

Kentucky
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PUBLIC SERVICE
COMMISSION

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March 20, 2010

Docket Clerk
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

In the Matter of: APPLICATION OF LOUISVILLE GAS AND
ELECTRIC COMPANY FOR AN ADJUSTMENT OF ELECTRIC
AND GAS BASE RATES, Case No. 2009-00549

Dear Docket Clerk:

Enclosed please find for filing ten (10) duplicate originals of the Motion of AARP for Full Intervention in the above-captioned case. All parties of record have been served.

Thanks in advance for your assistance.

Cordially,



Tom FitzGerald
Director

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:)
)
APPLICATION OF LOUISVILLE GAS AND) CASE NO. 2009-00549
ELECTRIC COMPANY FOR AN ADJUSTMENT)
OF ELECTRIC AND GAS BASE RATES)

MOTION OF AARP FOR FULL INTERVENTION

Comes AARP, by and through counsel, on behalf of members who are directly affected and may be adversely affected by this matter, and respectfully moves to intervene into the above-captioned proceeding as a full party. Pursuant to 807 Kentucky Administrative Regulation (“KAR”) 5:001 Section 3(8), AARP respectfully requests that it be accorded the rights and privileges of a full intervenor in these proceedings, and in support thereof, states as follows:

1. Intervention in formal proceedings before the Kentucky Public Service Commission (“Commission”) is governed by 807 KAR 5:001 Section 3(8), which provides in relevant part that:

In any formal proceeding, any person who wishes to become a party to a proceeding before the Commission may by timely motion request that he be granted leave to intervene. Such motion shall include his name and address and the name and address of any party he represents and in what capacity he is employed by such party.

807 KAR 5:001 Section 3(8).

2. AARP is a nonprofit, nonpartisan membership organization that advocates for people who are 50 years of age and older, seeking to promote their independence, choice

and control in ways that are beneficial and affordable to them and to society as a whole.¹ AARP operates staffed offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. There are approximately 495,364 AARP members currently residing in the state of Kentucky. AARP's Kentucky membership includes individuals who are customers of Louisville Gas and Electric Company ("LG&E"), the applicant in this case.

3. This motion for full intervention is timely, within the meaning of 807 KAR 5:001 Section 3(8). The Procedural Schedule adopted by the Commission and attached as the Appendix to the Order entered on February 16, 2010 did not include a deadline for intervention. AARP will accept the schedule as it appears in that Order, thus there is no prejudice to the applicant or other parties from the grant of full intervenor status to AARP.

4. The grant of intervention to a person pursuant to 807 KAR 5:001 Section 3(8) is within the sound discretion of the Commission, and requires that the person "specify his interest in the proceeding."

5. AARP promotes the well being of older persons through advocacy, education, and service on a number of priority issues. AARP has determined that advocacy for reasonable utility rates and service for seniors is one of these priority issues. AARP has a long track record of professional participation before public utility commissions throughout the country, helping to provide a competent and fully developed factual record in numerous cases. AARP was granted full intervention status by this

¹ In 1999, the "American Association of Retired Persons" changed its name to simply "AARP", in recognition of the fact that people do not have to be retired to be members. AARP is incorporated as a 501(c)(4) organization. Its affiliated AARP Foundation is incorporated as a 501(c)(3) organization.

Commission in Case No. 2009-00141, In the Matter of Adjustment of Rates of Columbia Gas of Kentucky, Inc., in which AARP opposed the proposal by Columbia to increase the fixed charge by shifting the volumetric distribution fees into the fixed charge. LG&E proposes to do similarly in this case with respect to both electric and gas service charges.

6. AARP has provided credible and persuasive testimony before public utility commissions across the nation, assisting commissioners in crafting just and reasonable decisions on issues regarding rates and services for older utility customers. In this case, AARP has retained Nancy Brockway as a witness. Ms. Brockway is an expert in utility and energy matter and has an extensive background in energy efficiency. She was expert witness for AARP in the 2009-00141 Columbia Gas case. She has over twenty years of experience in these fields, including a term as a Commissioner on the New Hampshire Public Utilities Commission (1998-2003) and as a utility and energy expert with the National Consumer Law Center. Ms. Brockway has consulted for state and provincial regulators, state consumer advocates, unions, energy providers, and low-income energy providers and has testified on issues ranging from merger policy to system reliability to consumer protection. Furthermore, she has served on numerous committees of the National Association of Regulatory Utility Commissioners, including the committee on Energy and the Environment. Ms. Brockway's expertise on utility and energy issues would aid the Commission in fully considering LG&E's application for a rate increase and change in rate design.

