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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

The Application Of Kentucky Power)	
Company For A Certificate of Public Convenience)	
And Necessity Authorizing The Applicant To)	Case No. 2015-00 <u>109</u>
Apply For And Obtain A Franchise From the City)	
Of Flatwoods, Located In Greenup County,)	
Kentucky)	

APPLICATION

Kentucky Power Company (“Company”) applies to the Public Service Commission of Kentucky pursuant to KRS 278.020(4) and 807 KAR 5:001, Section 15(1) for a Certificate of Public Convenience and Necessity authorizing the Company to apply for and obtain a franchise to use the streets and rights of way of the City of Flatwoods, Kentucky for the provision of retail electric service, and in support thereof states:

APPLICANT

1. Kentucky Power was incorporated in 1919 under the laws of the Commonwealth of Kentucky and is in good standing in the Commonwealth.¹ The Company’s mailing address is 101A Enterprise Drive, P.O. Box 5190, Frankfort, Kentucky 40602-5190. Its electronic mail address is kentucky_regulatory_services@aep.com. Kentucky Power is engaged in the generation, purchase, transmission, distribution and sale of electric power. The Company serves approximately 170,800 retail customers in the following 20 counties of eastern Kentucky: Boyd,

¹ A certified copy of the Company’s Articles of Incorporation and all amendments thereto was attached to the Joint Application in *In the Matter Of: The Joint Application Of Kentucky Power Company, American Electric Power Company, Inc. And Central And South West Corporation Regarding A Proposed Merger*, P.S.C. Case No. 99-149. The Company’s March 30, 2015 Certificate of Existence is attached as EXHIBIT 1.

Breathitt, Carter, Clay, Elliott, Floyd, Greenup, Johnson, Knott, Lawrence, Leslie, Letcher, Lewis, Magoffin, Martin, Morgan, Owsley, Perry, Pike and Rowan. In addition, the Company also supplies electric power at wholesale to other utilities and municipalities in Kentucky for resale. Kentucky Power is a utility as that term is defined at KRS 278.010.

Public Convenience And Necessity

2. The Company currently, and for a number of years, has been rendering retail electric service in and to the City of Flatwoods, Greenup County, Kentucky.

3. The provision of retail electric service in and to the City of Flatwoods requires that Kentucky Power place its facilities on, under, above, and along the streets, alleys, public grounds, and rights of way, or otherwise make use of the streets, alleys, public grounds, and rights of way, of the City of Flatwoods.

4. The public convenience and necessity requires that Kentucky Power continue to provide retail electric to and in the City of Flatwoods. The City of Flatwoods lies within the certified territory of Kentucky Power, as that term is employed in Chapter 278 of the Kentucky Revised Statutes, and such as Kentucky Power possesses the exclusive right to provide retail electric service in and to the City of Flatwoods. KRS 278.018(1).

5. The Company desires to obtain the required franchise to use the streets, alleys, public grounds, and rights of way of the City of Flatwoods for the provision of retail electric service to and in the City of Flatwoods.

6. If successful in obtaining a franchise from the City of Flatwoods Kentucky Power will file a copy of the franchise with the Commission using the Commission's electronic tariff filing system.

7. Attached as **EXHIBIT 2** is the form of the franchise the Company intends to seek.

Communications

8. Kentucky Power respectfully requests that communications in this matter be transmitted electronically to:

Mark R. Overstreet
STITES & HARBISON PLLC
moverstreet@stites.com

Kentucky Power Company
Kentucky_regulatory_services@aep.com

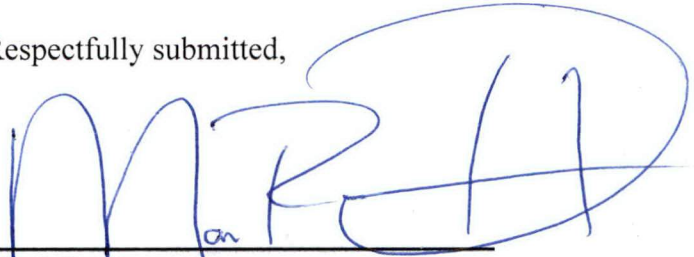
ON BEHALF OF KENTUCKY POWER

Wherefore Kentucky Power Company respectfully requests that the Public Service Commission of Kentucky issue an Order

(a) Granting the Company a certificate of public convenience and necessity authorizing Kentucky Power to bid upon and obtain a franchise from the City of Flatwoods to use the streets, alleys, public grounds and rights of way to provide retail electric service in the city; and

(b) Granting the Company all further relief to which it may appear entitled.

