



PPL companies

June 13, 2014

Mr. Jeff Derouen
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40602

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PUBLIC SERVICE
COMMISSION

LG&E and KU Energy LLC
Legal Department
220 West Main Street
Louisville, Kentucky 40202
www.lge-ku.com

Allyson K. Sturgeon
Senior Corporate Attorney
T 502-627-2088
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allyson.sturgeon@lge-ku.com

RE: Application of Louisville Gas and Electric Company for a Certificate of Public Convenience and Necessity Authorizing LG&E to Bid on a Gas Franchise Established by the Legislative Council of Louisville/Jefferson County Metro Government

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 Louisville Gas and Electric Company (the "Company") to apply for a gas franchise with Louisville Metro Government ("Louisville Metro") pursuant to KRS 278.020(4).

In a public meeting held on June 5, 2014, the Legislative Council of Louisville/Jefferson County Metro Government passed Ordinance No. 092, Series 2014, which directed Louisville Metro to advertise a gas franchise for bid. The Company asks that the Commission enter an Order granting a Certificate of Public Convenience and Necessity to bid for and acquire a franchise from Louisville Metro on or before June 19, 2014.

For many years, the Company has been the owner of a gas franchise granted by the City of Louisville, Kentucky, to acquire, lay, maintain, and operate facilities in the public rights-of-way for the transmission, distribution and sale of natural gas. 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,

A handwritten signature in black ink that reads "Allyson K. Sturgeon". The signature is written in a cursive style with a long horizontal line extending to the right.

Allyson K. Sturgeon
Enclosures

**BEFORE THE
KENTUCKY PUBLIC SERVICE COMMISSION**

In the Matter of:

**APPLICATION OF LOUISVILLE GAS AND ELECTRIC
COMPANY FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY AUTHORIZING) CASE NO. _____
LG&E TO BID ON A GAS FRANCHISE ESTABLISHED BY)
THE LEGISLATIVE COUNCIL OF LOUISVILLE/JEFFERSON)
COUNTY METRO GOVERNMENT)**

APPLICATION

The Applicant, Louisville Gas and Electric Company (“LG&E”), respectfully states as follows:

1. The Post Office address of the principal office of Applicant is 220 West Main Street, Louisville, Kentucky 40202. LG&E is a Kentucky corporation authorized to do business in the Commonwealth of Kentucky.

2. LG&E is a utility engaged in the business of supplying gas and 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 LG&E to pursue its bid on a new gas franchise for which Louisville Metro Government has solicited bids pursuant to resolution or ordinance and advertisement, a copy of which is attached hereto as Exhibit A.

4. Certified copies of LG&E’s current Articles of Incorporation are on file with the Commission in Case No. 2010-00204, In the Matter of: Joint Application of PPL Corporation, E.ON AG, E.ON U.S. Investments Corp., E.ON U.S. LLC, Louisville and Gas Electric Company and Kentucky Utilities Company for Approval of an Acquisition of Ownership and Control of

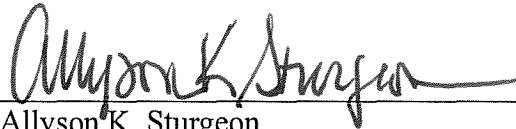
Utilities, which Articles were filed in that proceeding on May 28, 2010, and are incorporated by reference herein. LG&E is incorporated in the Commonwealth of Kentucky and is in good corporate standing. LG&E was incorporated in Kentucky on July 2, 1913.

5. There is and will continue to be a demand and need for gas service in the areas of Louisville Metro subject to the franchise, and LG&E desires to obtain a franchise in accordance with the bidding protocol established by Louisville Metro Government.

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

WHEREFORE, Louisville Gas and Electric Company asks that the Commission enter an Order granting to LG&E a Certificate of Public Convenience and Necessity to bid for and acquire a gas franchise from Louisville Metro Government on or before June 19, 2014.

