

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| APPLICATION OF KENTUCKY UTILITIES |) | |
| COMPANY FOR A CERTIFICATE OF PUBLIC |) | CASE NO. |
| CONVENIENCE AND NECESSITY |) | 2011-00195 |
| AUTHORIZING KU TO BID ON A FRANCHISE |) | |
| ESTABLISHED BY THE CITY OF |) | |
| DRAKESBORO |) | |

O R D E R

On May 31, 2011, Kentucky Utilities Company ("KU") filed its application with the Commission seeking a Certificate of Public Convenience and Necessity to qualify it to bid on a franchise for electric service offered by the city of Drakesboro, 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 Drakesboro 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.

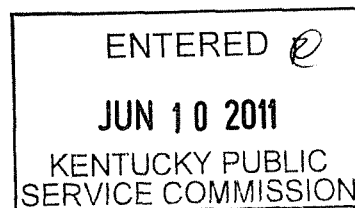
IT IS THEREFORE ORDERED that:

1. KU is granted a Certificate of Public Convenience and Necessity that authorizes it to bid on a franchise for electric service offered by the above-mentioned city.

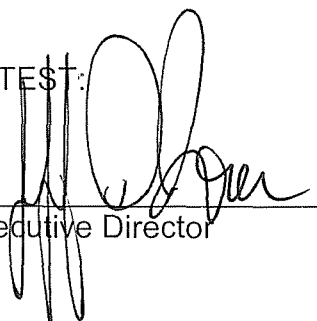
2. KU shall file two copies of the franchise agreement with this Commission if it becomes the successful bidder.

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 Director

Allyson K Sturgeon
Senior Corporate Counsel
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