 - 1999  
CHARLES R. ISENBERG  
1921 - 2002

August 25, 2005

Siting Board  
P. O. Box 615  
211 Sower Blvd.  
Frankfort, KY 40602-0615



**Re: Case No. 2005-00152**

Dear Siting Board:

Enclosed find an original and ten copies of the following:

1. IBEW/Building Trades Data Request to Applicants, IMEA and IMPA.
2. IBEW/Building Trades Data Request to Siting Board.
3. IBEW/Trades Council Data Request to Intervenors, LG&E/KU.

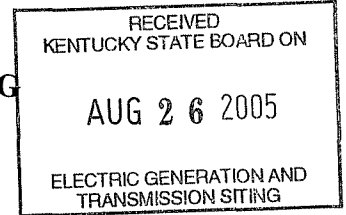
Respectfully,

A handwritten signature in cursive script that reads "Don Meade".

Don Meade

DM/sks  
Enclosures

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



**In the Matter of:**

**JOINT APPLICATION OF THE ILLINOIS )  
MUNICIPAL ELECTRIC AGENCY AND THE )  
INDIANA MUNICIPAL POWER AGENCY FOR )  
APPROVAL TO BE A 25% PARTNER IN THE )  
CONSTRUCTION OF A 750 MEGAWATT )  
ADDITION TO THE EXISTING TRIMBLE )  
COUNTY GENERATING FACILITY IN )  
TRIMBLE COUNTY, KENTUCKY )**

**CASE NO.: 2005-00152**

**IBEW/BUILDING TRADES**  
**DATA REQUEST TO APPLICANTS, IMEA AND IMPA**

Come the Intervenors, International Brotherhood of Electrical Workers, Local 2100 (IBEW) and the Greater Louisville Building and Construction Trades Council (Trades Council), and propound the following data request to the Applicants:

1. On page 2 of his report, *Estimate of Regional Economic and Fiscal Impacts of the Proposed Trimble County Plant*, Dr. Coomes assumes a full labor cost of \$51.00 per hour. The Burns & McDonald study, commissioned by LG&E, contains a *Labor Assessment* in its review of contracting strategies. As a part of that assessment, a wage rate comparison was included. (Attached) This table states labor rates for non-union workers. If the contractor selected by LG&E builds the Trimble County 2 project according to the Burns & McDonald recommendation: "...The project should be approached on a merit shop basis," (Burns & McDonald, p. 4-22, attached) and the contractor pays non-union rates, what impact would this have on the economic projection of total construction payroll costs?

2. Dr. Coomes assumes \$8.78 per hour for benefits. (Report, p. 2) The Burns & McDonald comparison chart (attached) indicates zero dollars in fringe benefits for non-union workers. If the contractor selected by LG&E follows the Burns & McDonald recommendation to

build the plant on a merit basis, and selects a contractor that does not pay fringe benefits, what impact would that have on the total projected construction payroll?

3. Does Dr. Coomes consider the term “benefits” to mean primarily health insurance and pension contributions? In Dr. Coomes’ opinion, is the economic benefit of the projected construction payroll reduced significantly by the selection of a contractor that utilizes construction labor which excludes payment of fringe benefits of medical insurance and pension contributions?

4. The BBC Research and Consulting Report, *Review and Evaluation of Trimble County Unit 2 Site Assessment Report of April 11, 2005*, states, under *Supplemental Investigations and Interviews* (p. 30, 31):

LG&E indicated that construction workers during past construction projects at the site commuted from Louisville, LaGrange, Carrollton and Madison, Indiana. The study team learned more about the historical construction workers experience at the Trimble County site during its interview with LG&E officials on March 28. The most similar construction experience occurred during the 2000 to 2002 period when the SCR was built at the same time that a number of the combustion turbines were also under construction. A total of 900 construction workers were on-site at peak during that time. Workers performed 10 hour shifts, 6 days a week; approximately 30% of the workers were existing residents of the Louisville-Cincinnati region. An estimated 70% moved into the region for the duration of their activity at the project.

