

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In re the Matter of:

**JOINT PETITION OF LOUISVILLE GAS AND ELECTRIC)
COMPANY AND KENTUCKY UTILITIES COMPANY)
TO EXEMPT SHORT-TERM RESIDENTIAL AND) CASE NO. 2015-00350
AGRICULTURAL LEASES FROM REQUIREMENT OF)
KENTUCKY PUBLIC SERVICE COMMISSION IN)
CASE NO. 2002-00029 OF PRIOR APPROVAL OF ALL)
SALES AND LEASES OF ANY LAND LOCATED ON)
EXISTING GENERATION SITES)**

**JOINT PETITION OF LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY TO EXEMPT SHORT-TERM RESIDENTIAL
AND AGRICULTURAL LEASES FROM REQUIREMENT OF PRIOR APPROVAL OF
ALL SALES OR LEASES OF ANY LAND ON EXISTING GENERATION SITES**

Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities Company (“KU”) (collectively, the “Companies”), hereby petition the Kentucky Public Service Commission (“Commission”) pursuant to 807 KAR 5:001, Section 14, for an order exempting short-term residential and agricultural leases from the requirement that the Companies seek Commission approval prior to entering into a sale or lease of any land located on an existing generation site.

In support of their Application, the Companies state as follows:

1. The full name and mailing address of KU are: Kentucky Utilities Company, Post Office Box 32010, 220 West Main Street, Louisville, Kentucky 40202. KU may be reached by electronic mail at the electronic mail addresses of its counsel set forth below.
2. The full name and mailing address of LG&E are: Louisville Gas and Electric Company, Post Office Box 32010, 220 West Main Street, Louisville, Kentucky 40202. LG&E may be reached by electronic mail at the electronic mail addresses of its counsel set forth below.
3. KU is a utility engaged in the electric business. KU generates and purchases

electricity, and distributes and sells electricity at retail in the following counties in Central, Northern, Southeastern and Western Kentucky:

Adair	Edmonson	Jessamine	Ohio
Anderson	Estill	Knox	Oldham
Ballard	Fayette	Larue	Owen
Barren	Fleming	Laurel	Pendleton
Bath	Franklin	Lee	Pulaski
Bell	Fulton	Lincoln	Robertson
Bourbon	Gallatin	Livingston	Rockcastle
Boyle	Garrard	Lyon	Rowan
Bracken	Grant	Madison	Russell
Bullitt	Grayson	Marion	Scott
Caldwell	Green	Mason	Shelby
Campbell	Hardin	McCracken	Spencer
Carlisle	Harlan	McCreary	Taylor
Carroll	Harrison	McLean	Trimble
Casey	Hart	Mercer	Union
Christian	Henderson	Montgomery	Washington
Clark	Henry	Muhlenberg	Webster
Clay	Hickman	Nelson	Whitley
Crittenden	Hopkins	Nicholas	Woodford
Daviess			

4. LG&E is a utility engaged in the electric and gas business. LG&E generates and purchases electricity, and distributes and sells electricity at retail in Jefferson County and portions of Bullitt, Hardin, Henry, Meade, Oldham, Shelby, Spencer, and Trimble Counties. LG&E also purchases, stores, and transports natural gas and distributes and sells natural gas at retail in Jefferson County and portions of Barren, Bullitt, Green, Hardin, Hart, Henry, Larue, Marion, Meade, Metcalfe, Nelson, Oldham, Shelby, Spencer, Trimble, and Washington Counties.

5. KU was incorporated in Kentucky on August 17, 1912, and in Virginia on November 26, 1991 (and effective as of December 1, 1991), and is in good standing in both Kentucky and Virginia. Copies of KU's good standing certificates from the Kentucky Secretary of State and the Virginia State Corporation Commission were filed in Case No. 2015-00194 and are hereby incorporated by reference into this proceeding.

6. LG&E was incorporated in Kentucky on July 2, 1913, and is currently in good standing in Kentucky. A copy of LG&E's good standing certificate from the Kentucky Secretary of State was filed in Case No. 2015-00194 and is hereby incorporated by reference into this proceeding.

7. Copies of all orders, pleadings and other communications related to this proceeding should be directed to:

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8. On June 11, 2002, the Commission issued an order stating:

... The Commission recognizes that the land available for new generation at the utilities' existing generating sites is finite. We also realize this land is very valuable to the utilities and their customers due to the existing infrastructure that includes both natural gas pipelines and electric transmission lines. Because of the finite nature and value of these sites, we find that LG&E and KU should seek Commission approval prior to entering into the sale or lease of any land located on an existing generation site.

In the Matter of Application of Louisville Gas and Electric Company and Kentucky Utilities

Company for a Certificate of Public Convenience and Necessity for the Acquisition of Two Combustion Turbines, Case No. 2002-00029, p. 6 (June 11, 2002).

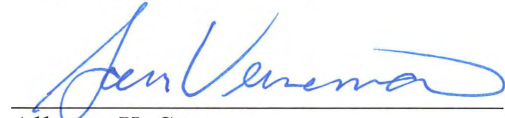
9. The Companies own land located on generation sites that is not currently needed for construction of generation facilities. Rather, it is typically used as buffer, fill or borrow, or is designated for future use. This land is located outside of the security fence. In cases where the land is designated for future use, the Companies would prefer to allow others to farm the land until it is needed for construction, or to have existing homes occupied until demolition begins. Prior to the 2002 Order requiring Commission approval of any sale or lease of land located on a generation site, the Companies sometimes entered into short-term (usually one-year or less) residential or agricultural leases for these areas. The rent paid under the leases was nominal, but the leases provided significant value to the Companies and the surrounding communities in other ways. For instance, the lessees were required to maintain the property, which reduced the Companies' operational costs while also benefitting the neighbors in terms of aesthetics/upkeep of the property. Ensuring that the land was occupied or farmed also discouraged vandalism, dumping, loitering, etc. These residential and agricultural leases did not interfere with plant operation at the generation sites in any way.

10. Given the low monetary value of the leases, their short length, and the frequency with which the Companies may need to enter into these types of leases, it is administratively burdensome and uneconomical for the Companies to file petitions for Commission approval of these leases, and for the Commission to review those petitions and issue orders granting such approval. Thus, the Companies stopped entering into these types of leases after the 2002 Order requiring prior Commission approval. The Companies have recently revisited this issue, and because they believe these types of leases are of such benefit to the community, the Companies

now seek the requested exemption.

WHEREFORE, Louisville Gas and Electric Company and Kentucky Utilities Company (collectively, the “Companies”) respectfully request that the Commission enter an order exempting short-term residential and agricultural leases from the requirement that the Companies obtain Commission approval prior to entering into a sale or lease of any land located on an existing generation site.

Respectfully submitted,



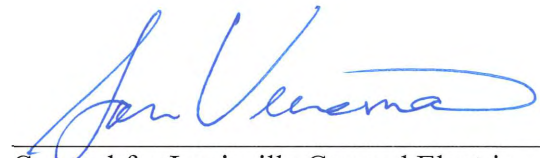
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CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001 Section 8(7), this is to certify that Kentucky Utilities Company and Louisville Gas and Electric Company's October 30, 2015 electronic filing of their Joint Petition is a true and accurate copy of the documents being filed in paper medium; that the electronic filing has been transmitted to the Commission on October 30, 2015; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; that an original of the filing is being hand delivered to the Commission on October 30, 2015; and that a copy of the filing is being mailed by first class U.S. mail, postage prepaid, on October 30, 2015, to the following:

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