

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|-------------------------------------|---|------------|
| APPLICATION OF KENTUCKY UTILITIES |) | |
| COMPANY FOR CERTIFICATES OF PUBLIC |) | |
| CONVENIENCE AND NECESSITY |) | CASE NO. |
| AUTHORIZING KU TO BID ON FRANCHISES |) | 2009-00386 |
| ESTABLISHED BY THE CITIES OF |) | |
| SOMERSET, STURGIS AND LACENTER, |) | |
| KENTUCKY |) | |

O R D E R

On September 23, 2009, Kentucky Utilities Company ("KU") filed with the Commission its application seeking Certificates of Public Convenience and Necessity to qualify it to bid on franchises for electric service offered by the cities of Somerset, Sturgis, and LaCenter, Kentucky. Under the provisions of KRS 278.020(4), no utility may apply for a franchise from any governmental agency until it has obtained a Certificate of Public Convenience and Necessity from this Commission, based on our finding that there is a need and demand for the service sought to be rendered.

In light of the ordinances of the cities of Somerset, Sturgis, and LaCenter creating electric distribution franchises, the Commission determines that there is evidence of a need and demand for electric service in the above-mentioned cities. Since the Commission's authority in such matters is limited by statute to finding only whether there is a need and demand for the service sought to be rendered, no finding or determination is made as to the qualifications of the bidder, the validity of any of the provisions of the franchises offered by said cities, or the manner in which any franchise fee is to be treated for rate purposes.

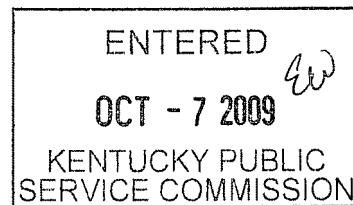
IT IS THEREFORE ORDERED that:

1. KU is granted Certificates of Public Convenience and Necessity that authorize it to bid on franchises for electric service offered by the above-mentioned cities.

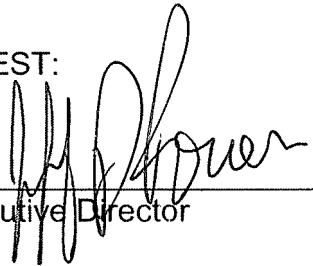
2. KU, if it becomes the successful bidder, shall file with this Commission two copies of each franchise agreement.

3. This Order shall not be construed as granting Certificates of Public Convenience and Necessity to construct utility facilities in said cities.

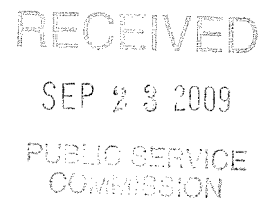
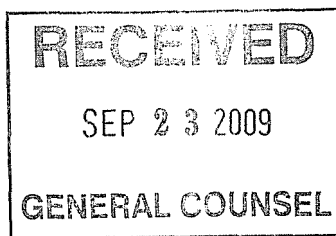
By the Commission



ATTEST:



Executive Director



Mr. Jeff DeRouen
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40602

Kentucky Utilities Company
Legal Department
220 West Main Street
Louisville, Kentucky 40202
www.eon-us.com

Allyson K. Sturgeon
Senior Corporate Attorney
T 502-627-2088
F 502-217-4995
allyson.sturgeon@eon-us.com

September 21, 2009

2009-00386

RE: Application of Kentucky Utilities Company for a Certificate of Public Convenience and Necessity Authorizing KU to Bid on Franchises Established by the Cities of Somerset, Sturgis, and LaCenter, Kentucky

Dear Mr. DeRouen:

Enclosed please find an original and 10 copies of an Application for Certificates of Public Convenience and Necessity ("CCN"), to enable Kentucky Utilities Company (the "Company") to apply for electric franchises with the Cities of Somerset, Sturgis, and LaCenter, Kentucky (collectively, the "Cities") pursuant to KRS 278.020(4). In a regular session held on June 22, 2009, the City Council of Somerset, Kentucky passed Ordinance No. 09-10, which directed the advertising for bids and selling of an electric franchise in the City. In a regular session held on September 14, 2009, the City Council of Sturgis, Kentucky passed Ordinance No. 09-09-14, which directed the advertising for bids and selling of an electric franchise in the City. In a regular session held on September 8, 2009, the City Council of LaCenter, Kentucky passed Ordinance No. 112, which directed the advertising for bids and selling of an electric franchise in the City. We respectfully ask for an order granting the CCN by October 12, 2009 to enable KU to bid on the franchises by the earliest of the sale dates of October 12, 2009.

