



LG&E Energy LLC
220 West Main Street (40202)
P.O. Box 32030
Louisville, Kentucky 40232

January 5, 2005

Ms. Elizabeth O'Donnell
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40601

RECEIVED
JAN 07 2005
PUBLIC SERVICE
COMMISSION



Dear Ms. O'Donnell:

In accordance with the Commission's Order in **Case Number 2004-00315** and in compliance with 807 KAR 5:001, Section 9 of the Commission's Regulations, enclosed herewith for filing are two copies of the following:

1. Information regarding the City of Bremen with which KU secured a new 20-year franchise during 2004 as provided for by the above referenced Order.
2. Executed copies of the notice that the 20-year franchise was granted to KU, detailing the contents of said franchise.

We would appreciate acknowledgment of the receipt of this information as a record for our file.

Sincerely,

F. Howard Bush
Manager, Tariffs & Special Contracts

FHB:mjr

Enclosures

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE APPLICATION OF
KENTUCKY UTILITIES COMPANY FOR A
CERTIFICATE OF CONVENIENCE AND
NECESSITY TO APPLY FOR AN ELECTRIC
FRANCHISE.

No. 2004-00315

RECEIVED
JAN 07 2005
PUBLIC SERVICE
COMMISSION

CONSENT

The City of Bremen, a municipal corporation of the 6th class of the State of Kentucky, accepts notice of the Application of Kentucky Utilities Company in the above matter, and consents to the entry of an order granting the prayer of said Application to the effect that said Company may be permitted to apply for an electric franchise to be offered for sale by the City.

Dated at Bremen, Kentucky this 16th day of October, 2004.

CITY OF BREMEN

By

Roy A. Shaver
(signature) Mayor

Class of City 6th

Type of Government COUNCIL
(council or commission)

COMMONWEALTH OF KENTUCKY
CITY OF BREMEN

ORDINANCE NO. 2004-5

AN ORDINANCE CREATING A FRANCHISE FOR THE ERECTION, LAYING AND MAINTENANCE OF ELECTRIC FACILITIES AND APPURTENANT FACILITIES AND EQUIPMENT IN, ALONG AND ACROSS THE PUBLIC WAYS, ROADS, STREETS, ALLEYS AND OTHER PUBLIC PLACES IN THE CITY OF BREMEN, KENTUCKY; FOR FURNISHING AND SELLING ELECTRICITY BY MEANS OF SAID FACILITIES; AND PROVIDING FOR THE SALE OF SAID FRANCHISE.

WHEREAS, the City of Bremen (“City”) wishes to ensure that electric service continues to be furnished to its citizens in a reliable and efficient manner;

WHEREAS, the City is aware that the provision of such service requires the continued use of public streets, ways, alleys and other public places;

WHEREAS, the City wishes to provide for the sale of a new franchise for the benefit of its citizenry, giving effect to Section 96.010 of the Kentucky Revised Statutes;

NOW, THEREFORE, BE IT ORDAINED as follows:

Section 1. An exclusive franchise (“Franchise”) to use the City’s public rights-of-way, as described in the Franchise Agreement attached to this Ordinance, is hereby created.

Section 2. The Franchise created by this Ordinance shall be bid in accordance with the applicable requirements of the Constitution of the Commonwealth of Kentucky and Chapter 424 of the Kentucky Revised Statutes, as well as any applicable City ordinances.

Section 3. The Franchise created by this Ordinance shall be awarded to the highest and best bidder as shall be determined by the City in its sole discretion. In awarding the Franchise, the City shall consider the technical, managerial, and financial qualifications of the bidder to perform its obligations under the Franchise.

Section 4. The winning bidder and the City shall negotiate, execute and be bound by a Franchise Agreement with terms identical to, or substantially identical to, the Franchise Agreement referenced in Section 1 above and attached hereto, such Agreement to contain terms “that are fair and reasonable to the [C]ity, to the purchaser of the [F]ranchise and to the patrons of the utility” (KRS Section 96.010). Such Franchise Agreement shall take effect no earlier than 90 days after its execution, to allow the City and the winner bidder to develop appropriate procedures for identifying and reviewing the electric-consuming entities within the City’s corporate limits.