Dr. Coomes assumes that “Workers live and shop in the region in the same proportion as the average of all workers in the region.” (Report, p. 2) If LG&E selects a contractor which employs 70% of its workforce from outside the region, what impact would this have on Dr. Coomes’ calculations of total economic benefit related to the 97.8 million in construction payroll? Please provide alternate calculations of economic benefit based upon 70% of payroll going to workers outside the region.

5. If 100% of the workers on the construction phase of the project were Kentucky residents, what would Dr. Coomes professional opinion be about whether the positive economic benefits to the state would be significantly enhanced, as opposed to the assumption upon which his present calculations are founded?

6. Is it the Applicants' position that it has no obligation to insure, through the contracting process, that the EPC contractor maximizes the use of workers from the local area, and minimizes the use of workers outside the local area in order to realize the economic benefits projected by Dr. Coomes?

7. In response to the IBEW/Trades Council data request No. 3, in the PSC case No. 2004-00507, the Company stated:

Q-3 With reference to the Burns & McDonald report, Trimble County Unit 2 Project Approach, explain why the labor market analysis performed under Section 4.5 did not include review of labor and craft employee available from the Paducah, Owensboro, and Lexington, Kentucky areas?

A-3 \*\*\*  
The bidders are being asked to assume the labor risk of the project through liquidated damages relative to performance, cost and schedule. The companies would not release any information of this nature to the bidders in order to protect the companies and their rate payers from assuming any of the labor risks associated with performance, cost and schedule listed in the RFP.

Based upon the position stated by LG&E in the above response, do the Applicants adopt and ratify the same position, before the Siting Board, that all issues involving construction labor utilization are to be left entirely to the contractor?

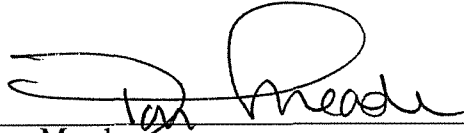
8. With regard to question No. 6, would the Applicants' response be the same if LG&E selects a contractor that utilizes 70% of the workforce from outside the local area?

9. Will the Applicants include a requirement that the EPC for TC2 will utilize Kentucky employees exclusively unless it can certify that efforts to recruit and retain a sufficient labor force, including skilled crafts, have failed to staff the project according to the manpower needs and timetables specified? If the Applicants do oppose the imposition of such a criteria on the EPC, identify issues other than employee availability that form the basis for the Company's position.

10. Will the Applicants agree to impose a condition on the contractor of entering into a project labor agreement for the purpose of insuring that qualified Kentucky construction craft employees have first priority at construction jobs for TC2? If not, state the grounds for the Applicants' objection to entering into a PLA.

Respectfully submitted,

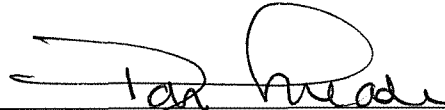
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**Counsel for IBEW, Local 2100 and  
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**CERTIFICATE OF SERVICE**

It is hereby certified that on the 26 day of August, 2005, an original and 10 copies of the foregoing motion was mailed to the Siting Board, P. O. Box 615, 211 Sower Blvd., Frankfort, KY 40602-0615, and a true copy thereof was mailed to the attached service list.

  
Don Meade

#### **4.5 LABOR ASSESSMENT**

This labor assessment is based on construction mobilization in June of 2005 for the Trimble County site. Labor issues were evaluated for labor drawn from the Cincinnati, Ohio and Louisville, Kentucky areas. While no one can accurately predict the availability of sufficient quality craft three years from now some assumptions and estimates can be ascertained.

There was a time in the recent past that the Evansville, Louisville and Cincinnati area had a very strong union influence and control. This does not seem to be the case at this time. Although the state of Kentucky is not a "right to work" state, there appears to be a large percentage of the work in the area being done on an open shop basis. Fluor-Daniel and Zachry Construction seem to be performing a large portion of this work with minimal problems attracting open shop craft or fighting union interference. One of the major reasons there are few problems is that both union and non-union craft are very busy. There aren't many union skilled craft waiting for work.

