

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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COMMISSION

In the Matter of:

Duke Energy Kentucky, Inc.'s Application for Approval to Transfer Functional Control of Certain Transmission Assets from the Midwest Independent Transmission System Operator to the PJM Interconnection Regional Transmission Organization and Request for Expedited Treatment

Case No. 2010-00203

**Motion for Full Intervention by
Midwest Independent Transmission System Operator, Inc.**

Comes now Midwest Independent Transmission System Operator, Inc. ("Midwest ISO"), pursuant to 807 KAR 5:001, Section 3(8)(b), and moves the Kentucky Public Service Commission (the "Commission") for entry of an order allowing full intervention in this proceeding. In support of this Motion, the Midwest ISO states as follows:

1. A request for full intervention in a Commission proceeding is governed by 807 KAR 5:001, Section 3(8)(b) which provides, in pertinent part:

If the Commission determines that a person has a special interest in the proceeding which is not otherwise adequately represented or that full intervention by party 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, such person shall be granted full intervention.

Therefore, full intervention should be granted if the Midwest ISO has either a special interest in the proceeding which is not otherwise adequately represented; or, is likely to present issues or develop facts which will assist the Commission in reaching its decision.

2. The Midwest ISO is a non-profit corporation which assures its members unbiased regional grid management and open access to around 100,000 miles of transmission facilities under its supervision. It is comprised of approximately 132 members made up of Transmission Owners, Coordination Companies, Independent Transmission Companies, and Non-Transmission Owners in 13 U.S. states and the Canadian province of Manitoba. The Midwest ISO is an essential link in the safe, cost-effective delivery of electric power across much of North America. Indeed, maintaining reliability of the wholesale bulk electric system in the midwestern United States is a core responsibility of the Midwest ISO.

3. Duke Energy Kentucky, Inc. (“Duke”) has requested that the Commission permit Duke to transfer control of certain transmission systems away from the Midwest ISO, and become a Transmission-Owning Member of PJM Interconnection Regional Transmission Organization (“PJM”) going forward; the transfer, if permitted, is anticipated to be effective January 1, 2012.

4. For a number of reasons, the Midwest ISO’s full intervention in this proceeding is likely to present additional detail on relevant issues or to further develop facts that will assist the Commission in fully considering Duke’s Application without unduly complicating or disrupting the proceedings:

- (a) Effect of Leaving the Midwest ISO / Membership Realignment with PJM on Duke and Its Customers

Because Duke is requesting that functional control of certain transmission system assets be transferred from the Midwest ISO to PJM, the Commission will likely have many questions regarding the logistics and costs associated with this transfer of control. For example, with

respect to the proposed transfer, the Commission may need to understand: how and to what extent Duke's transmission operating procedures would change once PJM takes control; how Duke, Midwest ISO, and PJM would communicate with each other on reliability coordination, congestion management, and other transmission issues affecting facilities that have been under the control of the Midwest ISO; pursuant to seams agreements, which entity would have the authority to make decisions affecting Duke's transmission system and the extent of input which Duke would have in the process; and, the overall impact of this arrangement on Duke's consumers, as well as upon other transmission owners under the jurisdiction of this Commission. There are surely many more operational and financial questions besides these that the Commission will need to have answered. While Duke may be able to answer most if not all questions that arise, the Midwest ISO's involvement through intervention will ensure that there are no gaps and allow it to be available to the Commission to either clarify Duke's responses or respond to issues more directly.

(b) Midwest ISO, the Organization

Duke may be called upon to provide the Commission with an analysis that assesses the reasons and benefits to Kentucky consumers of leaving Midwest ISO membership relative to its attendant costs. The undersigned submits that the Midwest ISO's participation as a full intervenor in this proceeding will greatly assist the Commission in this area by being available to discuss and answer questions concerning the makeup of its organizational structure, the federal regulatory and contractual commitments that may directly and indirectly affect the transfer sought by Duke, as well as the possible continuing obligations that may result from transferring Duke transmission system assets.

(c) Understanding the Agreements and Applicable Tariffs Necessary to Exit Midwest ISO Membership

If Duke transfers Membership away from the Midwest ISO, existing commitments and agreements must be reviewed, while new arrangements and agreements must be entered into among and between the parties.¹ In addition, as a current Transmission-Ownning Member of the Midwest ISO, Duke will be subject to the Midwest ISO FERC exit fees and other financial requirements.² The Commission may want to inquire about specific provisions of those exit requirements and obligations in order to fully and adequately consider the Application. Accordingly, we submit that the Midwest ISO's participation in this process as a full intervenor would be of great assistance to the Commission.

5. For all of the reasons stated above, *inter alia*, the Midwest ISO's participation in this proceeding as a full intervenor would likely present issues or develop facts which would assist the Commission in its consideration of the issues and concerns raised in the matter without unduly complicating or disrupting the proceedings. As such, Midwest ISO requests that its Motion for Full Intervention be sustained.

6. If the Commission grants the requested intervention, the Midwest ISO asks that orders of the Commission and filings made or documents submitted by parties be served on:

Keith L. Beall
Gregory A. Troxell
MIDWEST INDEPENDENT TRANSMISSION
SYSTEM OPERATOR, INC.
P.O. Box 4202
Carmel, IN 46082-4202

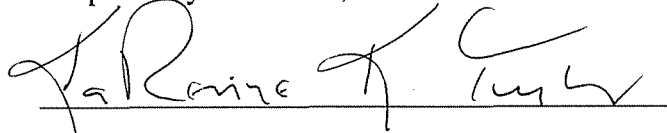
Katherine K. Yunker
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¹In this instance, the term "parties" includes but is not necessarily limited to the Midwest ISO, PJM Interconnect, LLC and Duke.

² The full texts of the tariff and rate schedules can be found at <http://www.midwestiso.org/home>.

Please note that Messrs. Beall and Troxell have been admitted *pro hac vice* in Commission Case No. 2010-00043, and intend to apply to the Kentucky Bar Association for another Out-of-State Certification Form; Kentucky counsel will move for their admission to practice before the Commission *pro hac vice* in this matter upon issuance of the Certificate.

Respectfully submitted,



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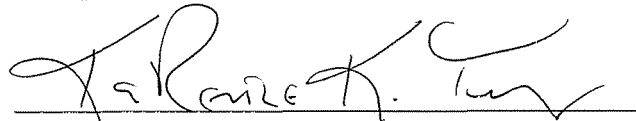
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*Staff Counsel for Midwest Independent
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CERTIFICATE of FILING and SERVICE

I hereby certify that on this the 25th day of June, 2010, the original and ten (10) copies of the foregoing were sent via U.S. Mail, first-class, postage prepaid, to the Commission for filing, and a copy was served, via the same method, on each person at the address shown on the attached Service List.



Attorney for Midwest Independent
Transmission System Operator

SERVICE LIST

Ky. PSC Case No. 2010-00203

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