Respectfully submitted,



Mark R. Overstreet
STITES & HARBISON PLLC
421 West Main Street
P.O. Box 634
Frankfort, Kentucky 40602-0634
Telephone: (502) 223-3477
Facsimile: (502) 223-4387
moverstreet@stites.com

COUNSEL FOR
KENTUCKY POWER COMPANY

EXHIBIT 1

Commonwealth of Kentucky
Alison Lundergan Grimes, Secretary of State

Alison Lundergan Grimes
Secretary of State
P. O. Box 718
Frankfort, KY 40602-0718
(502) 564-3490
<http://www.sos.ky.gov>

Certificate of Existence

Authentication number: 162168
Visit <https://app.sos.ky.gov/ftshow/certvalidate.aspx> to authenticate this certificate.

I, Alison Lundergan Grimes, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

KENTUCKY POWER COMPANY

is a corporation duly incorporated and existing under KRS Chapter 14A and KRS Chapter 271B, whose date of incorporation is July 21, 1919 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that Articles of Dissolution have not been filed; and that the most recent annual report required by KRS 14A.6-010 has been delivered to the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 30th day of March, 2015, in the 223rd year of the Commonwealth.



Alison Lundergan Grimes

Alison Lundergan Grimes
Secretary of State
Commonwealth of Kentucky
162168/0028317

EXHIBIT 2

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Section 1. That there be sold at public auction to the highest and best bidder, the franchise, privilege, right and authority to acquire, maintain, construct and operate in, above, under, across, and along the streets, thoroughfares, alleys, bridges, public ways, and other public places (as the same now exist or may hereafter be laid out) of the City of Flatwoods, Greenup County, Kentucky, lines, poles, and equipment for the distribution of electric energy either by means of overhead or underground conductors, with all the necessary or desirable appurtenances for the purpose of supplying electric energy to said City and the inhabitants thereof and persons and corporations beyond the limits thereof for light, heat, power, and other purpose or purposes for which electric energy is now and may hereafter be used, and for the transmission of the same within, through or across said City.

Section 2. Said lines and appurtenances shall be constructed so as to interfere as little as possible with the traveling public in its use of the streets, thoroughfares, alleys, bridges, and public places.

Section 3. The franchise, privileges, right and authority shall be in full force and effect for a period of twenty (20) years from the date of the passage of the ordinance granting it.

Section 4. The grantee of this franchise shall save the City harmless from any and all liability arising in any way from negligence in the erection, maintenance, or operation of said lines and appurtenances.

Section 5. Whenever the grantee of this franchise shall begin the erection of any lines or other equipment, it shall promptly and diligently prosecute the work to completion and leave the streets, thoroughfares, alleys, bridges, and public places where such work is done in as good condition of repair as before such work was commenced.

Section 6. Wherever in this franchise, either the City of Flatwoods or the grantee thereof is referred to, it shall be deemed to include the respective successors and assigns of either, and all rights, privileges, and obligations contained in this franchise shall be binding upon and inure to the benefit of the respective successors and assigns of said City, and said grantee whether so expressed or not.

Section 7. The grantee of this franchise may make such rules and regulations covering the furnishing of said electric energy as may be fair and reasonable and consistent with the standard practice of the grantee. Said grantee may charge such rates for electric services as shall be fair and reasonable. The said grantee shall render service under said franchise of like quality that is adequate, efficient and reasonable, to that now being rendered in said City.

Section 8. The consideration for the franchise shall be 25% of the total amount, excluding any applicable tax and any applied fuel clause adjustment, paid by the

EXHIBIT 2

City to the grantee for street lighting purposes during the preceding 12 months. The consideration, which shall be paid annually, shall be paid within 45 days after each annual anniversary of the effective date of this franchise. The consideration paid by the successful bidder for the franchise, privilege, right and authority provided for herein shall be complete compensation and consideration for said franchise, privileges and right and for the use and occupancy of the streets, avenues, alleys, bridges, public ways, and other places of the City in lieu of any street or alley rental or to the charge for the use or occupancy of said streets, avenues, alleys, bridges, thoroughfares, public ways, or public places of said City and in lieu of any pole tax or meter tax.

Section 9. Each bidder for said franchise, privilege, and right shall file as part of his bid a certified copy of a certificate of convenience and necessity from the Public Service Commission of Kentucky, issued under the authority of KRS 278.020(4).

Section 10. The ordinance granting this franchise shall be accepted by the grantee thereof within sixty (60) days from the date of its passage.