

February 20, 2017

Dr. Talina Mathews Executive Director Public Service Commission of Kentucky 211 Sower Boulevard Frankfort, Kentucky 40602

RECEIVED

FEB 21 2017

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 F 502-217-4995 allyson.sturgeon@lge-ku.com

Case No. 2017-00083

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 Loyall

Dear Dr. Mathews:

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 Loyall (the "City") pursuant to KRS 278.020(5). In a public meeting held on February 13, 2017, the City Council of Loyall, Kentucky passed Ordinance No. 2017-001, which directed the advertising for bids and selling of an electric franchise in the City. 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 the City on or before March 3, 2017.

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

BEFORE THE RECEIVED

FEB 21 2017

PUBLIC SERVICE COMMISSION

APPLICATION OF KENTUCKY UTILITIES COMPANY)FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND)NECESSITY AUTHORIZING KU TO BID ON A) CFRANCHISE ESTABLISHED BY THE CITY OF)LOYALL, KENTUCKY)

In the Matter of:

)) CASE NO. 2017-00083

APPLICATION

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

 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 Loyall, 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. 2010-00204 and is incorporated herein by reference pursuant to 807 KAR 5:001, Section 14(2)(a).

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 on or before March 3, 2017.

x

Dated at Louisville, Kentucky, this 17th day of February, 2017.

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

Exhibit A

COMMONWEALTH OF KENTUCKY CITY OF LOYALL

ORDINANCE NO.2017-001

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 LOYALL KENTUCKY: FOR FURNISHING AND SELLING ELECTRICITY BY MEANS OF SAID FACILITIES; AND PROVIDING FOR THE SALE OF SAID FRANCHISE.

WHEREAS, the City of Loyall ("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 franchise granted to and acquired by Kentucky Utilities Company on May 12,

1997, under which that utility provided such service, will expire by its terms May 12, 2017

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:

<u>Section 1</u>. 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.

<u>Section 2</u>. 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.

<u>Section 3</u>. 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.

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<u>Section 4</u>. 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 <u>Section 1</u> above and attached hereto, such Agreement to contain terms "that are fair and reasonable to the City, to the purchaser of the Franchise and to the patrons of the utility" (KRS Section 96.010). Such Franchise Agreement shall become effective with bills rendered May 12, 2017 and upon expiration of the existing franchise agreement, to allow the City and the winning 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.

<u>Section 6.</u> 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 shall 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.

<u>Section 8</u>. This Ordinance shall become effective from and after its passage and publication. Read at a meeting of the Loyall City Council on the _9th__ day of __January_____, 20__17__; a second reading was held on the _13th__ day of __February_____, 20__17__; said Ordinance was READ and APPROVED on the __13th___ day of

____February_____, 20__17__.

CLARENCE LONGWORTH SR.

ATTESTED BY: **LUNSFORD**, CIT

Harlan Daily Enterprise

NEWS/CLASSIFIEDS

Thursday, February 16, 2017 9

How to discern facts from 'alternative facts' **By Danielle Ray** HOW TO SPOT FAKE NEWS Few have a lot of confidence in information from The Rural Blog professional news outlets or friends and family, though In an age where it is increasingly easier to majorities show at least some trust in both make one's news intake CONSIDER THE SOURCE **READ BEYOND** % of L'S adults who trust the information they get from an echo chamber, with Chick away from the story to investigate Headlines can be outrageous in an effort sources that confirm the site, its mission and its contact info. to get clicks. What's the whole story? beliefs rather than Net Alot Some 三日 inform, it's more imporand mount and 0.00 · ····· famour · Accepting applications for RN & LPN LEGALS We offer a very competitive pay & benefit package, including: NOTICE OF SALE OF FRANCHISE \$1000.00 sign-on bonus By virtue of an ordinance heretofore passed by the Council of the By virtue of an ordinance heretofore passed by the Council of the City of Loyall, Kentucky, directing the advertisement for bids and selling of a franchise to use certain streets, alleys, and public grounds of the City of Loyall, Kentucky for the purpose of own-ing, operating, equipping and maintaining a system for the trans-mission and distribution of electric energy. The City Clerk of Loy-all will on March 13, 2017, at or about 7 pm, sell at public auc-tion to the highest bidder at the City Hall of Loyall, a franchise for the purpose set out. Said franchise is more particularly de-scribed and fully defined in a proposed ordinance oranting and Shift differentials of up to \$3.00 per hour Paid vacation days (10 days after one year and days increased with years of service) 8 paid holidays Paid sick time Affordable health insurance, including dental & vision Company paid life insurance scribed 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 City of 401-k benefits **Company paid CEUs** Loyall, City Clerk, 306 Carter Ave, Loyall, Kentucky. The ordin-ance by title and summary is as follows: ORDINANCE # 2017-001 . AN ORDINANCE ESTABLISHING A FRANCHISE AGREE-MENT RELATED TO THE TRANSMISSION AND DISTRIBU-Please contact Julie Bolin, Director of Nursing, (jubolin@hsimal.com) or come by for application & interview TION OF ELECTRICAL ENERGY, AND THE PROVISION OF RETAIL ELECTRIC SERVICE IN AREAS HERETOFORE or for more information SERVED BY KENTUCKY UTILITIES COMPANY. Equal Opportunity Employer City Clerk, Lisa Lunsford - published 2-16-17