For many years, the Company has been the owner of separate franchises granted by the Cities to erect facilities for providing electric service to the City and the inhabitants thereof. The franchises to be obtained will replace the previous franchises.

If you have any questions, please do not hesitate to contact me.

Very truly yours,

Allyson K. Sturgeon

Enclosures

**BEFORE THE
KENTUCKY PUBLIC SERVICE COMMISSION**

RECEIVED
SEP 23 2009
PUBLIC SERVICE
COMMISSION

In the Matter of:

**APPLICATION OF KENTUCKY UTILITIES COMPANY)
FOR CERTIFICATES OF PUBLIC CONVENIENCE AND)
NECESSITY AUTHORIZING KU TO BID ON)
FRANCHISES ESTABLISHED BY THE CITIES OF)
SOMERSET, STURGIS, AND LACENTER,)
KENTUCKY)**

CASE NO. 2009-00386

APPLICATION

The Applicant, Kentucky Utilities Company ("KU"), respectfully states as follows:

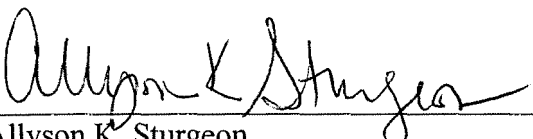
1. The Post Office address of the principal office of Applicant is 220 West Main Street, Louisville, Kentucky 40202. KU is a Kentucky corporation authorized to do business in the Commonwealth of Kentucky.
2. KU is a utility engaged in the business of supplying electric service in and to various cities and the inhabitants thereof within the Commonwealth of Kentucky, and has conducted such business for a number of years. The instant filing is made in accordance with Section 278.020(4) of the Kentucky Revised Statutes.
3. Receipt of the requested certificates will allow KU to pursue its bid on new franchises for which the Cities of Somerset, Sturgis, and LaCenter, Kentucky (collectively, the "Cities") have solicited bids pursuant to resolution or ordinance and advertisement, copies of which are attached hereto as Exhibit A.
4. A certified copy of KU's Articles of Incorporation is already on file with the Commission in Case No. 2005-00471 and is incorporated herein by reference pursuant to 807 KAR 5:001, Section 8(3).

5. There is and will continue to be a demand and need for electric service in the areas of the Cities subject to the franchises, and KU desires to obtain franchises in accordance with the bidding protocol established by the Cities.

6. Should KU be successful in acquiring said franchises, it will file copies thereof with the Commission.

WHEREFORE, Kentucky Utilities Company asks that the Commission enter an Order granting to KU Certificates of Public Convenience and Necessity to bid for and acquire franchises from the Cities by October 12, 2009 to enable KU to bid on the franchises by the earliest of the sale dates of October 12, 2009.

Dated at Louisville, Kentucky, this 21st day of September, 2009.



Allyson K. Sturgeon
Senior Corporate Counsel
Kentucky Utilities Company
220 West Main Street
Louisville, Kentucky 40202
(502) 627-2088

Exhibit A

Auto Overhaul, Tubed, lowered, traction bars, 8 inch Ford Rear End, Air-Brake A/C wheel and detail, new paint, new upholstery, oak bed, Mickey Thompson, 15 in wide wide rear wheels, 4 in wide X 15 in wheel front wheels, More Detail: 606-219-2210

2005 Ford F150 Supercrew, Dark Stone 2-Tone in Color, Lariat, 5.4 Liter 4X2, 36,000 miles, 8 CD, MP3, Leather, Keyless, Tow Package, Sticking Rear Window, Heated Seats, Airconditioner, 100000 Miles, Spring in Good Shape, Good Tires, \$17,500 606-678-9465 720 Sports Utility

