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PUBLIC SERVICE
COMMISSION

David S. Samford

Counsel

859.244.3230 (t)

859.231.0011 (f)

dsamford@fbtlaw.com

May 1, 2012

VIA HAND-DELIVERY

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

RE: *In the Matter of the Application of Duke Energy Kentucky, Inc. for a Certificate of Public Convenience and Necessity to Bid on a Franchise to Serve the City of Florence, Kentucky, Case No. 2012-00_____*

Dear Mr. Derouen:

Enclosed, please find for filing in the above-captioned case an original and ten copies of an Application for Certificate of Public Convenience and Necessity to Bid on a Franchise to Serve the City of Florence, Kentucky. Please note that the deadline to bid on said Franchise is May 15, 2012 and Duke Energy Kentucky, Inc. would respectfully request the Commission to issue an order approving the application prior to that date. Please return a file-stamped copy of this document to my office.

If you have any questions, please feel free to contact me.

Sincerely,



David S. Samford

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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MAY 01 2012

**PUBLIC SERVICE
COMMISSION**

IN THE MATTER OF:)

APPLICATION OF DUKE ENERGY)
KENTUCKY, INC. FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND)
NECESSITY TO BID ON A FRANCHISE)
TO SERVE THE CITY OF FLORENCE,)
KENTUCKY)

CASE NO. 2012-_____

APPLICATION

Come now Duke Energy Kentucky, Inc. ("Duke Kentucky"), by counsel, pursuant to KRS 278.020(4), 807 KAR 5:001, Section 9(1), 807 KAR 5:001, Section 8 and other applicable law, and tenders hereby its application for a certificate of public convenience and necessity to apply for and obtain a franchise from the City of Florence, in Boone County, Kentucky ("Florence"), to provide natural gas transmission and distribution service, respectfully stating as follows:

1. Duke Kentucky is a combined electric and natural gas utility serving approximately 240,000 customers in six Kentucky counties. Duke Kentucky's business address is 139 East Fourth Street, Cincinnati, Ohio 45202 and its local address is Duke Energy Envision Center, 4580 Olympic Boulevard, Erlanger, Kentucky, 41018. Duke Kentucky's articles of incorporation were filed with the Commission in Case No. 2009-00202 and are incorporated by reference pursuant to 807 KAR 5:001, Section 8(3).

2. Duke Kentucky is currently the holder of an existing franchise to provide natural gas transmission and distribution facilities and services within the territorial limits of Florence. The existing franchise will expire in May 2012.

3. Duke Kentucky proposes to bid upon a new municipal franchise to place natural gas transmission and distribution facilities in public streets and places of Florence and to provide related service to Florence upon the expiration of the existing franchise. The new franchise will be awarded by the Florence City Council.

4. The Florence City Council has passed an Ordinance setting forth the requirements and deadlines for submitting a bid to secure a new franchise. Florence has directed that bids shall be received on or before 10:00 AM local time, on Tuesday, May 15, 2012. A copy of the Ordinance is attached hereto as Exhibit A and incorporated herein by reference. A copy of the Legal Notice that was published in the Boone County Recorder by Florence regarding said new franchise is attached hereto as Exhibit B and incorporated herein by reference.

5. As evidenced by the Ordinance, there is, and will continue to be, a demand and need for the facilities and services sought to be rendered by Duke Kentucky pursuant to the franchise.

6. Upon obtaining a franchise from Florence, Duke Kentucky will file a true and correct copy of same with the Commission.

WHEREFORE, on the basis of the foregoing, Duke Kentucky respectfully requests the Commission to approve this application and to issue to Duke Kentucky a certificate of public convenience and necessity authorizing it to apply for and obtain a franchise from Florence, as set forth herein.

This 1st day of May 2012.

Respectfully submitted,



Mark David Goss
David S. Samford
FROST BROWN TODD LLC
250 W. Main Street, Suite 2800
Lexington, KY 40507-1749
(859) 231-0000
(859) 231-0011 (facsimile)

and

Rocco O. D'Ascenzo
Duke Energy Business Services LLC.
139 East Fourth Street/1303-Main
PO Box 960 Cincinnati, OH 45202
(513) 287-4320
(513) 287-4385 (facsimile)

Counsel for Duke Energy Kentucky, Inc.

