

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

Joint Application of Louisville Gas and Electric Company and Kentucky)
Utilities Company for Certificates of Public Convenience and Necessity) Case No. 2014-00002
for the Construction of a Combined Cycle Combustion Turbine at the)
Green River Generating Station and a Solar Photovoltaic Facility at the)
E.W. Brown Generating Station)

MOTION TO INTERVENE OF BLUEGRASS GENERATION COMPANY, L.L.C.

Pursuant to 807 KAR 5:001(4)(11), Bluegrass Generation Company, L.L.C. (Bluegrass), by counsel, requests that it be granted full intervention in this matter.

1. Bluegrass operates a three unit simple cycle gas fired combustion turbine peaking generating facility with a combined summer peaking rating of 495 MW near LaGrange, KY, in the proximity of the Louisville Gas and Electric Company's (LG&E) service area. Its facilities are interconnected with LG&E. The energy output of Bluegrass is sold to a variety of parties, including LG&E and Kentucky Utilities Company (KU) (jointly referred to as Applicants).

2. As a customer of LG&E and as an owner and operator of electric generating facilities, Bluegrass has a special interest in the proceeding which is not otherwise represented by any other party.

3. Bluegrass can present issues and develop facts that will assist the Commission in its review of the application. The facilities that Bluegrass has available as an option for supplementing the Applicants' energy requirements have not been presented as an alternative to their proposal.

4. Bluegrass's experience with electric generation facilities and with Applicants' utility operations specifically give it detailed knowledge of the issues that are before the Commission and will allow it to provide the Commission with additional information that has not been presented and which will not otherwise be presented.

5. Bluegrass's intervention will not unduly complicate or delay the proceeding. The information that Bluegrass can present to the Commission is directly related to the issues being investigated and to the proposal being made by the Applicants. The information will assist the Commission in evaluation of cost effective options for meeting Applicants' energy requirements.

6. The standard for intervention is stated in 807 KAR 5:001(4)(11):

(a) A person who wishes to become a party to a case before the commission may, by timely motion, request leave to intervene. The motion shall include the movant's name and address and shall state his or her interest in the case and how intervention is likely to present issues or develop facts that will assist the commission in fully considering the matter without unduly complicating or disrupting the proceedings.

(b) The commission shall grant a person leave to intervene if the commission finds that he or she has made a timely motion for intervention and that he or she has a special interest in the case that is not otherwise adequately represented or that his or her intervention is likely to present issues or to develop facts that assist the commission in fully considering the matter without unduly complicating or disrupting the proceedings.

7. The motion is timely as being filed within the period allowed by the procedural schedule.

The movant's name and address are:

Bluegrass Generation Company, L.L.C.
3095 Commerce Pkwy
La Grange, KY, 40031
(502) 222-0142
<http://www.lspower.com>

Attention: Sharon K. Segner
Vice President, LS Power Development, LLC
ssegner@lspower.com

8. Bluegrass has a special interest in the case that no other party can adequately represent. The Attorney General has the statutory right to intervene on behalf of consumers, yet that right of intervention does not preclude the intervention of other parties that have a special interest or an interest that may not be adequately represented by the Attorney General. For example, the Lexington Fayette Urban County Government (LFUCG) and various community and low income groups such as the Community Action Council have been allowed to intervene to assert the special interests of their constituents in cases involving Kentucky American Water Company. See for example Case No. 2012-00520, "Application of Kentucky-American Water Company For An Adjustment of Rates Supported By A Fully Forecasted Test Year." In the case now before the Commission, the Attorney General's interests and focus may not involve the same issues or the same ability to provide facts related to the specific goal of attaining the best option for Applicants' needs.