When trying to assess labor availability three years from now we must take into account the recent past for union craft development. Because of the strong influx of non-union labor in the area during the past few years, there has not been as much emphasis on apprenticeship development as might be needed to support the union labor force. This seems to have been recognized by the unions and there is a big push in the recruiting area. There is still a long way to go in this area however.

Another area of concern that is related to working on a union basis is labor cooperation with construction management. This appears to be under control and the local building trades recognize the need to support the project with both quantity and quality of workers.

Attached is a wage rate comparison for the Louisville area. It compares estimated open shop wages with Union and Davis-Bacon wages. The Davis-Bacon wage rates, which are the rates required to be paid on projects involving Federal money, follow closely with the union wages. This is especially true when comparing wages of crafts that are considered in the industry to be the more skilled craft (boilermakers, welders, pipefitters, electricians, etc.).

The chart also estimates the number of union and non-union craft in the area. Where we are comparing the craft trades that are not more strongly related to power work (Carpenters, Laborers, operators, electricians, etc.) this number has to be tempered with the knowledge that the majority of these people are not necessarily knowledgeable with powerhouse work. The craft numbers shown for union labor varies

depending on the local union jurisdiction areas. Some unions such as the electricians and millwrights cover a large geographical area. The central location of the project within the Ohio Valley area should be considered a plus for available union labor.

In almost all the cases the Davis-Bacon rate exceeded the union and non-union labor rates. One of the conclusions that could be drawn from this is that the area contractors are paying above scale to attract quality labor. Also supporting this is the fact that the labor halls do not have many craft on the bench.

In conclusion, it is Burns & McDonnell's opinion that the project should be approached on a "merit shop" basis. It can be assumed that the site preparation, foundation work, first phase underground electrical, painting, insulation and the site completion work can be sufficiently manned with non-union labor. Where it would seem mandatory that union labor be involved would be the above-ground electrical, equipment erection, welding, piping, etc. These would be the areas that require more specialty type crafts. Any furnish & erect subcontracts could be assigned either union or non-union. Approaching the project in this manner would provide the greatest flexibility. This process also seems to be an acceptable working condition within the state of Kentucky. . Cost Estimate values are based on a merit-shop approach.