2006 Suzuki Grand V-Liner Crossover, Lumber Package, Low Miles, Call 606-305-0431

1986 Dodge Challenge
244 W. 1504, New
Tires, Runs Excellent,
\$3800. Call 606-423-
1547

NOTICE OF SALE OF FRANCHISE

By virtue of a resolution heretofore passed by the Council of the City of Somerset, Kentucky, directing the advertisement for bids and selling of a franchise to use certain streets, alley, and public grounds of the City of Somerset, Kentucky, for the purpose of owning, operating, equipping and maintaining a system for the transmission and distribution of electric energy, The City Clerk of Somerset will on October 12, 2006, at or about 1:00 p.m., sell at public auction to the highest bidder at the City Hall of Somerset a franchise for the purpose set out. Said franchise is more particularly described and fully defined in a proposed ordinance granting and creating the same and said ordinance together with the terms and conditions upon which said franchise shall be made, the full text of which is available for inspection in the office of the Mayor, City Clerk, 409 East W. Vernon St., Somerset, Kentucky. The ordinance by which said franchise is granted is Ordinance # 99-10. An ordinance heretofore passed by the Mayor, City Clerk, 409 East W. Vernon St., Somerset, Kentucky, is hereby amended to read as follows: **SECTION 2. THE CITY OF SOMERSET, KY, HEREBY GRANTS TO THE TRANSMISSION AND DISTRIBUTION OF ELECTRIC ENERGY, AND THE PROVISION OF RETAIL ELECTRIC SERVICE IN AREAS HERETOFORE SERVED BY KENTUCKY UTILITIES COMPANY, DAVID GODSON, City Clerk, Published: September 18, 2006.**

Lake Cumberland Community Action Agency Inc., in conjunction with Pulaski County Local Community Action Council, will hold the annual election for the purpose of electing an individual to serve as local-area representative on the Lake Cumberland Community Action Agency Board of Directors. This election will be held:

DATE: Oct. 7, 2006
TIME: 1:00 p.m.
LOCATION: 410 East W. Vernon St., Somerset, KY 40361

Article III, Section 2, Item B of LOCAL BY-LAWS outlines the electoral process and reads as follows:

B. Representatives of the Board: At least one-third of the directors of the corporation shall be persons democratically selected by the poor community. Such representatives need not be poor themselves, but must truly represent the interests of the poor community. These directors shall serve for a term of one year and may be re-elected. The poor representative shall hold office until they give to each annual meeting of the Board of Directors.

All persons qualified to vote for a Local-Area representative must bring proof of income due to voting eligibility requirements.

This notice is posted in print, under a contract with the County Clerk, under the Community Health Book Chapter of the U.S. Department of Health and Human Services.

LAKE CUMBERLAND COMMUNITY ACTION AGENCY INC. IS AN EQUAL OPPORTUNITY EMPLOYER M/F/H

Business Exchange of Louisville
2900 Meadow Drive
Louisville, KY 40206
Attn: Mary Beth Howell
(502) 459-9600
(502) 459-9603 FAX
mhowell@bexlo.com

ABC Plan Room
1217 Broadway Ave.
Burlington, KY 41014
(270) 845-1886
(270) 845-1953 FAX

AGC/AGC-Hill
Cant Dodge Plan Room
960 Contract Bldg.
Suite 100
Lexington, KY 40506-3684
(606) 438-9630 - Dodge
(606) 294-5188 FAX

Copy of the CONTRACT DOCUMENT may be obtained at the office of GE Engineers Inc., located at 901 Corporate Drive, Lexington, Kentucky 40503, upon payment of \$150.00 for each set. Payment is **NOT REFUNDABLE**.

Bids shall be accompanied by a bid bond or a certified check in an amount set by the contract (5%) of the bid to insure the successful bidder's obligation to enter into the contract. The bid shall be returned to the contractor, not to the bidder, but if the bid is unopened and the bidder shall receive or request the return of the bid. The City of Louisville, within ten (10) days after the date of the opening of the contract, shall mail check or bid bond to the contractor. The City of Louisville is authorized to bid for the City of Louisville on behalf of the City of Louisville.

Attestation of Publisher is hereby called to the requirements as to contents of advertisements to be observed and publication rates to be paid under the contract. Section 2, Section 106 and 113, 119, 124, 125, 126, 127 and other requirements of the contract shall apply to all advertisements.

No Publisher withdrawing his bid after a period of thirty (30) days after the date submitted for the receipt of bid.

The City of Louisville reserves the right to waive irregularities and to reject a bid and all bids.