Exhibit A

Ordinance by the Florence City Council

CITY OF FLORENCE, KENTUCKY
SUMMARY OF ORDINANCE NO. 0-7-12

The City of Florence, Kentucky, enacted on second reading Ordinance No. 0-7-12 on April 10, 2012. The title of this Ordinance is as follows:
ORDINANCE NO. 0-7-12

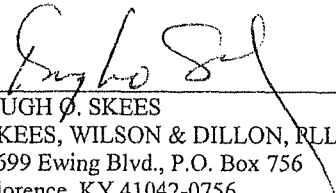
AN ORDINANCE GRANTING AND OFFERING FOR SALE A 20-YEAR FRANCHISE TO PLACE GAS TRANSMISSION AND DISTRIBUTION FACILITIES IN PUBLIC STREETS AND PLACES OF THE CITY OF FLORENCE, BOONE COUNTY, KENTUCKY.

Under the Kentucky Constitution, utilities utilizing city streets, rights-of-way, etc., must obtain a franchise from the city. The existing 20-year franchise for gas transmission distribution is expiring and this Ordinance provides for the letting of a new franchise through the process of advertisement and bidding. The new franchise will be for the period of 20 years and is nonexclusive.

The full text of Ordinance No. 0-7-12, including its exhibits, is available for examination in the office of the City Clerk of the City of Florence, Kentucky, in the Florence Government Center, 8100 Ewing Blvd., Florence, Kentucky, during regular office hours.

CERTIFICATION

I hereby certify that the foregoing is a summary of the contents of Ordinance No. 0-7-12 and that it has been prepared by me on the 23rd day of March, 2012, and I am an attorney licensed to practice law in the Commonwealth of Kentucky.



HUGH O. SKEES
SKEES, WILSON & DILLON, RLLC
7699 Ewing Blvd., P.O. Box 756
Florence, KY 41042-0756
Phone: (859) 371-7407
Fax: (859) 371-9872

ORDINANCE NO. 0-7-12

AN ORDINANCE GRANTING AND OFFERING FOR SALE A 20-YEAR FRANCHISE TO PLACE GAS TRANSMISSION AND DISTRIBUTION FACILITIES IN PUBLIC STREETS AND PLACES OF THE CITY OF FLORENCE, BOONE COUNTY, KENTUCKY.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF FLORENCE, KENTUCKY, AS FOLLOWS:

SECTION I

The City hereby grants and offers for sale to the successful bidder, its successors and assigns, a franchise, consent, right, and privilege for a period of 20 years starting from the date of acceptance of the bid of the successful bidder, to construct, reconstruct, lay, erect, extend, operate, maintain, repair, replace, adjust and remove (collectively called install or installation) mains, pipes, regulators, apparatus, fixtures, and equipment for the transmission and distribution of gas (collectively called facilities) with, along, over, under and across the public streets, alleys, ways, places, lands, and grounds of the City (collectively called public property). Such transmission and distribution shall include the transmission and distribution of gas into, through, and out of the City. Except in cases of emergency, the successful bidder shall make application to the City for an Encroachment Permit, such approval shall not be unreasonably withheld by the City, before the successful bidder will be authorized to open or construct within public property of the City. In the case of an emergency, the successful bidder shall obtain an Encroachment Permit from the City as soon as reasonably possible following such emergency. Any such opening or construction shall not encumber public property by temporary obstructions or excavations any longer than shall be necessary in the accomplishment of such purposes, and upon completion of such work, the successful bidder shall restore such property as near as practicable to its former condition. If the successful bidder shall neglect to restore any public property to its former condition or to repair the same after ten (10) days' written notice from the City, then the City may cause such work to be done and all expenses involved by such work shall be borne by the successful bidder.

If during the franchise period the City constructs or relocates public property, sewer lines, water lines, or other utilities owned by it and located within the boundaries of any public property, and such construction or relocation cannot be reasonably accomplished without interference with the facilities of the successful bidder, the successful bidder shall, within a reasonable time after receiving written request from the City, move or relocate, without expense to the City, the same within the public property so as not to interfere therewith; but the successful bidder shall not be required to terminate any service provided by its facilities.

SECTION II

The successful bidder shall defend and indemnify the City, its agents, elected officials, and employees against any suit or claim for any expense or liability whatsoever by reason of the negligence of the successful bidder arising out of the construction, maintenance, or operation of its facilities.

SECTION III

The word City means the City of Florence, Boone County, Kentucky, its successors and assigns, as it now exists or as changed through annexation, reduction of its boundaries, merger, consolidation, or other similar proceedings.