Table 4-3 Louisville, Kentucky Area Wage Rate Comparison

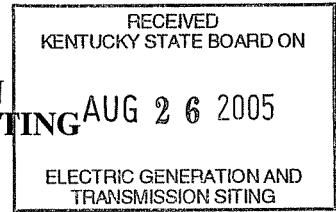
Craft	Union Nonunion	Potential Craft	Hourly Wage	Fringes	Safety Bonus	Completion Bonus	Overtime	Per Diem	Misc.	Est. Total Wage Rate	Year
Carpenter	Nonunion	2880	\$ 15.33	\$ -	\$ 0.50	\$ 0.50	\$ 1.63	\$ -		\$ 17.96	2001
	Union	900	\$ 18.65	\$ 5.39						\$ 24.04	2002
	Davis-Bacon		\$ 20.70	\$ 5.68						\$ 26.38	2002
Iron Workers	Nonunion	230	\$ 21.46	\$ -	\$ 0.50	\$ 0.50	\$ 2.25	\$ 3.00		\$ 27.71	2001
	Union	918	\$ 22.26	\$ 10.71						\$ 32.97	2002
	Davis-Bacon		\$ 23.25	\$ 10.87						\$ 34.12	2002
Pipefitters	Nonunion	2620	\$ 18.09		\$ 0.50	\$ 0.50	\$ 1.81	\$ 3.00		\$ 23.90	2001
	Union	840	\$ 25.40	\$ 6.68					\$ 0.25	\$ 32.33	2002
	Davis-Bacon		\$ 25.40	\$ 8.23					\$ 0.25	\$ 33.88	2002
Pipefitter	Nonunion		\$ 18.09		\$ 0.50	\$ 0.50	\$ 1.81	\$ 3.00	\$ 6.00	\$ 29.90	2001
Welders	Union	560	\$ 25.90	\$ 6.36					\$ 0.25	\$ 32.51	2002
	Davis-Bacon		\$ 25.40	\$ 8.23					\$ 0.25	\$ 33.88	2002
Electricians	Nonunion	4480	\$ 18.18		\$ 0.50	\$ 0.50	\$ 1.82	\$ 3.00		\$ 24.00	2001
	Union	3000	\$ 23.50	\$ 8.08						\$ 31.58	2002
	Davis-Bacon		\$ 23.50	\$ 7.73						\$ 31.23	2002
Painters	Nonunion	1430	\$ 14.40		\$ 0.50	\$ 0.50	\$ 1.44	\$ 3.00	\$ 0.25	\$ 20.09	2001
	Union		\$ 16.27	\$ 4.85					\$ 0.25	\$ 21.37	2002
	Davis-Bacon		\$ 17.02	\$ 5.92						\$ 22.94	2002
Boilermakers	Nonunion	50	\$ 22.84		\$ 0.50	\$ 0.50	\$ 2.28	\$ 3.00		\$ 29.12	2001
	Union	180	\$ 22.85	\$ 12.06					\$ 0.25	\$ 35.16	2002
	Davis-Bacon		\$ 23.95	\$ 11.70						\$ 35.65	2002
Boilermakers Welders	Nonunion		\$ 22.84		\$ 0.50	\$ 0.50	\$ 2.28	\$ 3.00	\$ 4.00	\$ 33.12	2001
	Union	420	\$ 22.85	\$ 12.06					\$ 0.25	\$ 35.16	2002
	Davis-Bacon		\$ 23.95	\$ 11.70						\$ 35.65	2002
Cement Masons	Nonunion	750	\$ 16.54		\$ 0.50	\$ 0.50	\$ 1.66	\$ 3.00		\$ 22.20	2001
	Union		\$ 17.45	\$ 6.70						\$ 24.15	2002
	Davis-Bacon		\$ 18.15	\$ 7.00						\$ 25.15	2002
Operators	Nonunion	2550	\$ 17.66		\$ 0.50	\$ 0.50	\$ 1.77	\$ 3.00		\$ 23.43	2001
	Union	3000	\$ 19.85	\$ 6.90						\$ 26.75	2002
	Davis-Bacon		\$ 20.25	\$ 8.40						\$ 28.65	2002
Laborers	Nonunion	4050	\$ 14.78		\$ 0.50	\$ 0.50	\$ 1.48	\$ -		\$ 17.26	2001
	Union	1300	\$ 17.24	\$ 7.48						\$ 24.72	2002
	Davis-Bacon		\$ 15.82	\$ 5.08						\$ 20.90	2002
Millwrights	Nonunion		\$ 17.50	\$ -	\$ 0.50	\$ 0.50	\$ 1.75	\$ 3.00		\$ 23.25	2001
	Union	1238	\$ 20.41	\$ 8.76					\$ 0.25	\$ 29.42	2002
	Davis-Bacon		\$ 22.25	\$ 10.30						\$ 32.55	2002

Notes:

1. For the year 2005 assume \$0.75 to \$1.25 for wage increase across the board
2. Overtime column is based on a fifty hour work week to attract craft
3. Miscellaneous column represents small tool additional costs and percentage of rig welders
4. The union craft numbers represent Louisville and/or Cincinnati locals.