Section 5. All ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed.

Section 6. Should any section, clause, line, paragraph, or part of this Ordinance or the attached Agreement be held unconstitutional or invalid for any reason, the same not affect the remainder of this Ordinance or the attached Agreement, as applicable.

Section 7. Time is of the essence in carrying out the terms and the provisions of this Ordinance and the Franchise created herein.

Section 8. This Ordinance shall become effective from and after its passage and publication. Read at a meeting of the Bremen City Council on the 16th day of October, 2004; a second reading was held on the 20th day of November, 2004; said Ordinance was READ and APPROVED on the 11th day of December, 2004.

Roy A. Shaver, Mayor

ATTESTED BY:

Barbara Robinson, City Clerk

FRANCHISE AGREEMENT

This Franchise Agreement (“Agreement”) is hereby made and entered into this 11th day of December, 2004 by and between the City of Bremen in the Commonwealth of Kentucky (“City”) and Kentucky Utilities Company (“Company”).

WITNESSTH:

WHEREAS, the City adopted an Ordinance (# 2004-5) on December 11, 2004, pursuant to which the City has awarded the Company an exclusive franchise (“Franchise”) over the public rights-of-way within the City’s corporate limits, subject to and in accordance with the terms of this Agreement; and

WHEREAS, the above-referenced Ordinance requires that the City and the Company execute this Agreement;

NOW, THEREFORE, in consideration of the faithful performance and strict observance by the Company and the City of all terms, provisions, conditions, obligations and reservations set forth herein, it is hereby agreed between the parties as follows:

1. Reaffirmation of Grant and Acceptance. The City hereby reaffirms its grant to the Company of the Franchise and rights to construct, operate, maintain, install, use and lay pipes, wire, manholes, ducts, structures, stations, towers, amplifiers, poles, overhead conductors and devices, underground conductors and devices, transformers, and any other apparatus, equipment and facilities (collectively, “Equipment”) necessary, essential, and/or used or useful to the distribution and sale of electric service through the City and to any other town or any portion of the county or to any other county (“Services”).

Additionally, the Company shall have the right to use the streets with its service and maintenance vehicles in furtherance of the Franchise. Prior to beginning the construction or installation of any new Equipment under the Franchise, the Company shall obtain any necessary

governmental permits for such construction or installation, copies of which it shall provide to the City. Work performed by the Company under the Franchise shall be performed in a workmanlike manner and in such a way as not to unnecessarily interfere with the public's use of City streets. Whenever the surface of any City street is opened, it must be restored at the expense of the Company within a reasonable time to a condition comparable to what it was prior to the opening thereof.

2. Definitions. Terms not defined but referred to herein shall be construed to reflect a common usage or the common usage as would apply in the electric service industry.

3. Term of Franchise; Termination. The Franchise shall be exclusive and shall continue for a period of twenty years from and after the effective date of this Agreement, as set forth in Section 5. The Company may, at its option, terminate the Franchise and this Agreement upon five (5) days' written notice if (a) the City breaches any of its obligations hereunder and such breach is not cured within thirty (30) days of the Company's notice to the City of such breach; (b) the Company is not permitted to pass through to affected customers all fees payable by it under Sections 9 and 10 herein; or (c) the City creates or amends any ordinance or regulation which, in the Company's sole discretion, would have the effect of (i) substantially altering, amending or adding to the terms of this Agreement, (ii) substantially impairing the Company's ability to perform its obligations under the Franchise in an efficient, unencumbered and profitable way; or (iii) preventing the Company from complying with applicable statutes or regulations, rules or orders issued by the Kentucky Public Service Commission. Without diminishing the Company's rights under this Section 3, the City agrees that to the extent it desires to pass or amend an ordinance or regulation which could have the effect of substantially (i) altering, amending, or adding to the terms of this Agreement; (ii) impairing the Company's ability to perform its obligations under the Franchise in an efficient, unencumbered and

profitable way; or (iii) preventing the Company from complying with applicable statutes or regulations, rules or orders issued by the Kentucky Public Service Commission, that it will first discuss such proposed ordinance or regulation with the Company and the parties shall negotiate in good faith regarding the same.