7. AARP's interest in this matter relates to the proposed rates, programs, and policy changes proposed for LG&E's residential gas and electric customers and how these proposals may directly and adversely impact those Kentucky seniors receiving gas

and electric service from LG&E. This interest is different than the general public interest. Seniors, who are often on fixed or low incomes, are particularly vulnerable to increases in energy prices. Seniors also devote a higher percentage of their total spending than do other age groups on residential energy costs and have special needs with regard to access to electric service.

8. Among AARP's concerns are the proposed rate increases, which would raise residential electric rates by 12% and residential gas rates by 9%. AARP is also concerned by LG&E's proposal to increase the customer charge for electric service from \$5 to \$15 per month (while reducing the energy charge only nominally), and to eliminate the usage-based distribution charge for residential gas service by folding that charge into a flat \$26.53 monthly customer charge. A replacement of the current gas distribution charge and the current electricity energy charge with a fixed monthly charge disproportionately affects and burdens those customers who historically and already use the least amount of electricity and gas. The financial interests of the rate-paying customers of LG&E that are also members of AARP are sufficient to support the representational standing of AARP on their behalf, and are interests distinct from those of existing parties and other movants for intervention.

9. Existing parties to the proceeding do not adequately represent the interests of AARP and its members. No current party represents the specific interests of seniors, who often live on fixed incomes, use less electricity and gas, and spend a higher percentage of money per month on utility bills than the average citizen.

10. 807 KAR 5:001 Section 1(8)(b) provides in the alternative that the Commission shall grant full intervention status if the person "has special interests in the

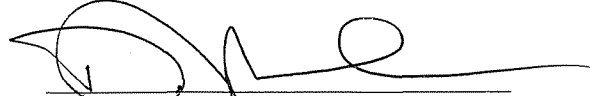
proceeding which is not otherwise adequately represented” or “that full intervention by party (sic) is likely to present issues or to develop facts that assist the commission in fully considering the matter without unduly complicating or disrupting the proceeding[.]” The special interests of AARP and its members are squarely within the ambit of the Commission’s jurisdiction and this proceeding and are not adequately represented, as discussed above.

11. Alternatively, full intervention should be granted since the participation of AARP would assist the Commission in fully considering the matter without unduly complicating or disrupting the proceeding. The participation of AARP and the expert testimony of Ms. Brockway will hopefully assist the Commissioners in determining whether the proposed rate request and rate design are fair, just, and reasonable, will provide the Commission with a national perspective and information concerning the proposed impact of the rate increase and proposed change in rate design. AARP’s participation would aid in the development of the factual record and would assure representation of interests not currently represented.

WHEREFORE, for the reasons stated above and in the interests of assuring that those constituencies that would be most directly affected by the proposed rate increase and change in rate design are heard during this deliberative process, because the special interests of AARP and its member ratepayers are not adequately represented by existing parties or parties that have filed for intervenor status, and in order to provide information that will assist the Commission in fully considering the matter, Movant AARP requests, on behalf of its member ratepayers, that it be accorded the status of full Intervenor, and

that each party to the case be directed to serve upon AARP and the undersigned counsel, all pleadings and information requests that are filed in this case.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I certify that an original and ten (10) copies of this Motion of AARP for Full Intervention were filed by priority mail to the Docket Clerk, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601 and that a true and accurate copy of the foregoing was mailed via first class U.S. Mail, postage prepaid, this 20th day of March, 2010, to the following:

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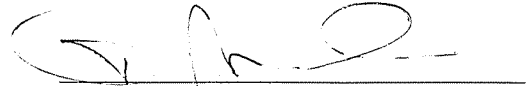
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