Dated at Louisville, Kentucky, this 13th day of June, 2014.



Allyson K. Sturgeon
Senior Corporate Attorney
Louisville Gas and Electric Company
220 West Main Street
Louisville, Kentucky 40202
(502) 627-2088

Exhibit A

LEGAL NOTICE OF SALE OF GAS FRANCHISE

NOTICE IS HEREBY GIVEN pursuant to Sections 163 and 164 of the Kentucky Constitution that Louisville/Jefferson County Metro Government ("Louisville Metro"), will consider offers for sale to the highest and best bidder, plus all costs including advertising cost, a gas franchise as defined in Ordinance No. 092, Series 2014, adopted by the Louisville Metro Council on June 5, 2014.

The franchise shall be non-exclusive and shall allow the franchisee to acquire, lay, maintain and operate in the public streets, avenues, alleys and other public ways of Louisville Metro, but not within the jurisdiction of any other city located in Jefferson County, Kentucky (the "Franchise Area"), a system of mains, pipes, fixtures and appliances for the transmission, distribution and sale of natural gas for heating and other purposes. The franchise shall be for a term of sixteen (16) months and shall be effective sixty (60) days after it is awarded. As compensation for the franchise granted, the franchisee shall pay Louisville Metro payment of a total annual fee of two percent (2%) of Gross Receipts, to be collected beginning with bills tendered for the December 2014 billing cycle, and remitted monthly thereafter. Gross Receipts shall mean those amounts of money which the franchisee receives from its customers for the retail sale and/or transportation of gas within the Franchise Area as adjusted for refunds, the net write-off of uncollectible accounts, corrections, or other adjustments. Gross Receipts do not include home energy assistance funds ("HEA") or miscellaneous service charges, including, but not limited to turn-ons, meter sale, non-sufficient funds charges, late fees and interest. The franchisee shall have the right to a refund from Louisville Metro of any fees paid that are in excess of the amount due under the franchise or in excess of the amount lawfully owed.

All persons desiring to submit a bid for a franchise to provide such services may do so at any time by submitting a written notice of their intent to do so and a request for bid documents including the terms and conditions applicable to such a franchise on or before Friday, June 20, 2014 at 3:00 PM to:

Marian Salmon, Director
Division of Purchasing
Office of Management and Budget
611 West Jefferson Street
Louisville KY 40202

The submission of bids for a gas transmission and supply franchise will require compliance with all Louisville Metro procurement laws, regulations, and procedures.

Louisville/Jefferson County Metro Government reserves the right to accept any bid, to reject any and all bids, to waive any irregularities or informalities in awarding the franchise, and to accept what, in its opinion, is the lowest, responsive, responsible and best bid which is in the best interest of, and most advantageous to, Louisville Metro.

ORDINANCE NO. _____, SERIES 2014

AN ORDINANCE AUTHORIZING THE LOUISVILLE METRO GOVERNMENT TO BID A GAS FRANCHISE AGREEMENT. (AMENDMENT BY SUBSTITUTION.)

Sponsored by: President Jim King and Councilman Kelly Downard

BE IT ORDAINED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT AS FOLLOWS:

Section 1. Louisville Metro Council authorizes Louisville Metro Government to immediately advertise a gas franchise for bid as required by the Kentucky Constitution, Section 164.

Section 2. Louisville Metro Council authorizes Louisville Metro Government to bid a gas franchise agreement for sixteen months and with a franchise fee of 2.0% of gross receipts, as defined by the gas franchise bid.

Section 3. This ordinance shall take effect upon its passage and approval.

H. Stephen Ott
Metro Council Clerk

Jim King
President of the Council

Greg Fischer
Mayor

Date Approved: _____

APPROVED AS TO FORM AND LEGALITY:

Michael J. O'Connell
Jefferson County Attorney

By: _____

LGE Franchise Agt Ordinance ROCsjm 6-5-14 Amendment by Sub