4. Territorial Extent of the Franchise. The Company is authorized to operate throughout all the territory within the corporate limits of the City for which it has a certificate of public convenience and necessity under state law.

5. Effective Date. This Agreement shall become effective 90 days after the execution hereof.

6. Compliance With City Regulations. Subject to Section 3 hereof, the Company will comply with all applicable provisions of lawful City ordinances and regulations (including any amendments thereto), unless such provisions (i) conflict with or impair the Company's ability to comply with any rule, regulation or order issued by the Kentucky Public Service Commission related to the Company's rates or services, or otherwise (ii) are preempted by the action of any authority with jurisdiction over the Company. To the extent any such provision requires the Company to incur costs in excess of those identified under either "Fee Option 2" or "Fee Option 3" set forth in Section 9 below, the Company shall be required to comply therewith only if and to the extent the Company is authorized by the Kentucky Public Service Commission (or its successor) to pass through such costs to the entities served by it inside the City's corporate limits.

7. Rights Reserved by City. Subject to the above provisions, the Franchise is expressly subject to the right of the City: (i) to repeal the same for misuse, nonuse, or the Company's failure to comply with applicable local, state or federal laws; (ii) to impose such other regulations as may be determined by the City to be conducive to the safety, welfare and

morals of the public; and/or (iii) to control and regulate the use of its streets, roads, alleys, bridges, public places and space about and beneath them.

8. Liability and Indemnification. The Company shall indemnify, defend, and hold harmless the City from and against claims by third parties asserted against the City that the Company's use of the public streets or the presence or operation of the Company's Equipment on or along said streets has caused damage to tangible property or bodily injury, if and to the extent such damage or injury is not caused by the City's negligence or misconduct.

9. Franchise Fees. As compensation for the Franchise granted to the Company, the City shall receive payment in accordance with one of three payment options, as set forth below. The City must notify the Company of the option it has selected within 10 days after the execution of this Agreement.

Fee Option 1: a total annual fee of up to three (3) percent of gross receipts per year from the Company's sale of electricity to electricity-consuming entities inside the City's corporate limits; *provided, however,* that such fee shall be payable by the Company only if and to the extent the Company is authorized by the Kentucky Public Service Commission (or its successor) to pass through such fee to the entities served by it inside the City's corporate limits; *and provided further* that prior to submitting an invoice to the Company for the above-referenced fee, the City shall provide the Company a list, in electronic format, of all electricity-consuming entities within the City limits that are to be served by the Company, which list shall be updated at least quarterly. The City shall provide the Company an updated list, in electronic format, quarterly. .

Fee Option 2: A total fixed annual payment, as set forth below.

Fee Option 3: A total one-time payment, as set forth below, payable on the date this Agreement is executed.

Class of City Ranking	Option 2 Annual Payment Per City	Option 3 One-time Payment Per City
2nd Class	\$ 1,000	\$ 6,240
3rd Class	\$ 500	\$ 3,120
4th Class	\$ 300	\$ 1,872
5th Class	\$ 200	\$ 1,248
6th Class	\$ 100	\$ 624

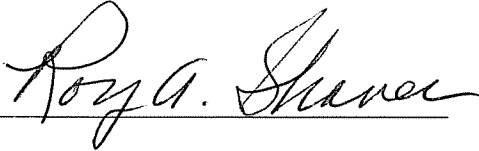
10. Other Fees. Any other fees assessed to the Company in connection with the Company's use of the City's public ways, including fees associated with permits and licenses of whatever nature, shall be payable by the Company only if and to the extent the Company is authorized by the Kentucky Public Service Commission (or its successor) to pass through such fees to the entities served by it inside the City's corporate limits

11 Insurance Bonds. The Company shall maintain in force through the term of the Franchise both general liability insurance and motor vehicle insurance, in accordance with all applicable laws and regulations.