9. The unpublished case of *EnviroPower, LLC v. Public Service Commission*, No. 2005-CA-001792-MR, WL 289328 (Ky. App., Feb. 2, 2007), is typically cited as the basis for the Commission's discretion to grant or reject intervention. Unlike the movant in *EnviroPower*, supra, Bluegrass is a customer, not just a competitor, of the Applicants. Copies of bills are attached. . As such, Bluegrass meets another test of *EnviroPower*, namely that it have an interest in the rates or service of the Applicants. Bluegrass has an interest in the service that the Applicants can provide. Bluegrass also has an interest in the adequacy of the Applicants' facilities and to the service that they can provide in the future as an entity that is uniquely positioned to help the Applicants meet future energy requirements at the lowest possible cost,

which is, of course, the goal of this proceeding, through a purchased power agreement for the output of Bluegrass's existing generation facility coupled with an option to purchase that facility. The statutory definitions of service and adequacy of service in KRS 278.010(13) and (14) do not limit the scope of a customer's legitimate interests in a utility's "service" to the service that the customer receives, but instead recognizes a customer's interest in the nature, extent and adequacy of the utility's ability to provide service more broadly.

10. Bluegrass believes that there is additional precedent to allow its intervention in this situation. In several cases the Commission has allowed intervention of parties that have expressed a special interest in the case. Stand Energy Corporation was granted intervention in "The Investigation of Natural Gas Retail Competition", Case No. 2010-00146, Order of May 11, 2010. Stand was not a customer of any of the parties to that case, but is a marketing competitor. In spite of the lack of usual qualifications of an intervener, the Commission allowed Stand to participate in the case. In Case No. 2007-00455, "The Application of Big Rivers Electric Corporation for: (I) Approval of Wholesale Tariff Additions for Big Rivers Electric Corporation (II) Approval of Transactions (III) Approval of Amendments of Contracts, et al.", the Henderson Municipal Power and Light Company was allowed to intervene by Order of January 23, 2008. It was not a customer of Big Rivers, but had a special interest in the matter due to its contractual relationship with Big Rivers. Similarly, Bluegrass's relationship with the Applicants provides it with insight that can assist the Commission.

11. Bluegrass has a special interest and can assist the Commission in developing facts no other party can. In "Joint Application Of Louisville Gas And Electric Company And Kentucky Utilities Company For A Certificate Of Public Convenience And Necessity And Site Compatibility Certificate For The Construction Of A Combined Cycle Combustion Turbine At

The Cane Run Generating Station And The Purchase Of Existing Simple Cycle Combustion Turbine Facilities From Bluegrass Generation Company, LLC In Lagrange, Kentucky”, Case No. 2011-00375, the Commission considered the Applicants’ proposal to acquire Bluegrass as part of its efforts to comply with environmental regulations. In the final order of that case the Commission found:

...both Environmental Intervenors and KIUC expressly support approval of the purchase of the Bluegrass Generation facility. The Commission agrees and finds that the purchase of the Bluegrass Generation assets is part of the least-cost solution to the Joint Applicants’ capacity needs. Order of May 3, 2012, page 16.

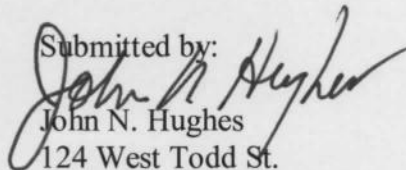
12. The Applicants’ previous effort to purchase Bluegrass’s generation facility, in which they asserted to both the Commission and the Federal Energy Regulatory Commission (“FERC”) that Bluegrass was the least cost option, was abandoned after FERC found that the original purchase structure could have an adverse impact on horizontal competition in the relevant geographic market. *See Bluegrass Generation Company, L.L.C.*, 139 FERC ¶ 61,094 at PP 24-33 (2012). The facility itself continues to offer the least cost option, whether through contractual arrangement or purchase, for meeting the Applicants’ requirements and it is vital that this option be on the table as the Commission reviews the application submitted in this proceeding. In this regard, Bluegrass notes that if its facility were committed to the Applicants under a power purchase agreement, the Applicants’ ultimate purchase of the facility would not present the same horizontal market power concerns. As FERC found in other cases in which utilities sought FERC approval to acquire facilities whose output they were already purchasing under contracts, such an ultimate acquisition would result in “no change in market concentration” and would thus present no horizontal market power concerns. *San Diego Gas & Elec. Co.*, 118 FERC ¶ 62,055 at 62,174 (2007). *See also Riverside Energy Center, LLC*, 139 FERC ¶ 62,233 at 64,559 (2012).

Accordingly, the facility remains a viable alternative to the higher cost new build proposed in this proceeding.

