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SEP 21 2009

PUBLIC SERVICE
COMMISSION

2009-00379

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

Kentucky Utilities Company
Legal Department
220 West Main Street
Louisville, Kentucky 40202
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September 18, 2009

RE: Application of Kentucky Utilities Company for a Certificate of Public Convenience and Necessity Authorizing KU to Bid on a Franchise Established by the City of Owenton

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 Kentucky Utilities Company (the "Company") to apply for an electric franchise with the City of Owenton (the "City") pursuant to KRS 278.020(4). In a regular session held on September 1, 2009, the City Council of Owenton, Kentucky passed Ordinance No. 684, which directed the advertising for bids and selling of an electric franchise in the City. We respectfully ask for an order granting the CCN by October 1, 2009 to enable KU to bid on the franchise on the sale date of October 1, 2009.

For many years, the Company has been the owner of a franchise granted by the City to erect facilities for providing electric service to the City and the inhabitants thereof. 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,

Allyson K. Sturgeon

Enclosures

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**PUBLIC SERVICE
COMMISSION**

**BEFORE THE
KENTUCKY PUBLIC SERVICE COMMISSION**

In the Matter of:

**APPLICATION OF KENTUCKY UTILITIES COMPANY)
FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND)
NECESSITY AUTHORIZING KU TO BID ON A)
FRANCHISE ESTABLISHED BY THE CITY OF)
OWENTON)**

CASE NO. 2009-00379

APPLICATION

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

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

2. KU is a utility engaged in the business of supplying 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 KU to pursue its bid on a new franchise for which the City of Owenton, Kentucky (the "City") has solicited bids pursuant to resolution or ordinance and advertisement, a copy of which is attached hereto as Exhibit A.

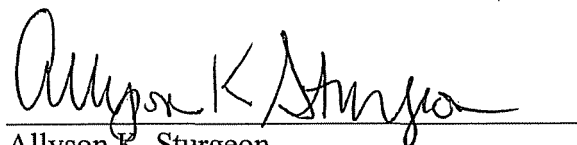
4. A certified copy of KU's Articles of Incorporation is already on file with the Commission in Case No. 2005-00471 and is incorporated herein by reference pursuant to 807 KAR 5:001, Section 8(3).

5. There is and will continue to be a demand and need for electric service in the areas of the City subject to the franchise, and KU desires to obtain a franchise in accordance with the bidding protocol established by the City.

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

WHEREFORE, Kentucky Utilities Company asks that the Commission enter an Order granting to KU a Certificate of Public Convenience and Necessity to bid for and acquire a franchise from the City by October 1, 2009 to enable KU to bid on the franchise on the sale date of October 1, 2009.

Dated at Louisville, Kentucky, this 18th day of September, 2009.



Allyson K. Sturgeon
Senior Corporate Counsel
Kentucky Utilities Company
220 West Main Street
Louisville, Kentucky 40202
(502) 627-2088

Exhibit A

LEGAL NOTICES

NOTICE OF SALE OF FRANCHISE

By virtue of a resolution heretofore passed by the Council of the city of Owenton, Kentucky, directing the advertisement for bids and selling of a franchise to use certain streets, alleys, and public grounds of the city of Owenton, Kentucky for the purpose of owning, operating, equipping and maintaining a system for the transmission and distribution of electric energy. The City Clerk of Owenton will on October 1, 2009, at or about 9:00 a.m., sell at public auction to the highest bidder at the City Hall of Owenton 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 Owenton City Clerk, 220 South Main Street, Owenton, Kentucky. The ordinance by title and summary is as follows: **ORDINANCE # 684. 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.**
Laura R. Aldridge, City Clerk/Treasurer

**NOTICE OF SALE
COMMONWEALTH OF KENTUCKY
UNIFIED COURT OF JUSTICE**

**OWEN CIRCUIT COURT CIVIL ACTION # 09-CI-00097
VANDERBILT MORTGAGE AND FINANCE, PLAINTIFF VS.
HUSTON L. MCFARLAND, ETAL, DEFENDANTS**
By virtue of a Judgment and Order of Sale rendered in the Owen Circuit Court on the 25th day of August, 2009 I will sell at public auction to the highest and best bidder on the front steps of the Owen County Courthouse, at the hour of 10:00 a.m., on Saturday, October 3, 2009, the following described property:
A tract of land lying and being in Owen County, Kentucky, located about one-half mile west of Jonesville, on the Stewart's Ridge Road, and described as follows:
Beginning at a point in the center of the Stewart's Ridge Road, corner to Sam Satterwhite and Roscoe Jones, thence leaving the road S 3 1/4 W 7.27 poles to a stake, thence N 86 3/4 W 2.06 poles to a stake in fence, thence S 2 3/4 W 125.8 poles to a post, corner to Jones and Druise Osborne, thence N 86 3/4 W 64.2 poles to a post, corner to Osborne and Headley Green, thence N 3 1/2 E 121.78 poles to a point in the center of the road, corner to Green and Maude Cobb, thence following the center of the road N 89 1/4 E 18.54 poles, thence N 81 1/2 E 7.9 poles, thence N 67 E 17.48 poles, thence S 87 1/4 E 23 poles to the beginning, containing 51.21 acres, according to survey made March 8, 1949, for Roscoe Jones by Ven L. Vallandingham, Surveyor.
Trapp Farm Division, Plat Cabinet 296, Tract #14 (Fourteen) 1.0770 acres, more or less as recorded in the Owen County Clerk's Office on August 13, 1999 in Owen County, Kentucky.
Grantors hereby reserve utility easements of 50' in width as measured from the centerline of the county road for roadway expansion on the front; and 20' in width as measured from the lot line on the sides and in the back of the lot for utilities. There is imposed a 65' set back line from Stewart Ridge Road and Burley Lane and no building or structure shall be erected within such set back.
Being the same property conveyed to Steven W. Aulbach, by deed dated April 15, 1999, recorded April 15, 1999 in Deed Book 190, page 610 in the Owen County Clerk's Office.
There is included in this conveyance a 2006 Chevrolet

**NOTICE OF SALE
COMMONWEALTH OF KENTUCKY
UNIFIED COURT OF JUSTICE**

**OWEN CIRCUIT COURT CIVIL ACTION # 09-CI-00067
WELLS FARGO BANK, N.A., PLAINTIFF VS.
DOUG SCHADLER, ETAL, DEFENDANTS**
By virtue of a Judgment and Order of Sale rendered in the Owen Circuit Court on the 25th day of August, 2009 I will sell at public auction to the highest and best bidder on the front steps of the Owen County Courthouse, at the hour of 10:00 a.m., on Saturday, October 3, 2009, the following described property:
Lying and being in Owen County, Kentucky on the West side of Webster Road, 0.25 miles North of Shirley Lane and being more particularly described as follows, to-wit: Beginning at a P.K. Nail set in the center of Webster Road, a corner to Wanda Wright and a 7.8845 acre tract of the Grantor; thence with the center of said road, S 17° 18' 44" E - 61.22 feet; thence S 35° 18' 25" E - 221.03 feet; thence S 32° 36' 54" E - 87.69 feet; thence S 26° 18' 03" E - 77.75 feet; thence S 19° 00' 51" E - 82.16 feet to a P.K. nail set in the center of Webster Road, and being the Southeast corner of a 7.8845 acre tract and the Real Place of Beginning for this conveyance; thence leaving the center of said road and with the south line of said 7.8845 acre tract, S 82° 28' 10" W - 910.87 feet to an iron pin set in the line of feet to an iron pin set, said point being the Northwest corner of a 4.6236 acre tract; thence leaving Tuttle's line and with the North line of said tract and the North line of Steve Wright, N 85° 56' 15" E - 510.86 feet to a P.K. nail set in the center of Webster Road; thence with the center line of said road, N 40° 09' 06" E - 232.89 feet; thence N 35° 44' 15" E - 152.27 feet; thence N 38° 34' 47" E - 92.44 feet; thence N 32° 48' 55" E - 41.25 feet; thence N 15° 51' 35" E - 32.02 feet; thence N 06° 56' 32" W - 47.30 feet to the real place of beginning containing 7.3162 acres more or less exclusive of all right of ways and easements of record. The above description is in accordance with a survey made by Cahill & McLaferthy Surveyors, Inc. on November 20, 1992.
There is included in this conveyance the manufactured home located on and affixed to the real property described above.
Being the same property conveyed to Doug Schadler and Shirley Schadler, husband and wife, from Darrel G. Schell and Lois J. Schell, husband and wife, by deed dated April 13, 2001 and filed for record on September 17, 2001 in Deed Book 199, page 447 in the Office of the Owen County Clerk.
The amount of money to be raised and for which this sale is being made is the sum of \$11,926.02 adjudged due to plaintiff on its first lien on the property, together with interest thereon at the rate of \$2.16 per day, from May 1, 2009, until paid.
The real estate shall be sold on the terms of 10% cash at the time of the sale, with the balance payable within 30 days, except that the deposit shall be waived if plaintiff is the successful bidder. Any purchaser, other than the plaintiff shall be required to execute bond, with surety thereon acceptable to the Master Commissioner, to secure the unpaid balance of the purchase price, and said bond shall bear interest at the rate of 12% per annum from the date of the sale until paid, and shall have the same force and effect as a judgment and shall remain and be a lien on the property until paid. The purchaser shall have the privilege of paying all or part of the balance of the purchase price prior to the 30 day period.
It is further provided that the property sold contains insurable improvements and the successful bidder at said sale shall, at bidder's expense, procure a policy of fire and

NOTICE TO CUSTOMERS OF KENTUCKY UTILITIES COMPANY

PLEASE TAKE NOTICE that on or around September 28, 2009, Kentucky Utilities Company ("KU") will the Kentucky Public Service Commission ("Commission"), an Application pursuant to Kentucky Revised Statutes 271 approval of (a) two purchase power agreements for wind power and (b) pursuant to Kentucky Revised Statutes 271 ratemaking mechanism for the recovery of its monthly expense associated with the purchase of wind power under purchase power agreements.

The ratemaking mechanism proposed by KU, titled "Renewable Resource Clause," is shown below:

- (1) The charge per kWh delivered under the rate schedules to which the RRC applies shall be increased decreased during each month according to the following formula:

$$\text{Adjustment Factor} = \frac{RP}{S}$$

- (2) Renewable Purchases (RP) are the sum of the most recent actual monthly costs of:

- (a) The Company's purchases of Eligible Renewable Energy and all other costs imposed on the Company under the Company's contract(s) for Eligible Renewable Energy, less any revenues the Company receives for reselling Eligible Renewable Energy;
- (b) The cost of firm transmission service to deliver Eligible Renewable Energy to the Company's control area;
- (c) The cost of Locational Marginal Pricing adjustments to transmission service to reflect congestion in the control area of a Regional Transmission Organization (RTO);
- (d) Other transmission charges or adjustments imposed by an RTO; and
- (e) The amount by which items (a), (b), (c), and (d) were under- or over-collected in the Current Period.

- (3) Sales (S) are all kWh sold to the Company's retail customers.

- (4) Eligible Renewable Energy is all energy generated using renewable resources and purchased by the Company under contracts or other purchasing arrangements approved by order(s) of the Kentucky Public Service Commission.

- (5) The Current Period is the second month preceding the month in which the RRC is billed (e.g., if the RRC is billed in August, the Current Period is June).

KU is proposing the Renewable Resource Clause Rate Schedule become effective on and after October 30, 2009. The proposed ratemaking mechanism, if approved, will allow KU to recover the cost of the contract price of generated wind power pursuant to the proposed two wind contracts plus the invoice price of transmission service including adjustments.

The estimated impact on a residential customer using 1,000 kilowatt hours per month is expected to be a decrease of \$0.92 per month for KU customers in 2009.

The Application and Renewable Resource Clause Rate Schedule described in this Notice are proposed to the Kentucky Public Service Commission. However, the Public Service Commission may make an order modifying or denying KU's Application or may order a