By: The Honorable Charles Fournier

MASTER COMMISSIONERS SALE

In order to comply with the orders of the Probate Court, the undersigned will sell the property described in this Inventory and Return, to-wit: **PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED IN COMMISSIONER'S D BOOK 21, PAGE 589, PULASKI COUNTY, KENTUCKY.** Located on the East side of the main road, between the main road and the main road, together with interest and the goods of the section, and (unless otherwise indicated) upon the following terms and conditions:

- (A) At the time of sale the successful bidder shall either pay cash or make a deposit of 20% of the purchase price with the balance on credit for thirty (30) days. In the event the successful bidder desires or elects to credit the balance, he or she will be required to give bond and furnish an acceptable security agreement. Said bond shall be for the unpaid purchase price and bear interest at the rate of twelve (12%) percent per annum from the date of sale until paid.
- (B) Risk of loss of improvements all be on the purchaser from date of sale.
- (C) The purchaser shall be required to assume and pay all taxes or assessments upon the property for the current tax year and all subsequent years. All taxes or assessments upon the property for prior years shall be paid from the sale proceeds.
- (D) The property shall otherwise be sold free and clear of any right, title and interest of all parties to the section and of their heirs and assigns, executors, administrators, assigns, and transferees of record in the Pulaski County Clerk's Office and such right, title and interest as may exist in favor of the United States of America or the

Commissioned Security Bank vs. Southwell Station, LLC, et al. (Action No. 09-CI-00214, Div. II, to raise the principal amount of \$81,991.43, together with interest, charges and costs)

SALE NO. 13
Notice of Sale being more particularly described in Dead Book 989, Page 422, Pulaski County Clerk's Office, Kentucky.
PLAINTIFF'S ATTORNEY: Matthew J. Kind, Cincinnati, OH. (616) 861-8100

SALE NO. 14
Notice of Sale being more particularly described in Dead Book 110, Page 422, Pulaski County Clerk's Office, Kentucky.
PLAINTIFF'S ATTORNEY: Matthew A. Tomlin, Cincinnati, OH. (624) 310-8100

Kentucky Bonding Corporation vs. Jerry C. Beach Jr. (Action No. 09-CI-00701, Div. II, to raise the principal amount of \$80,745.89, together with interest, charges and costs)

SALE NO. 15
Notice of Sale being more particularly described in Dead Book 817, Page 389, Pulaski County Clerk's Office, Kentucky.
PLAINTIFF'S ATTORNEY: James E. Stearns, Louisville, KY. (502) 594-6323

SALE NO. 16
Notice of Sale being more particularly described in Commissioner's D Book 21, Page 589, Pulaski County Clerk's Office, Kentucky.
PLAINTIFF'S ATTORNEY: Kenneth D. Reyer, Louisville, KY. (502) 597-8700

U.S. Bank National Association vs. Harry Nicholas, et al. (Action No. 09-CI-00671, Div. I, to raise the principal amount of \$124,124.76, together with interest, charges and costs)

SALE NO. 17
Notice of Sale being more particularly described in Commissioner's D Book No. 21 of the Old Ridge Subdivision, being more particularly described in Dead Book 784, Page 240, Pulaski County Clerk's Office, Kentucky.

SALE NO. 18
Notice of Sale being more particularly described in Commissioner's D Book 21, Page 589, Pulaski County Clerk's Office, Kentucky.
PLAINTIFF'S ATTORNEY: Kenneth D. Reyer, Louisville, KY. (502) 597-8700

SALE NO. 19
Notice of Sale being more particularly described in Commissioner's D Book 21, Page 589, Pulaski County Clerk's Office, Kentucky.
PLAINTIFF'S ATTORNEY: Kenneth D. Reyer, Louisville, KY. (502) 597-8700

... 389-3513 or e-mail resume to MGWood@Extendicare.com

EOE

PUBLIC NOTICE

NOTICE OF SALE OF FRANCHISE

By virtue of a resolution heretofore passed by the Council of the City of Sturgis, Kentucky, directing the advertisement for bids and selling of a franchise to use certain streets, alleys, and public grounds of the City of Sturgis, Kentucky for the purpose of owning, operating, equipping and maintaining a system for the transmission and distribution of electric energy. The City Clerk of Sturgis will on October 12, 2009 at or about 7:00 P.M. sell at public auction to the highest bidder at the City Hall of Sturgis a franchise for the purpose set out. Said franchise is more particularly described and fully defined in a proposed ordinance granting and creating the same and said proposed ordinance defines the terms and conditions upon which said sale shall be made, the full text of which is available for inspection in the office of the Sturgis City Clerk, Sturgis, Kentucky. The ordinance by title and summary is as follows: ORDINANCE #09-09-14. AN ORDINANCE ESTABLISHING A FRANCHISE AGREEMENT RELATED TO THE TRANSMISSION AND DISTRIBUTION OF ELECTRICAL ENERGY, AND THE PROVISION OF RETAIL ELECTRIC SERVICE IN AREAS HERETOFORE SERVED BY KENTUCKY UTILITIES COMPANY.