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



**In the Matter of:**

**JOINT APPLICATION OF THE ILLINOIS )  
MUNICIPAL ELECTRIC AGENCY AND THE )  
INDIANA MUNICIPAL POWER AGENCY FOR )  
APPROVAL TO BE A 25% PARTNER IN THE )  
CONSTRUCTION OF A 750 MEGAWATT )  
ADDITION TO THE EXISTING TRIMBLE )  
COUNTY GENERATING FACILITY IN )  
TRIMBLE COUNTY, KENTUCKY )**

**CASE NO.: 2005-00152**

**IBEW/BUILDING TRADES**  
**DATA REQUEST TO SITING BOARD**

Come the Intervenors, International Brotherhood of Electrical Workers, Local 2100 (IBEW) and the Greater Louisville Building and Construction Trades Council (Trades Council), and propound the following data request related to the BBC Research and Consulting Report, *Review and Evaluation of Trimble County Unit 2 Site Assessment Report of April 11, 2005*:

1. The BBC Report states, under *Supplemental Investigations and Interviews* (p. 30, 31):

LG&E indicated that construction workers during past construction projects at the site commuted from Louisville, LaGrange, Carrollton and Madison, Indiana. The study team learned more about the historical construction workers experience at the Trimble County site during its interview with LG&E officials on March 28. The most similar construction experience occurred during the 2000 to 2002 period when the SCR was built at the same time that a number of the combustion turbines were also under construction. A total of 900 construction workers were on-site at peak during that time. Workers performed 10 hour shifts, 6 days a week; approximately 30% of the workers were existing residents of the Louisville-Cincinnati region. An estimated 70% moved into the region for the duration of their activity at the project.

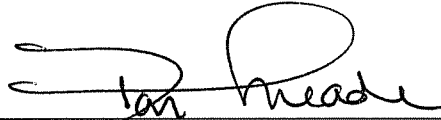
With regard to the cited portion of the report above, please respond to the following:

- A. Identify the LG&E officials participating in the interviews and supplying information.

- B. Produce any notes, transcriptions, summaries or other documents which memorialize or otherwise document the factual basis that supported the conclusion: "An estimated 70% moved into the region for the duration of their activity at the project."

Respectfully submitted,

PRIDDY, ISENBERG, MILLER & MEADE, PLLC




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Don Meade  
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Louisville, KY 40202  
(502) 587-8600  
**Counsel for IBEW, Local 2100 and  
Greater Louisville Building and Construction  
Trades Council**

**CERTIFICATE OF SERVICE**

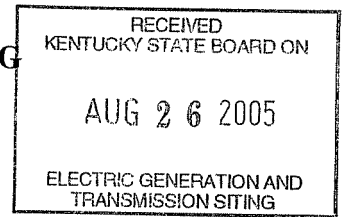
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**CASE NO.: 2005-00152**

**IBEW/TRADES COUNCIL**  
**DATA REQUEST TO INTERVENORS, LG&E/KU**

Come the Intervenors, International Brotherhood of Electrical Workers, Local 2100 (IBEW) and the Greater Louisville Building and Construction Trades Council (Trades Council), and propound the following data request to Intervenor LG&E/KU:

1. Produce a copy of the RFP that LG&E is utilizing in the solicitation of bids from pre-qualified EPC's, as referred to by the Voyles testimony, p. 10.
2. What requirements, if any, were imposed upon EPC contractors to prefer or utilize Kentucky or local area workers in the construction and installation of SCR's at the Ghent and Mill Creek plants? Please quote the specific language from each agreement that addresses this issue.
3. Will LG&E include a requirement that the EPC for TC2 will utilize Kentucky employees exclusively unless it can certify that efforts to recruit and retain a sufficient labor force, including skilled crafts, have failed to staff the project according to the manpower needs and timetables specified? If LG&E does oppose the imposition of such a criteria on the EPC, identify issues other than employee availability that form the basis for the Company's position.
4. What percentage of the workforce, employed by the EPC on the Mill Creek SCR project, came from outside the Commonwealth?

5. What percentage of the workforce, employed by the EPC on the Ghent Plant SCR projects, came from outside the Commonwealth?

