COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES)COMPANY FOR A CERTIFICATE OF PUBLIC)CONVENIENCE AND NECESSITY)AUTHORIZING KU TO BID ON A FRANCHISE)ESTABLISHED BY THE CITY OF)WILLIAMSBURG)

CASE NO. 2009-00463

<u>ORDER</u>

On November 24, 2009, Kentucky Utilities Company ("KU") filed with the Commission its application seeking a Certificate of Public Convenience and Necessity to qualify it to bid on a franchise for electric service offered by the city of Williamsburg, 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.

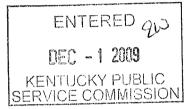
In light of the ordinance of the city of Williamsburg creating an electric distribution franchise, the Commission determines that there is evidence of a need and demand for electric service in the above-mentioned city. Since the Commission's authority in such matters is limited by statute to finding 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 city, or the manner in which any franchise fee is to be treated for rate purposes. IT IS THEREFORE ORDERED that:

1. KU is granted a Certificate of Public Convenience and Necessity that authorizes it to bid on a franchise for electric service offered by Williamsburg, Kentucky.

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

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

By the Commission



ATTEST: Executive Directo



RECENCED NOV 2 3 2009 GENERAL COUNSEL

Mr. Jeff DeRouen Executive Director Public Service Commission of Kentucky 211 Sower Boulevard Frankfort, Kentucky 40602 PECEIVED NOV 8 1 2009

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

Legal

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

November 23, 2009

RE: Application of Kentucky Utilities Company for a Certificate of Public Convenience and Necessity Authorizing KU to Bid on a Franchise Established by the City of Williamsburg

Dear Mr. DeRouen:

Enclosed please find an original and 10 copies of an Application for a Certificate of Public Convenience and Necessity ("CCN"), to enable Kentucky Utilities Company (the "Company") to apply for an electric franchise with the City of Williamsburg (the "City") pursuant to KRS 278.020(4). In a regular session held on November 6, 2009, the City Council of Williamsburg, Kentucky passed Ordinance No. 09-006, 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 December 3, 2009 to enable KU to bid on the franchise on the sale date of December 7, 2009.

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

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

Very truly yours,

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Allyson K. Sturgeon

Enclosures

7009-0016

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BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES COMPANY FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND) **NECESSITY AUTHORIZING KU TO BID ON A** FRANCHISE ESTABLISHED BY THE CITY OF WILLIAMSBURG

CASE NO. 2009-

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APPLICATION

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

The Post Office address of the principal office of Applicant is 220 West Main 1. 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 certificate will allow KU to pursue its bid on a new franchise for which the City of Williamsburg, Kentucky (the "City") has solicited bids pursuant to resolution or ordinance and advertisement, a copy of which is 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 City subject to the franchise, and KU desires to obtain a franchise in accordance with the bidding protocol established by the City.

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

WHEREFORE, Kentucky Utilities Company asks that the Commission enter an Order granting to KU a Certificate of Public Convenience and Necessity to bid for and acquire a franchise from the City by December 3, 2009 to enable KU to bid on the franchise on the sale date of December 7, 2009.

Dated at Louisville, Kentucky, this 23rd day of November, 2009.

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

Exhibit A

NOTICE OF SALE OF FRANCHISE

By virtue of a resolution heretofore passed by the Council of the city of Williamsburg, Kentucky, directing the advertisement for bids and selling of a franchise to use certain streets, alleys, and public grounds of the city of Williamsburg, Kentucky for the purpose of owning, operating, equipping and maintaining a system for the transmission and distribution of electric energy. The City Clerk of Williamsburg will on December 7, 2009, at or about 4:00 PM sell at public auction to the highest bidder at the City Hall of Williamsburg 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 Williamsburg City Clerk, 423 Main Street, Williamsburg, Kentucky. The ordinance by title and summary is as follows: ORDNANCE #09-006. 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. Teresa Black, City Clerk, Published November 18, 2009.



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