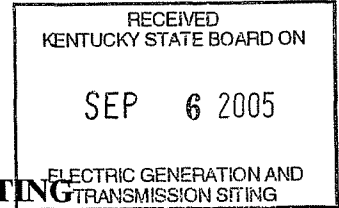


COMMONWEALTH OF KENTUCKY
BEFORE THE KENTUCKY STATE BOARD ON
ELECTRIC GENERATION AND TRANSMISSION SITING



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/TRADES COUNCIL RESPONSE
TO DATA REQUEST OF 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 respond to the data request of LG&E/KU as follows:

1. With regard to each utility construction project in Kentucky in which the IBEW or Trades Council, or any of their members or affiliates, have been involved in the last ten (10) years:

- a. Provide the estimated or budgeted project labor rates without a project labor agreement (“PLA”) and the actual costs with the PLA; and
- b. List the number of Kentucky workers and the number of non-Kentucky workers utilized or employed.

RESPONSE:

IBEW/Trades Council objects to the request on the grounds of relevance, vagueness, overbreadth and abuse of discovery procedures. The issue before the Siting Board is whether the projected economic impact of the Trimble County Plant can be realized without intervention of the Board to insure that the construction work, with its resulting millions in payroll, is not largely exported by the general contractor to out-of-state laborers because LG&E failed to require the contractor to first utilize and prefer Kentucky employees.

The request requires an accounting for ten (10) years of every major utility construction project in which the IBEW, the Trades Council, or any of its members or affiliates have been involved. There is no reasonable way to render such an accounting by canvassing the fifteen (15) affiliate trades union organizations, and undertaking a statewide review of utility construction for the last decade.

Moreover, Request 1(a) asks for estimated or budgeted labor rates without a project labor agreement. The Trades Council, nor its affiliate members, has access to estimated or budgeted costs where no PLA has been entered into. Without waiving its objection, and in an effort to be responsive, where union labor has been engaged on a utility construction project, without a PLA, the labor rates would be those stated in the various collective bargaining agreements which prevailed in that jurisdiction during that period of time. To provide numerous agreements, spanning a decade, for fifteen (15) craft unions would be burdensome and would not produce information that could be reasonably calculated as relevant evidence, or would lead to relevant evidence.

Request 1(b) asks for data about the number of Kentucky and non-Kentucky workers utilized in all major construction projects, over a ten-year period, in which the IBEW, Trades Council, or any of its affiliates have been engaged. The request again seeks information that does not exist in any form accessible to the intervenors. The process necessary to research and compile such information, within the timeframe of the data request, is not only burdensome but impossible. The question further assumes that such information would be available, or that the available information would be relevant to issues in the case. The intervenors are unaware of the number of Kentucky and non-Kentucky workers employed by a contractor at any given project.

If the data request sought information about a particular project, where a PLA had been executed, it might be possible to retrieve how the project was staffed, through the union referral records with regard to Kentucky and non-Kentucky workers. This would require a manual review of employment and referral records in each of the crafts so employed upon the project. The Trades Council has no mechanism for compilation of such information, other than requesting that each of its affiliate members undertake a manual audit of its records. The request does not request projects with a PLA , and is otherwise of such a scope as to render any meaningful response impossible.

In the Trimble County PSC companion case, intervenors provided copies of project labor agreements in response to LG&E's request. If LG&E wishes project labor agreements, for utility work done in Kentucky, to be filed in the record of this case for the purpose of establishing actual wage rates and concessions, the IBEW/Trades Council has no objection.

2. Will the IBEW, Trades Council or their members or affiliates prohibit or in any way discourage Kentucky union workers from being directly hired by a selected Engineering Procurement and Construction (“EPC”) bidder for TC2 if no PLA is entered into? If not, explain in detail why not?

RESPONSE:

No. It is neither the practice nor the policy of the IBEW/Trades Council to impede or discourage its skilled craftsmen from becoming employed.

3. Will the IBEW, Trades Council or their members or affiliates encourage Kentucky union workers to seek direct hiring by a successful EPC bidder for TC2 if no PLA is entered into?

RESPONSE:

Yes. If LG&E, through its selected contractor, fails to protect local jobs for local workers, IBEW/Trades Council will make a concerted effort to provide Kentucky craftsmen to the job, for the purpose of documenting lack of utilization and rates of unemployment. This information will be used to challenge the company’s efforts to pass costs on to rate payers in the rate case. Local workers which are hired will utilize all legal resources afforded by the National Labor Relations Act to try and organize the labor force utilized by the contractor.

4. In the event no PLA is entered in connection with the TC2 project, and in the further event that any Kentucky union worker performs any work on the construction of TC2, will the IBEW, State Trades Council or their members or affiliates take any corrective action against, or in any way seek to penalize or punish, such union worker? Explain your answer in detail.

RESPONSE:

No. See answer to No. 3.