6. Is it LG&E's position that it would be violating its fiduciary duties to the rate payers by insisting upon the utilization of a workforce drawn exclusively from Kentucky, unless insufficient employees and skills were available to keep the project on schedule? Please explain the rationale for the Company's response.

7. Is it LG&E's position that an EPC should have the authority to utilize out of state employees if doing so allows TC2 to be built more economically than if Kentucky employees are preferred or required? Please explain the rationale for the Company's response.

8. In response to the IBEW/Trades Council data request No. 3, in the PSC case No. 2004-00507, the Company stated:

Q-3 With reference to the Burns & McDonald report, Trimble County Unit 2 Project Approach, explain why the labor market analysis performed under Section 4.5 did not include review of labor and craft employee available from the Paducah, Owensboro, and Lexington, Kentucky areas?

A-3

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The bidders are being asked to assume the labor risk of the project through liquidated damages relative to performance, cost and schedule. The companies would not release any information of this nature to the bidders in order to protect the companies and their rate payers from assuming any of the labor risks associated with performance, cost and schedule listed in the RFP.

Based upon the position stated above, please address the following questions:

- A. Is it the Company's position that the economic benefits detailed in expert witness Paul Coomes' testimony can be realized if more than 50% of the labor employed by the EFC resides outside the Commonwealth?
- B. Is it the Company's position that the economic benefits detailed in expert witness Paul Coomes' testimony can be realized if more than 50% of the labor employed by the EFC resides outside the Louisville-Cincinnati area?
- C. Is it the Company's position that the economic benefits detailed in expert witness Paul Coomes' testimony can be realized if more than 50% of the labor employed

by the EFC resides outside the Louisville economic area, as defined by Dr. Coomes.

- D. Is it the Company's position that pursuant to KRS 278.710(1)(c), it has no obligation to insure, through its contracting process, that the EPC contractor maximize the use of workers from the local area, and minimize the use of workers outside the local area in order to realize the economic benefits projected by Dr. Coomes?
  - E. Admit or deny that under the current RFP for Trimble County, the document imposes no restrictions on the contractor's use of out of state employees.
  - F. Admit or deny that the contractor which performed scrubber construction work at Trimble County drew a majority of its labor force from outside the Louisville-Cincinnati area.
  - G. Admit or deny that LG&E has not incorporated the recommendations of BBC Research and Consulting, regarding Trimble County 2, that – "LG&E should encourage its contractors to consider hiring locally qualified construction workers, where possible." – by incorporating language into the RFC that would obligate the EPC to prefer locally qualified construction workers.
  - H. For each of the answers in Questions E - G in which the Company states a denial, explain the Company's position as to why the statement is not true.
9. Produce a copy of the RFP and contractor construction proposals related to FCR work as authorized in PSC Case 2000-112.
10. The BBC Report states, under *Supplemental Investigations and Interviews* (p. 30, 31):

LG&E indicated that construction workers during past construction projects at the site commuted from Louisville, LaGrange, Carrollton and Madison, Indiana. The study team learned more about the historical construction workers experience at the Trimble County site during its interview with LG&E officials on March 28. The most similar construction experience occurred during the 2000 to 2002 period when the SCR was built at the same time that a number of the combustion turbines were also under construction. A total of

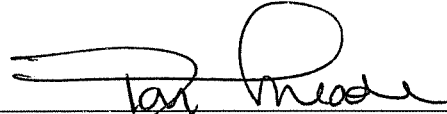
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- B. Produce any notes, transcriptions, summaries or other documents which memorialize or otherwise document the factual basis that supported the conclusion: "An estimated 70% moved into the region for the duration of their activity at the project."

Respectfully submitted,

PRIDDY, ISENBERG, MILLER & MEADE, PLLC




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AUG 26 2005

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ELECTRIC GENERATION AND  
TRANSMISSION SITING  
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800 Republic Building  
429 West Muhammad Ali Blvd.  
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TO:  
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