13. At a minimum, because of Bluegrass's familiarity with the needs of the Applicants and because of its familiarity with the issues being presented in this case, it can provide information that no other party can. Its intervention can provide information about the complex issues related to the benefits of an agreement for the purchase of existing power and the option to purchase an existing facility and the benefits to ratepayers through lower rates.

For these reasons, Bluegrass requests that it be granted intervention in this matter.

Submitted by:



John N. Hughes

124 West Todd St.

Frankfort, KY 40601

(502) 227-7270 Phone

No fax

jnhughes@fewpb.net

Attorney for Bluegrass Generation Company, L.L.C.



Customer Service:
Telephone Payments
Walk-In Center:
Online Customer Self Service

1-800-331-7370 (M-F, 7 a.m. to 6 p.m. ET)
1-800-331-7370; press 2-2-3
(24 hours a day; \$1.49 fee)
Open Mon-Fri 8 a.m. to 5 p.m. ET
www.lge-ku.com (24 hours a day)

DUE DATE	Pay This Amount
02/14/14	\$29,446.07

L1088

ACCOUNT INFORMATION	
Account Number:	3000-0910-8006
Account Name:	BLUEGRASS GENERATION COMPANY LLC
Service Address:	3095 Commerce Pkwy Dyg LA GRANGE KY
Next Read Will Occur:	02/18/14 - 02/20/14
Date Bill Mailed:	01/22/14 (Meter Read Portion 13)

BILLING SUMMARY	
Previous Balance	\$ 29,659.06
Payment(s) Received 12/20 1/22	\$ (29,659.06)
Balance as of 1/22	\$ 0.00
Current Charges:	
Contract 775799	\$ 29,446.07
Total Amount Due	\$ 29,446.07

Late Payment Fees will be applied to current charges if the current amount due is not received in full by the payment due date on this bill even if payment arrangements have been made.
Please have your account number available when calling to discuss your account. 2-3-14

ELECTRIC CHARGES	
Contract 775799	
Rate Type: Retail Transmission Service	
\$ 750.00	Basic Service Charge
\$ 13,320.90	Energy Charge (\$0.0361 x 369,000 kWh)
\$ 4,022.20	Peak Demand Charge (\$4.55 x 884.0 kVA)
\$ 3,979.20	Intermed Demand Min Applied (\$3.00 x 1,326.4 kVA)
\$ 5,471.13	Base Demand Minimum Applied (\$2.75 x 1,989.5 kVA)
\$ 993.33	Environmental Surcharge (5.68% x (\$27,543.43 - \$10,055.25))
\$ 51.66	Electric Fuel Adjustment (\$0.00014 x 369,000 kWh)
\$ 857.65	Rate Increase For Schod Tax (3.00% x \$28,588.42)
\$ 29,446.07	Total Charges Contract 775799

ATCH NO. 025208
DOC REF NO 069130
ACCOUNT NO. 655020

APPROVED TO PAY
MARK YATES
PLANT MANAGER, BLUEGRASS
DATE: 2/3/14
SIGNATURE: *[Signature]*

METER AND USAGE INFORMATION										
Contract: 775799										
Retail Transmission Service										
	Meter Number	Previous Read Date	Previous Reading	Current Read Date	Current Reading	Read Code	Meter Multiplier	Usage kWh	Demand (kVA)	Power Factor
kWh	766406	12/16/13	3326	12/17/13	3326	E	9,000	0		
kVA-Peak	766407	12/16/13		01/17/14	0.051578	R	9,000		464.2	0.8576

Please see reverse side for additional charges

Customer Service 1-800-331-7370

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT

Account Number	Payment Due Date	Pay This Amount	Amount Due After Due Date	Winter Help Donation	Amount Enclosed
3000-0910-8006	02/14/14	\$29,446.07	\$29,740.53		\$

Check here if plan(s) requested on back of stub

OFFICE USE ONLY:
MRU13900921, G000000
P29,659.06
PF:Y eB:P



a PPL company
PO BOX 9001960
LOUISVILLE, KY 40290 1960

#102113595 7#
110015037 01 SP 0.480
BLUEGRASS GENERATION COMPANY LLC
3095 COMMERCE PY DYG
LA GRANGE KY 40031



PRINTED ON RECYCLED PAPER
Rev. 13.12.20

Service Address: 3095 Commerce Pkwy Dyg

01030000910800600000029740530000294460700000000000011

METER AND USAGE INFORMATION (continued)