SECTION IV

The City Clerk is hereby directed to advertise, as provided by law, for bids for this franchise, such bids to be received by the City at 10:00 a.m. local time on _____, 2012. Each bid shall be sealed and marked "Bid for Gas Franchise", and shall be opened and read aloud at the designated date and time. The City reserves the right to reject any and all bids.

SECTION V

This ordinance and the bid accepted by the City shall take effect and be in force from and after the earliest period allowed by law, and upon passage of the Ordinance accepting the bid, shall become a binding contract according to its terms between the City and the successful bidder.

PASSED AND APPROVED ON FIRST READING THIS 27th DAY OF March, 2012.

PASSED AND APPROVED ON SECOND READING AND PUBLICAITON ORDERED THIS 10th DAY OF April, 2012.

APPROVED:

Deane E. Whalen
MAYOR

ATTEST:

[Signature]
CITY CLERK

AUTHENTICATION

I, Joe Christofield, City Clerk of the City of Florence, Boone County, Kentucky, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 0-7-12, adopted by said City on the 10th day of April, 2012, and recorded in the official journal of said City.

Given under my hand and the seal of the City of Florence, Boone County, Kentucky, this 11th day of April, 2012.

[Signature]
CITY CLERK

Exhibit B

Legal Notice Published by the City of Florence



Ten Boy Scouts and three leaders from Troop 1 chartered by Florence Christian Church participated in a weekend campout and visit to Kentucky Down Under near Cave City. The troop visited the Australian themed animal park and toured Kentucky Caverns. Youth participants were Colt Girdler, Chris Bonham, Sebastian Tillman, Noah Fredrick, Tanner Mudd, Kade D'Addario, Noah Schreiber, Ethan Harper, Patrick Fales and Jake Anderson. THANKS TO TIM IOTT

Museum concert series kicks off April 26

Community Recorder

Behringer-Crawford Museum will present the opening concert of the 2012 Music@BCM series on Thursday, April 26.

The Wine and Spring concert will feature Triage, a low-impact jazz group featuring Randy Winters on drums, the vocal and percussion stylings of Eugene

Goss and Billy Larkin on the keyboard. Those of age will have the opportunity to taste wine provided by Party Town of Florence. Snacks from Colonial Cottage will be available for purchase.

Doors open at 6 p.m. Tickets are \$5 for adults and \$3 for children. For more information, call 859-491-4003 or email info@bcmuseum.org.

AT THE LIBRARY

Continued from Page B8

Fun In the Sun: 6:30 p.m. Saturday, May 29. Celebrate summer with stories, crafts and games. Ages 2-5.

CHAPIN MEMORIAL LIBRARY

6517 Market St., Petersburg; 859-342-2665.

Hours: Noon-8 p.m. Tuesday and Thursday; 10 a.m. to 6 p.m. Wednesday; noon-6 p.m. Friday;

10 a.m. to 5 p.m. Saturday; closed on Sunday and Monday.
Spring Open House with Mike Hemmelgarn: 1-3 p.m. Saturday, May 5. A fun-filled afternoon of entertainment, refreshments, games and prizes. At 2 p.m., enjoy a show by Mike Hemmelgarn, featuring a custom blend of ventriloquist characters, a wild variety of comedy, juggling and a splash of magic and balloons.

Legal Notices

REQUEST FOR BIDS NOTICE

The City of Florence, Kentucky is soliciting bid proposals for the issuance of a 20-year franchise to place gas transmission and distribution facilities in public streets and places of the City. Bid responses shall be submitted in accordance with bid specification documents. Bid specification documents may be picked up in the Administration Department, Florence Government Center, 8100 Ewing Boulevard, Florence, Kentucky 41042 after 2:00 p.m. local time on Thursday, April 26, 2012. Bid responses must be received in the Administration Department, 8100 Ewing Boulevard, Florence, Kentucky 41042, no later than 10:00 a.m. local time on Tuesday, May 15, 2012. The City of Florence reserves the right to reject any and all proposals. 1001700934

LEGAL NOTICE

An action has been filed in Boone County, Kentucky, Circuit Court Case 12-CI-707, regarding the estate of NORA L. MINNING. This ad is to notify THE UNKNOWN HEIRS-AT-LAW of NORA L. MINNING of the nature and pendency of this action. If no answer is filed in this action, any interests may be forfeited. Call Drew Willis, Attorney at Law, at 859-351-0514 within two weeks of this advertisement for further information. 1699700

During the open inspection period the tax roll will be located in the office of the property valuation administrator in the county courthouse. It may be inspected between the hours of 8:30 am and 4:30 pm EST, Monday through Friday and between the hours of 9:00 am and 12:00 pm EST on Saturday May 12th and May 19th.