[the remainder of this page is intentionally blank]

12. Rate Regulation. The Company agrees to charge such rate or rates as may from time to time be fixed by the Public Service Commission of Kentucky or any successor regulatory body.

Agreed to this 12th day of December, 2004.



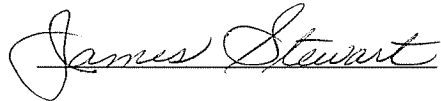
Mayor, City of Bremen



Vice President, RETAIL & GAS SERVICES OPERATIONS.

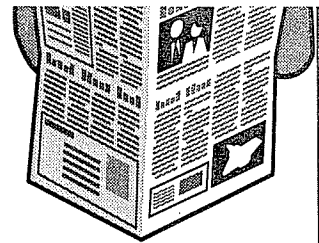
Notice of Sale of Franchise

By virtue of a resolution heretofore passed by the Council of the city of BREMEN, Kentucky, directing the advertisement for bids and selling of a franchise to use certain of the streets, alleys and public grounds of the city of BREMEN, Kentucky, for the purpose of owning, operating, equipping and maintaining a system for the transmission and distribution of electric energy, the City Clerk of the said City, will on December 11, 2004, at or about 10:00a.m., sell at public auction to the highest bidder at the City Hall of said City, a franchise for the purpose set out. Said franchise is more particularly described and fully defined in a proposed ordinance granting and creating the same and said proposed ordinance defines the terms and conditions upon which said sale shall be made, the full text of which is available for inspection in the office of the BREMEN City Clerk, Bremen, Kentucky. The ordinance by title and summary is as follows:
ORDINANCE#2004-5. AN ORDINANCE ESTABLISHING A FRANCHISE AGREEMENT RELATED TO THE TRANSMISSION AND DISTRIBUTION OF ELELCTRICAL ENERGY, AND THE PROVISION OF RETAIL ELECTRIC SERVICE IN AREAS HERETOFORE SERVED BY KENTUCKY UTILITIES.



City Clerk, Published November 24, 2004.

**SENT TO
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In County	Other Counties In Kentucky	Out Of State
\$13.00	\$14.00	\$16.00
6 Months	6 Months	6 Months

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OR

P. O. Box 471
Central City, KY 42330

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Name: _____

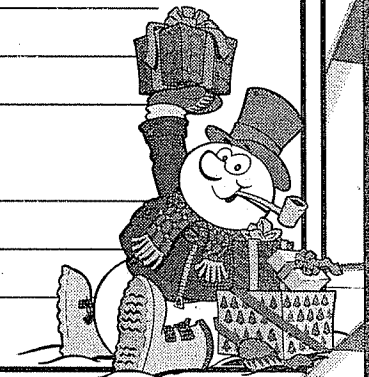
Address: _____

From: (Sender) _____

Address: _____

New

Renewal



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**LEGAL
NOTICES**

The following settlements have been filed in the Muhlenberg County District Court Office.

Petition to dispense with Administration, estate of Edna C. Matheny to Edwin S. Matheny, Executor.

**NOTICE OF SALE
OF FRANCHISE**

By virtue of a resolution heretofore passed by the Council of the city of Bremen, Kentucky, directing the advertisement for bids and selling of a franchise to use certain of the streets, alleys and public grounds of the city of Bremen, Kentucky, for the purpose of owning, operating, equipping and maintaining a system for the transmission and distribution of electric energy, the City Clerk of said City, will on December 11, 2004, at or about 10:00 am, sell at public auction to the highest bidder at the City Hall of said City, a franchise for the purpose set out. Said franchise is more particularly described and fully defined in a proposed ordinance granting and creating the same and said proposed ordinance defines the terms and conditions upon which said sale shall be made, the full text of which is available for inspection in the office of the Bremen City Clerk, Bremen, Kentucky. The ordinance by title and summary is as follows: ORDINANCE #2004-5 AN ORDINANCE ESTABLISHING A FRANCHISE AGREEMENT RELATED TO THE TRANSMISSION AND DISTRIBUTION OF ELECTRICAL ENERGY, AND THE PROVISION OF RETAIL ELECTRIC SERVICE IN AREAS HERETOFORE SERVED BY KENTUCKY UTILITIES.

James Stewart
Acting City Clerk

Leader-News

P.O. Box 471, Central City, KY 42330

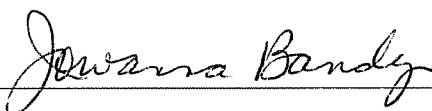
P.O. Box 138, Greenville, KY 42345

Phone: 270-754-3000

Fax: 270-754-9484

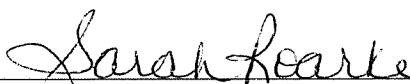
NEWSPAPER AFFIDAVIT

I, Jowanna Bandy, General Manager of the Leader-News Newspaper published at Central City and having the largest general circulation of any newspaper in Muhlenberg County, Kentucky do hereby certify that from my own knowledge and a check of the files of this newspaper that the advertisement of a Notice of Sale of Franchise for the City of Bremen concerning Kentucky Utilities Company was inserted in the Leader-News on November 24, 2004, Page B-7.



Subscribed And Sworn To Before Me By Jowanna Bandy This 20th Day of December, 2004.

My Comission Expires 9-5-08



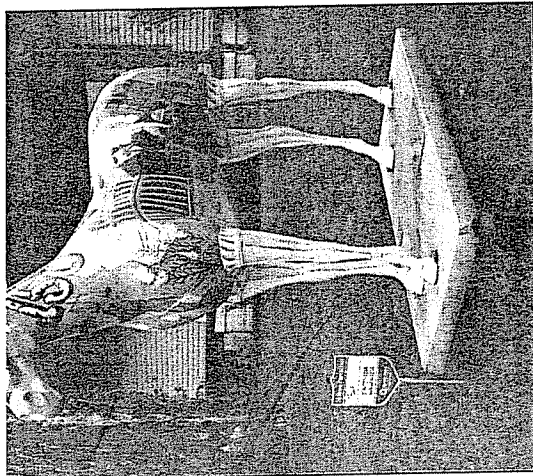
Sarah Roarke

NOTICE OF ORDINANCE GRANTING FRANCHISE

By virtue of a resolution heretofore passed by the Council of the City of Bremen, Kentucky, Kentucky Utilities Company has been awarded an electric franchise. Said franchise is more particularly described and fully defined in an ordinance granting and creating the same, the full text of which is available for inspection in the office of the Bremen City Clerk, Bremen, Kentucky. The ordinance by title and summary is as follows: ORDINANCE# 2004-5. AN ORDINANCE ESTABLISHING A FRANCHISE AGREEMENT RELATED TO THE TRANSMISSION AND DISTRIBUTION OF ELECTRICAL ENERGY AND THE PROVISION OF RETAIL ELECTRIC SERVICE IN AREAS HERETOFORE SERVED BY KENTUCKY UTILITIES COMPANY.

Barbara Robinson City Clerk,

Published 12-15-04.



Rep. Brent Yontis' Gallopalooza horse, "NIFTYONEFFTY"

Luzerne

Church News

For unto us a child is born, unto us a son is given, and the government shall be upon his shoulder; and his name shall be called wonderful, counsellor, the mighty God, the everlasting father, the prince of peace. Isaiah 9:6.

Prayer meeting and youth groups meet at 7 p.m., Dec. 15.

The Christmas party for Teamkids and Preschoolers will be held at noon, Dec. 18 at Greenville Pizza Hut. If riding the van, meet at the church at 11:45 a.m. We will leave Pizza Hut at 1:15 p.m. for the movies in Central City and children can be picked up from the church at 3:15 p.m.

The Christmas Cantata, Youth Christmas play and Children's Christmas with Santa will be Dec. 19.

A Candlelight Communion will be held between 6 and 7 p.m., Dec. 22.

Happy 50th anniversary to Odell and Rita Nelson.