Contract: 775799

	Meter Number	Previous Read Date	Previous Reading	Current Read Date	Current Reading	Read Code	Meter Multiplier	Usage kWh	Demand (kVa)	Power Factor
kVA-Int.	766407	12/16/13		01/17/14	0 053344	R	9 000		480.1	0.8492
kVA-Base	766407	12/16/13		01/17/14	0 053344	R	9 000		480.1	0.8492
kWh	-766407	12/17/13	0	01/17/14	20	R	9,000	180,000		
kWh	766408	12/16/13	268	01/17/14	289	R	9,000	189,000		
kVA-Peak	766408	12/16/13		01/17/14	0 046644	R	9,000		419.8	0.8576
kVA-Int.	766408	12/16/13		01/17/14	0 048233	R	9 000		434.1	0.8492
kVA-Base	766408	12/16/13		01/17/14	0 048233	R	9 000		434.1	0.8492
Total Usage								369,000		

* Meter Read Codes: R-Actual Read; V-Verified Read; E-Estimated Read; S-Self Read

MINIMUM BILLING DEMAND INFORMATION

Contract: 775799

Peak Demand	kVA	Multiplier	kVA	Base Demand	kVA	Multiplier	kVA
Highest prior 11 months:	1,060.6	50%	530.3	Rate Tariff Minimum:	250.0	100%	250.0
Intermediate Demand	kVA	Multiplier	kVA	Highest prior 11 months:	2,652.7	75%	1,989.5
Highest prior 11 months:	2,652.7	50%	1,326.4	Contract Capacity	-	75%	-

BILLING INFORMATION

Rate RTS Environmental Surcharge: The fuel cost of \$10,055.25 included in the Energy Charge and the Fuel Adjustment were deducted from the Electric Charges before multiplying the Billing Factor of 5.68%.

Late Charge to be Assessed After Due Date \$294.46

Averages for Billing Period

	Days Billed	Avg. Temp	kWh per day
This Year	32	36°	11,531
Last Year	30	39°	10,500

IMPORTANT INFORMATION

For a copy of your rate schedule, visit www.lge-ku.com or call our Customer Service Department.

New enrollment only - Please check box(es) below and on front of stub.

- Auto Pay (voided check must be provided). Please note that any past due balance on your LG&E account will be debited from your bank account immediately upon enrollment in the Auto Pay program. To avoid unintended debits to your bank account, please make sure your LG&E account balance is current before enrolling in Auto Pay.

Please deduct my Auto Pay Payment from my Checking Account.

I hereby authorize LG&E to debit my bank account for payment of my monthly bill. This authorization applies to all my current and future LG&E accounts, and will remain in effect until revoked by me or LG&E

Signature: _____

Date: _____

Processing Auto Pay requests can take up to two billing cycles. Please continue making regular payments until you receive a bill that indicates the amount due will be deducted from your bank account on the payment due date.





a PPL company

Customer Service:
Telephone Payments:

1-800-331-7370 (M-F, 7 a.m. to 6 p.m. ET)
1-800-331-7370; press 2-2-3
(24 hours a day; \$2.95 fee)
Open Mon-Fri 8 a.m. to 5 p.m. ET
www.lge-ku.com (24 hours a day)

Walk-In Center:
Online Customer Self-Service:

DUE DATE	Pay This Amount
07/19/13	\$63,828.60

Current due date applies to the current bill only. Previous amount due may be subject to disconnection.

