

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF KENTUCKY POWER COMPANY)
FOR A CERTIFICATE OF CONVENIENCE AND)
NECESSITY AUTHORIZING THE APPLICANT TO) CASE NO. 9599
OBTAIN A FRANCHISE IN THE CITY OF PHELPS,)
PIKE COUNTY, KENTUCKY)

O R D E R

On June 3, 1986, Kentucky Power Company ("Kentucky Power") filed with the Commission its application seeking a certificate of convenience and necessity to qualify it to bid on an electric franchise in the city of Phelps, Kentucky. Under the provisions of KRS 278.020(3), no utility may apply for a franchise from any governmental agency until it has obtained a certificate of convenience and necessity from this Commission based on our finding that there is a need and demand for the services sought to be rendered.

The Commission finds that there is a need and demand for electric service in the above mentioned city. Since the Commission's authority in such matters is limited by statute to finding only whether there is a need and demand for the service sought to be rendered, no finding or determination is made as to the validity of any of the provisions of the franchise offered by said city or the manner in which any franchise fee is to be treated for rate purposes.

IT IS THEREFORE ORDERED that:

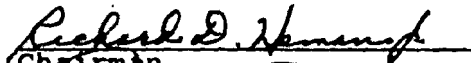
1. Kentucky Power be and it hereby is granted a certificate of convenience and necessity which authorizes it to bid on an electric franchise in the city of Phelps, Kentucky.

2. Kentucky Power, if it becomes the successful bidder, shall file with this Commission copies of the said franchise.

3. This Order shall not be construed as granting a certificate of convenience and necessity to construct utility facilities in said city.

Done at Frankfort, Kentucky, this 16th day of June, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary