



*Kent W. Blake*  
Director  
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December 21, 2004

**VIA HAND DELIVERY**

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

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PUBLIC SERVICE  
COMMISSION

**Re: Certificate of Convenience and Necessity - Kentucky Utilities Company -**  
**Case No. 2004 - 00518**

Dear Ms. O'Donnell:

Kentucky Utilities Company ("KU") hereby encloses the original and ten (10) copies of an Application for a Certificate of Convenience and Necessity ("CCN") for the replacement of electric franchises with ten (10) cities located within the Commonwealth of Kentucky and within the territorial boundaries of KU.

The cities are **Beaver Dam, Crofton, Eubank, Ferguson, Hodgenville, London, Lynch, Mortons Gap, Wallins, and White Plains**. For many years KU has been the owner of a franchise granted by each of these cities to erect and maintain facilities for providing electric service to the cities and the inhabitants thereof. KU requests that the Commission issue a CCN that will apply to all ten (10) franchise replacements.

KU would like to inform the Commission that in review of said franchises a lapse of proper procedure for franchise replacement was discovered.

- 1) The Beaver Dam, Crofton, Ferguson, Lynch, Mortons Gap, and White Plains franchises were replaced without obtaining a new CCN.
- 2) The Eubank, Hodgenville, and London franchises were replaced on a CCN, #99-298, that had expired.
- 3) The Wallins franchise was replaced on a CCN, #97-297, that had expired.

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KU regrets that the process for franchise replacement was not properly followed. As a result of an internal review, which included an examination by KU's Legal Department of every franchise held by KU, KU has implemented a strict protocol to insure there will be no further franchises obtained inappropriately. This protocol employs a check-and-balance system between the Regulatory Affairs, Retail Business and Legal lines-of-business to provide for timely applications of CCN's required to obtain franchises.

KU is enclosing, as Attachment 1, a copy of the LG&E/KU Protocol for Franchises for your review. Also enclosed please find the following:

- Attachment 2 – Beaver Dam franchise and ordinances creating and approving the franchise.
- Attachment 3 – Crofton franchise and ordinances creating and approving the franchise.
- Attachment 4 – Eubank franchise and ordinances creating and approving the franchise.
- Attachment 5 – Ferguson franchise and ordinances creating and approving the franchise.
- Attachment 6 – Hodgenville franchise and ordinances creating and approving the franchise.
- Attachment 7 – London franchise and ordinances creating and approving the franchise.
- Attachment 8 – Lynch franchise and ordinances creating and approving the franchise.
- Attachment 9 – Mortons Gap franchise and ordinances creating and approving the franchise.
- Attachment 10 – Wallins franchise and ordinances creating and approving the franchise.
- Attachment 11 – White Plains franchise and ordinances creating and approving the franchise.
- Attachment 12 - Application for CCN

In accordance with prior practice, KU has enclosed two (2) copies of Attachments 2-11. An original and ten (10) copies of Attachment 12 are also enclosed.

At your request, we would welcome an informal conference with Commission staff in order to more thoroughly address any concerns or questions.

If you have any questions regarding this matter, please feel free to contact me at your convenience.

Sincerely,



Kent W. Blake

Enclosures

cc: Anita Mitchell

**BEFORE THE  
PUBLIC SERVICE COMMISSION OF KENTUCKY**

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES COMPANY     )  
FOR A CERTIFICATE OF CONVENIENCE AND)     )  
NECESSITY TO APPLY FOR A FRANCHISE FROM     ) CASE NO. 2004-00518  
BEAVER DAM, CROFTON, EUBANK, FERGUSON,     )  
HODGENVILLE, LONDON, LYNCH, MORTONS GAP,     )  
WALLINS AND WHITE PLAINS     )

**APPLICATION**

The Applicant, Kentucky Utilities Company ("KU"), respectfully states:

1. The Post Office address of the principal office of KU is 220 West Main Street, Louisville, Kentucky 40202.

2. KU is engaged in the business of supplying electric service in and to various cities and the inhabitants thereof within the State of Kentucky and has conducted such business for a number of years. KU is and for many years has been the owner of a separate franchise granted by each of the Kentucky Cities of **Beaver Dam, Crofton, Eubank, Ferguson, Hodgenville, London, Lynch, Mortons Gap, Wallins and White Plains** (collectively, the "Cities") to erect along, over, under or across the public ways and grounds thereof KU's electric utility facilities used by KU in its supply of electric service in and to the Cities and the inhabitants thereof, which franchises by their terms, will expire.

3. KU owns sources of supply of electric energy now being furnished to customers in said Cities, and has distribution

facilities in said Cities, now used in furnishing electric service in said Cities.

4. KU has heretofore filed with the Commission a copy of its amended and restated Articles of Incorporation in Case No. 2003-00434.

5. There is and will continue to be a demand and need for electric service in and to such Cities and the inhabitants thereof; and KU desires to apply for and obtain from such Cities a franchise.

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

**WHEREFORE**, KU asks that the Commission enter an Order, granting to KU a Certificate of Convenience and Necessity to bid for and acquire the described franchise from the Cities identified in paragraph 2 above.

Dated at Louisville, Kentucky this 21<sup>st</sup> day of December, 2004.

State of Kentucky )  
 ) SS:  
County of Jefferson )

Kent Blake states that he is Director, State Regulation & Rates of LG&E Energy Services Inc., which includes Kentucky Utilities Company; that he has read the foregoing Application; and that the statements contained are true as he verily believes.

Kent W. Blake

Kent W. Blake

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 21<sup>st</sup> day of December, 2004.

Notary Public Tammy J. Elzy

My Commission expires: \_\_\_\_\_

