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PUBLIC SERVICE  
COMMISSION



January 8, 2016

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

**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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**Case No. 2016-00038**

**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 December 17, 2015, the Legislative Council of Louisville/Jefferson County Metro Government passed Ordinance No. 429, Series 2015, 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 a franchise from Louisville Metro on or before January 14, 2016.

The Company has been the owner of a gas franchise granted by Louisville Metro 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 be effective upon expiration of the previous franchise.

If you have any questions, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in blue ink that reads "Allyson K. Sturgeon".

Allyson K. Sturgeon  
Enclosures

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COMMISSION

**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. 2016-00038  
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" or the "Company"), 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. The Company may be reached by electronic mail at the electronic mail address of their counsel set forth below.

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. Pursuant to KRS 278.380, the Company waives any right to service of Commission orders by mail for purposes of this proceeding only. Copies of all orders, pleadings and other communications related to this proceeding should be directed to:

Robert Conroy  
LG&E and KU Services Company  
220 West Main Street  
Louisville, Kentucky 40202  
robert.conroy@lge-ku.com

Allyson K. Sturgeon  
Senior Corporate Attorney  
LG&E and KU Services Company  
220 West Main Street  
Louisville, Kentucky 40202  
(502) 627-2088  
allyson.sturgeon@lge-ku.com

4. 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 ordinance and advertisement, a copy of which is attached hereto as Exhibit A.

5. LG&E is incorporated in the Commonwealth of Kentucky and LG&E attests that it is in good corporate standing. LG&E was incorporated in Kentucky on July 2, 1913.

6. 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 gas franchise with Louisville Metro Government.

7. 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 January 14, 2016.

Dated at Louisville, Kentucky, this 8th day of January, 2016.



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

**Exhibit A**

ORDINANCE NO. 205, SERIES 2015

**AN ORDINANCE AUTHORIZING THE MAYOR TO BID A GAS FRANCHISE AGREEMENT AND DECLARING THE ENACTMENT OF THIS ORDINANCE AN EMERGENCY.**

**SPONSORED BY: PRESIDENT DAVID TANDY AND COUNCILMEMBERS KELLY DOWNARD AND CHERI BRYANT HAMILTON**

**WHEREAS**, Louisville Metro Government's gas franchise agreement with LG&E expires on March 31, 2016;

**WHEREAS**, Kentucky state law requires Louisville Metro Government to publically advertise for a new gas franchise agreement; and

**WHEREAS**, given the pending expiration date of the current gas franchise agreement, Louisville Metro Council invokes the emergency clause, Council Rule 7.12, to allow members to vote on the ordinance without a second reading of the ordinance.

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

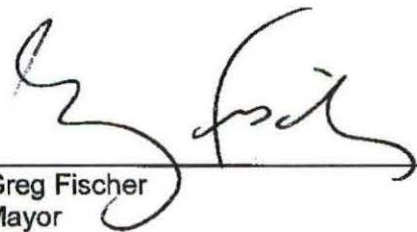
**Section I.** Louisville Metro Council authorizes Louisville Metro Government to advertise a gas franchise for bid as required by the Kentucky Constitution, Section 164.

**Section II.** Louisville Metro Council authorizes the Mayor to bid a gas franchise agreement for up to five (5) years with a franchise fee of 2.0% of gross receipts, as defined by the gas franchise bid.

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

  
H. Stephen Ott  
Metro Council Clerk

  
David W. Tandy  
President of the Council

  
Greg Fischer  
Mayor

Date Approved: 12/29/15

**APPROVED AS TO FORM AND LEGALITY:**

Michael J. O'Connell  
Jefferson County Attorney

By: *Paul M. Mathey*

LGE Franchise Agt Ordinance ROCsjm 12-17-15 Draft 2

**LOUISVILLE METRO COUNCIL  
READ AND PASSED**  
*December 17, 2015*

**LEGAL NOTICE OF SALE  
OF GAS FRANCHISE**

01/08/2016  
CJ

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. 205, Series 2015, adopted by the Louisville Metro Council on December 17, 2015.

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 sixty (60) 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 April 2016 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 January 15, 2016 at 3:00 PM to:

Joel Neaveil, 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.