COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| APPLICATION OF KENTUCKY POWER |) | |
|---------------------------------------|---|------------|
| COMPANY FOR A CERTIFICATE OF |) | CASE NO. |
| CONVENIENCE AND NECESSITY |) | 2012-00579 |
| AUTHORIZING THE APPLICANT TO OBTAIN A |) | |
| FRANCHISE IN THE CITY OF VAN LEAR, |) | |
| JOHNSON COUNTY, KENTUCKY |) | |

ORDER

On December 19, 2012, Kentucky Power Company ("Kentucky Power") filed its application with the Commission seeking a Certificate of Public Convenience and Necessity to qualify it to bid on a franchise for electric services offered by the city of Van Lear, 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 city of Van Lear's ordinance creating an electric service 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. Kentucky Power is granted a Certificate of Public Convenience and Necessity that authorizes it to bid on a franchise for electric service offered by the city of Van Lear, Kentucky.
- 2. If Kentucky Power is not the successful bidder, Kentucky Power shall, within ten days of the award of the franchise at issue, file with the Commission a written notice stating that Kentucky Power was not the successful bidder.
- 3. If Kentucky Power is the successful bidder, Kentucky Power shall, within ten days of the award of the franchise at issue, file with the Commission a copy of the executed franchise agreement.
- 4. Any documents filed pursuant to ordering paragraphs 2 or 3 of this Order shall reference the number of this case and shall be electronically submitted via the Commission's electronic Tariff Filing System (TFS).
- 5. 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

JAN 0 9 2013

ENTUCKY PUBLIC

Executive Director

Case No. 2012-00579

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