CYNTHIA CARR, Sturgis City Clerk

Published 9/16/2009

NOTICE TO CUSTOMERS OF KENTUCKY UTILITIES COMPANY

PLEASE TAKE NOTICE that on or around September 28, 2009, Kentucky Utilities Company ("KU") will file with the Kentucky Public Service Commission ("Commission"), an Application pursuant to Kentucky Revised Statutes 278.300 for approval of (a) two purchase power agreements for wind power and (b) pursuant to Kentucky Revised Statutes 278.180 a ratemaking mechanism for the recovery of its monthly expense associated with the purchase of wind power under the two purchase power agreements.

The ratemaking mechanism proposed by KU, titled "Renewable Resource Clause," is shown below:

- (1) The charge per kWh delivered under the rate schedules to which the RRC applies shall be increased or decreased during each month according to the following formula:

$$\text{Adjustment Factor} = \frac{RP}{S}$$

- (2) Renewable Purchases (RP) are the sum of the most recent actual monthly costs of:

- (a) The Company's purchases of Eligible Renewable Energy and all other costs imposed on the Company under the Company's contract(s) for Eligible Renewable Energy, less any revenues the Company receives for reselling Eligible Renewable Energy;
- (b) The cost of firm transmission service to deliver Eligible Renewable Energy to the Company's control area;
- (c) The cost of Locational Marginal Pricing adjustments to transmission service to reflect congestion in the control area of a Regional Transmission Organization (RTO);
- (d) Other transmission charges or adjustments imposed by an RTO; and
- (e) The amount by which items (a), (b), (c), and (d) were under- or over-collected in the Current Period.

- (3) Sales (S) are all kWh sold to the Company's retail customers.

of their labors.

KCTCS Graduates Eligible For College

High school students who graduate from any of the Office of Career and Technical Education's Kentucky Tech secondary schools may be able to receive college credit under a new agreement between the Kentucky Education and Workforce Development Cabinet and the Kentucky Community and Technical College System (KCTCS).

Education and Workforce Development Cabinet Secretary Helen W. Mountjoy said the agreement can offer a seamless path from secondary to postsecondary education for these students.

"This partnership helps us promote postsecondary educational opportunities for Kentucky students while rewarding them for taking initiative during high school. These agreements benefit our students and the state by encouraging them to explore technical careers and further their education," said Mountjoy.

While the educational sys-

tems have worked together for many years, the recently signed dual credit and articulation agreements will allow a graduate from any of the 54 Kentucky Tech schools, commonly known as area technology centers (ATC), the opportunity to receive college credit for some classes. The articulation agreement will allow any student who has taken an eligible course at an ATC to transfer that course to the KCTCS within three years, while the dual-credit agreement will let students receive college credit while they are still in high school.

"These agreements will allow most of the 21,000 students enrolled in KY Tech programs to have access to what can honestly be called AP technical credit," said OCTE Executive Director John Marks. "To ensure a seamless transition from secondary to postsecondary institutions, a dual credit agreement template has been developed by OCTE and KCTCS system offices for use between each local KCTCS campus and ATC. The KY Tech system of schools is nationally accredited, industry certified and prepared to help students transition into post-secondary education and the re-

PUBLIC NOTICE

NOTICE OF PUBLIC

The public is hereby notified it will be held at 1:00 P.M. local time 2009 at the City Hall Council Chamber, 100 West Main Street for the purpose of hearing the public on the proposed 2009 City Tax Rate - Real Property, 0.462 percent and 0.231 percent \$100.00 taxable property within the City of Sturgis. The General Assembly of the Commonwealth of Kentucky has published this notice in accordance with the provisions of KRS 124.010.

- A) 2008 City Tax Rate - Real Property
- 2008 Tax Revenue - Real Property
- 2008 City Tax Rate - Personal Property

Allyson K Sturgeon
Senior Corporate Counsel
Kentucky Utilities Company
220 West Main Street
P. O. Box 32010
Louisville, KY 40202