This week's prayer list in-

cludes Bro. Roger and Becky, Deanna Brewster, Paulette Carver, Russell Carver, Kevin Cobb, Myrtle Engle, Henrietta Eubanks, Diana Faircloth, Cliff Erwin Hawkins, Paxton Hocker, Jonell House, Katlin Humphrey, Irvin and Carlene Jarvis, Guncell McGhee, Becky Miller, Paul Moore, Estelle Nelson, Jimmy Newman, Bill Peavler, Jason Peacock, Allen Price, Jeannie Rader, Susan Ramsey, Robbie and Natalie Revo, Loyce Rice, Jamie Rolley, Lloyd Rolley, Joey Smith, Jason Strader, Garmon Vincent, John Wesley, each other, our church, our military, our nation, our schools, our youth, the lost and the suffering.

Answer to last week's question: Isaiah 7:15

This week's question: Where are we first told that hell is beneath?

To add someone to the prayer list or to answer the question, call Lydia at 338-3830 or 543-4230.

GRANTING FRANCHISE

By virtue of a resolution heretofore passed by the Council of the City of Bremen, Kentucky, Kentucky Utilities Company has been awarded an electric franchise. Said franchise is more particularly described and fully defined in an ordinance granting and creating the same, the full text of which is available for inspection in the office of the Bremen City Clerk, Bremen, Kentucky. The ordinance by title and summary is as follows: ORDINANCE #2004-5. AN ORDINANCE ESTABLISHING A FRANCHISE AGREEMENT RELATED TO THE TRANSMISSION AND DISTRIBUTION OF ELECTRICAL ENERGY AND THE PROVISION OF RETAIL ELECTRIC SERVICE IN AREAS HERETOFORE SERVED BY KENTUCKY UTILITIES COMPANY.

Barbara Robinson, City Clerk

Classi
113 North Main • 338-
Hours: Mon 10 am

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Comi Gi

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CHRISTMAS
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(Made at the Sweet St)

Hours: Monday-F

"HAVE YE NOT READ"

Question: What does it cost to go to heaven?
Answer: It cost everything that stands in the way of receiving and accepting the grace of God.

In Luke 14:25-35, there is a long passage concerning the cost of discipleship. We may have to distance ourselves from family and friends, we may have to sacrifice fun, money, lust or other pursuits. Any way you view it, we must be willing to give it ALL up for Him who died for us. Even though Eph 2 describes the gift of grace, we must learn that it only comes through Jesus Christ, at our decision to accept the terms that Christ gave us through His word of truth.

Titus 2 teaches us that the grace of God hath appeared unto all men, but we also know that only a few will be willing to endure the hardships and sacrifices of discipleship. It is tragic that so many will miss out on Heaven because they are not willing to give up all.

But someone says, surely Jesus does not expect me to give up the things I love? Please read Matthew 19:21-22. This young man would not give up what he loved even when Jesus told him to. This young man went away sorrowful.

Jesus has a right to demand of us what He wishes and He has the right to command us to put Him before anything or anyone. If we want Heaven as our home, we will give up whatever stands between Jesus and us.

WILLOW GLEN CHURCH OF CHRIST

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Jimmy Jenkins

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Leader-News

P.O. Box 471, Central City, KY 42330

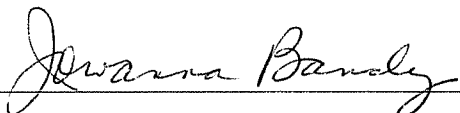
P.O. Box 138, Greenville, KY 42345

Phone: 270-754-3000

Fax: 270-754-9484

NEWSPAPER AFFIDAVIT

I, Jowanna Bandy, General Manager of the Leader-News Newspaper published at Central City and having the largest general circulation of any newspaper in Muhlenberg County, Kentucky do hereby certify that from my own knowledge and a check of the files of this newspaper that the advertisement of a Notice of Ordinance Granting Franchise for the City of Bremen concerning Kentucky Utilities Company was inserted in the Leader-News on December 15, 2004, Page B-15.



Subscribed And Sworn To Before Me By Jowanna Bandy This 20th Day of December, 2004.

My Commission Expires 9-5-08



Sarah Roarke

C
Street

ickly 40232

ENERGY[®]



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JAN 07 2005

PUBLIC SERVICE
COMMISSION

Elizabeth O'Donnell, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40601