Any taxpayer whose assessment has changed from the previous year should have received a Notice of Assessment by May 1st from the Property Valuation Administrator's Office.

Conference with the PVA Office

Any taxpayer desiring to appeal an assessment on real property made by the PVA must first request a conference with the PVA or a designated deputy. The conference may be held prior to or during the inspection period. Please bring any information that you feel is evidence of why you think your property assessment should be changed. The most valid evidence is comparable sales of homes and land similar to yours, as we must assess property at Fair Cash Value, per the KY Constitution.

County Board of Appeals

Any taxpayer still aggrieved by an assessment on real property, after the conference with the PVA or designated deputy, may appeal to the county board of assessment appeals. The conference with the PVA office must occur before you are able to file an appeal with the county board.

The taxpayer can appeal their assessment by filing in person or sending a letter or other written petition stating the reasons for appeal, identifying the property and stating the taxpayer's opinion of the fair cash value of the property.

The appeal must be filed with the county clerk's office no later than one work day following the conclusion of the inspection period, or by May 22nd, 2012. Please contact the Boone County Clerk's office for more information.

Any taxpayer failing to appeal to the county board of assessment appeals, or failing to appear before the board, either in person or by designated representative, will not be eligible to appeal directly to the Kentucky Board of Tax Appeals.

PERSONAL PROPERTY

Appeals of personal property assessments shall not be made to the county board of assessment appeals. Personal Property taxpayers shall be served notice under the provisions of KRS 132.450(4) and shall have the protest and appeal rights granted under the provisions of KRS 131.110.

The following steps should be taken when a taxpayer does not agree with the assessed value of personal property as determined by the office of property valuation administrator:

- (1) He must list under protest (for certification) what he believes to be the fair cash value of his property.
- (2) He must file a written protest directly with the Department of Revenue, Office of Property Valuation within 30 days from the date of the notice of assessment.
- (3) This protest must be in accordance with KRS 131.110.
- (4) The final decision of the Department of Revenue may be appealed to the Kentucky Board of Tax Appeals.

MORE INFORMATION

For more information, or to schedule an appointment, please visit www.boonepva.ky.gov or call 859-334-3961.

Cindy Arlinghaus, CPA
 Boone County Property Valuation Administrator

1700781

at the Boone County Planning Commission office located at 2950 Washington Street, Room 317, Burlington, Kentucky or you may call at 859-334-2196. Other information is available at www.boonecounty.ky.org/pc. (04/26/12) 1001700750

PUBLIC NOTICE CITY OF FLORENCE MUNICIPAL AID ROAD FUND PROPOSED USE HEARING

The City of Florence, Kentucky will hold a public hearing on Tuesday, May 8, 2012 at 7:00 p.m. local time inside the Council Chambers of the Florence Government Center, 8100 Ewing Boulevard, Florence, KY 41042-7588 for the purpose of obtaining written and oral comments of citizens regarding possible use of Municipal Aid Road Funds. The City is projecting \$265,982 in carry-over funds from fiscal year 2011-2012 and will be receiving \$525,000 during fiscal year 2012-2013 for a total of \$790,982. The City proposes to spend \$525,000 on road surfacing projects, street materials, and maintenance in fiscal year 2012-2013. All interested persons and organizations in the City are invited to attend the public hearing to submit oral or written comments on the proposed use of the Municipal Aid Road Funds. All proposed projects for the use of these funds will be identified during the hearing. Any person(s), especially seniors and disabled citizens, who cannot submit written statements or attend the public hearing, but wish to submit comments, should call the City Clerk at 859-371-5491 so arrangements can be made to secure their comments. Joseph A. Christofield, Florence City Clerk 1001700285

LEGAL NOTICE

The Boone County Board of Adjustment will hold a Public Hearing on Wednesday, May 9, 2012 at 6:00 P.M. in the Boone County Fiscal Courtroom of the Boone County Administration Building, 2950 Washington Street, Burlington, Kentucky. The public is invited to attend and comment.

Request of Doug Simpson for a Conditional Use Permit to allow a used motor vehicle sales business. The approximate 0.35 acre tract is located at 11552 Dixie Highway, Boone County, Kentucky and is currently zoned Industrial One (I-1).

Information about this request is available at the Boone County Planning Commission office located at 2950 Washington Street, Room 317, Burlington, Kentucky or you may call at 859-334-2196. Other information is available at www.boonecounty.ky.org/pc. (4/26/12) 1001700748