5. Has any study or analysis of any kind been performed, sought or commissioned by the IBEW or Trades Council, or any of their members or affiliates, in any way relating to or connected with the subject matter of this proceeding or the proposed construction of TC2?

a. If such a study or analysis has been performed, sought or commissioned, please provide a copy of such study or analysis and any and all documents relating to same.

RESPONSE:

No.

6. Identify by name, business address and current employer each person who will offer or provide testimony on behalf of the IBEW or Trades Council in this proceeding.

a. Produce a copy of a current CV, resume or statement of qualifications containing the complete educational and professional background for each such witness.

b. Produce a copy of each and every publication or document referred to or in any way relied upon by each such witness in his or her direct testimony.

RESPONSE:

Larry Roberts, Director of the Kentucky State Building and Construction Trades Council. The Kentucky State Building and Construction Trades Council is the primary organization that represents all of the unions with apprentice programs that produce a qualifying, trained and skilled construction work force. It is collectively the largest, most extensive organization in the State dedicated exclusively to the recruitment, training,

certification, retention and professional improvement of skilled craft employees. Representing approximately 35,000 Kentucky workers, the State Trades Council and affiliates are involved in joint industry panels and committees, and engaged in the legislative process to develop necessary regulatory and certification standards.

Mr. Roberts' testimony is based upon expertise and experience developed as a director of the organization. He has not been offered an as expert in any other area on the basis of his educational, technical or professional background. Prior to becoming director of the organization in 2002, Mr. Roberts occupied several positions with the Kentucky Labor Cabinet until his retirement, including Director Employment Standards, Apprenticeship and Training.

7. Is it the position of the IBEW or Trades Council that LG&E and KU should not consider the relative cost of labor in deciding whether or not to enter into a PLA? Describe that position in detail, including any references to legal support for said position.

- a. Do the IBEW and Trades Council have the same position with regard to the decision by the successful EPC bidder concerning whether or not to enter into a PLA? Describe your response in detail.

RESPONSE:

No. The intervenors certainly recognize that labor costs are a significant factor in determining the work force for major utility construction. For this reason, project labor agreements routinely provide concessions on labor rates in order to be competitive and secure the work. It is the intervenors' position that the issue of actual labor costs must be viewed in the context of other crucial considerations. Foremost is that the construction costs, which will ultimately be borne by local citizen rate payers, be pledged to secure local jobs for local

workers. LG&E's past practices of allowing contractors to import out-of-state labor, rendering idle hundreds of Kentucky workers, as a cost saving measure, breaches its fiduciary duty to its customers, rate payers and their local communities. In the past, LG&E has permitted contractors to shave construction labor costs by not paying proper benefits, such as medical insurance and retirement contributions. Such a practice demonstrates poor citizenship on behalf of LG&E, and ignores the long term economic impact of cheap labor.

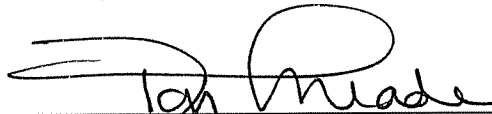
Utilizing labor under a project labor agreement has many primary benefits. It permits local workers to have first preference at employment; it insures proper benefits to maintain the dignity of the lives of the workers and their families; it provides an investment in maintaining a highly trained and skilled construction workforce for major capital projects in the Commonwealth; it insures that workers have been properly trained and equipped with the skills to build the project on budget and on time, and it insures a safe work environment through the continuing attention and training of apprentice programs that emphasize safe practices.

In a 1997 study, comparing union and non-union apprentice training programs in Kentucky, demonstrated that although there were nearly five times more non-union apprentice programs than union programs, the number of people actually trained, graduated and retained by the union programs was more than double those of the others. The number of apprentices achieving journeymen status was three times more for the union program than all the non-union combined. The report demonstrates that the number of minority apprentices was more than double in union programs versus non-union. Similarly, a 2005 study comparing union/non-union success rates in Kentucky demonstrated that non-union programs only graduated twenty-one percent (21%) of those enrolled, with no craft graduating even one-third of its apprentices.

The value-added of utilizing a project labor agreement more than offsets any small labor cost difference that would be realized by permitting the contractor, without any supervision or stipulation by LG&E, to engage in any hiring practice it chooses, even to the extent of utilizing seventy percent (70%) of its workforce from outside the State. Since LG&E has demonstrated its complete indifference to all the social/economic issues attendant upon the labor utilization of a major construction project, which will be 100% underwritten on the backs of rate payers and Kentucky workers, the Siting Board should act to insure fiscal and community responsibility in the project.

Respectfully submitted,

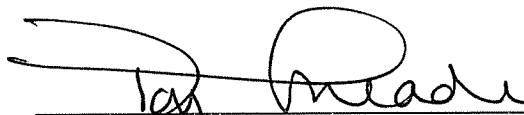
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CERTIFICATE OF SERVICE

It is hereby certified that on the 2 day of September, 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.



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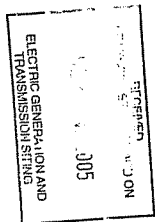
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