ACCOUNT INFORMATION	
Account Number:	3000-0910-8006
Account Name:	BLUEGRASS GENERATION COMPANY LLC
Service Address:	3095 Commerce Pkwy Dyg LA GRANGE KY
Next Read Will Occur:	07/16/13 - 07/18/13
Date Bill Mailed:	06/26/13 (Meter Read Portion 13)

Averages for Billing Period	This Year	Last Year
Average Temperature	73°	73°
Number of Days Billed	30	32
Electric/kwh per day	12600.0	13781.2

BILLING SUMMARY	
Previous Balance	31,000.84
Payment(s) Received 6/21 - 6/25	0.00
Balance as of 6/25	31,000.84
Current Electric Charges	31,871.61
Current Taxes and Fees	956.15
Current Charges as of 6/25	32,827.76
Total Amount Due	63,828.60

ELECTRIC CHARGES

Rate Type: Retail Transmission Service	
Basic Service Charge	750.00
Energy Charge (\$0.031 x 378,000 kWh)	11718.00
Peak Demand Minimum Applied (\$4.45 x 1,194.7 kVA)	5316.42
Intermediate Demand (\$2.90 x 1,779.1 kVA)	5159.39
Base Demand Minimum Applied (\$2.65 x 2,346.6 kVA)	6218.49
Environmental Surcharge (2.45% x (\$29,162.30 - \$8,372.70))	509.35
Electric Fuel Adjustment (\$0.00582 x 378,000 kWh)	2199.96
Total Electric Charges	\$31,871.61

Please see reverse side for additional charges.

Customer Service 1-800-331-7370

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT

Account Number	Payment Due Date	Pay This Amount	Amount Due After Due Date	Winter Help Donation	Amount Enclosed
3000-0910-8006	07/19/13	\$63,828.60	\$64,156.88		\$

Check here if plan(s) requested on back of stub

OFFICE USE ONLY:
MRU13900921, G000000
P31,000.84
PF:Y eB:P



a PPL company
PO BOX 9001960
LOUISVILLE, KY 40290-1960

#117612910 2#
110018716 01 SP 0.480
BLUEGRASS GENERATION COMPANY LLC
3095 COMMERCE PY DYG
LA GRANGE KY 40031



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Service Address: 3095 Commerce Pkwy Dyg

0103000091080060000006415688000063828600000000000019

METER AND USAGE INFORMATION

ELECTRIC

	Meter Number	Previous Read Date	Previous Reading	Current Read Date	Current Reading	Read Code	Meter Multiplier	Demand	kWh
Retail Transmission Service									
kwh	766406	05/15/13	3178	06/14/13	3198	R	9000		180000
kVA-PK	766406	05/15/13		06/14/13	.044078	R	9000	396.7	
kVA-IN	766406	05/15/13		06/14/13	.077522	R	9000	697.7	
kVA-BS	766406	05/15/13		06/14/13	.077522	R	9000	697.7	
kwh	766408	05/15/13	93	06/14/13	115	R	9000		198000
kVA-PK	766408	05/15/13		06/14/13	.068322	R	9000	614.9	
kVA-IN	766408	05/15/13		06/14/13	.120156	R	9000	1081.4	
kVA-BS	766408	05/15/13		06/14/13	.120156	R	9000	1081.4	
Total Usage									378000

TAXES AND FEES

Rate Increase For School Tax (3.00% x \$31,871.61)	956.15
Total Taxes and Fees	\$956.15

BILLING INFORMATION

Rate RTS Environmental Surcharge: The fuel cost of \$8,372.70 included in the Energy Charge and the Fuel Adjustment were deducted from the Electric Charges before multiplying the Billing Factor of 2.45%.

Late Charge to be Assessed After Due Date \$328.28

Meter Read Codes R - Actual Read; V - Verified Read; E - Estimated Read; S - Self Read

IMPORTANT INFORMATION

For a copy of your rate schedule, visit www.lge-ku.com or call our Customer Service Department.

New enrollment only - Please check box(es) below and on front of stub.

- Auto Pay (voided check must be provided). Please note that any past due balance on your LG&E account will be debited from your bank account immediately upon enrollment in the Auto Pay program. To avoid unintended debits to your bank account, please make sure your LG&E account balance is current before enrolling in Auto Pay.

Please deduct my Auto Pay Payment from my Checking Account.

I hereby authorize LG&E to debit my bank account for payment of my monthly bill. This authorization applies to all my current and future LG&E accounts, and will remain in effect until revoked by me or LG&E.

Signature: _____

Date: _____

Processing Auto Pay requests can take up to two billing cycles. Please continue making regular payments until you receive a bill that indicates the amount due will be deducted from your bank account on the payment due date.

