COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DUKE ENERGY KENTUCKY,) INC. FOR A CERTIFICATE OF PUBLIC) CASE NO. CONVENIENCE AND NECESSITY TO BID ON A) 2013-00224 FRANCHISE TO SERVE THE CITY OF) CRESCENT SPRINGS, KENTUCKY)

<u>ORDER</u>

On June 12, 2013, Duke Energy Kentucky, Inc. ("Duke Kentucky") filed its application with the Commission seeking a Certificate of Public Convenience and Necessity to qualify it to bid on a franchise for electric and natural gas transmission and distribution service offered by the city of Crescent Springs, 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 Crescent Spring's ordinance creating an electric and natural gas distribution franchise, the Commission determines that there is evidence of a need and demand for electric and natural gas transmission and service distribution in the abovementioned 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. Duke Energy is granted a Certificate of Public Convenience and Necessity that authorizes it to bid on a franchise for electric and natural gas transmission and distribution service offered by the city of Crescent Springs, Kentucky.

2. If Duke Energy is not the successful bidder, Duke Energy shall, within ten days of the award of the franchise at issue, file with the Commission a written notice stating that Duke Energy was not the successful bidder.

3. If Duke Energy is the successful bidder, Duke Energy 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.

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

ENTERED JUN 1 9 2013 KENTUCKY PUBLIC SERVICE COMMISSION

ATTE: e/Director

Rocco O D'Ascenzo Duke Energy Kentucky, Inc. 139 East 4th Street, R. 25 At II P. O. Box 960 Cincinnati, OH 45201

David S Samford Goss Samford, PLLC 2365 Harrodsburg Road, Suite B130 Lexington, KENTUCKY 40504