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COMMISSION

Ms. Stephanie L. Stumbo  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

**Kentucky Utilities Company**  
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P.O. Box 32030  
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2008-00554

**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 Stanford, Kentucky**

Dear Ms. Stumbo:

Enclosed please find an original and 10 copies of the 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 Stanford, Kentucky (the "City") pursuant to KRS 278.020(4). The City held a Special Session on December 15, 2008 to introduce a resolution providing for notice of the sale of an electric franchise for the City.

For many years, the Company has been the owner of a separate 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 current franchise.

If you have any questions, please do not hesitate to contact me.

Very truly yours,

Allyson K. Sturgeon  
Senior Corporate Counsel

Enclosures

BEFORE THE  
KENTUCKY PUBLIC SERVICE COMMISSION

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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 )  
STANFORD, KENTUCKY )

CASE NO. 2008- 554

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 Stanford, Kentucky ("City") has solicited bids pursuant to a resolution and advertisement, a copy of which is attached hereto as Exhibit A.

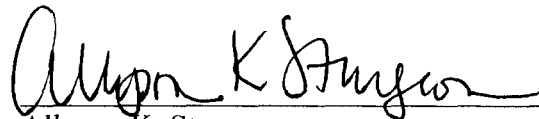
4. A certified copy of KU's Articles of Incorporation is already on file with the Commission in Case No. 2005-00471 and is incorporated herein by reference pursuant to 807 KAR 5:001, Section 8(3).

5. There is and will continue to be a demand and need for electric service in the area 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 a copy 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.

Dated at Louisville, Kentucky, this 23<sup>rd</sup> day of December, 2008.



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

The City Council of Stanford Kentucky met in Special Session at City Hall in Stanford on the 15<sup>th</sup> day of December, 2008.

The Council Members present at the special meeting were Tim Estes, Bobby Wilkinson, Mike Southerland and Eddie Carter. Steve Lucas and Scottie Ernst were absent.

The Mayor announced that a quorum was present and the meeting was open for the listed transaction of business.

Thereupon the following Resolution was introduced by Council Member Mike Southerland:

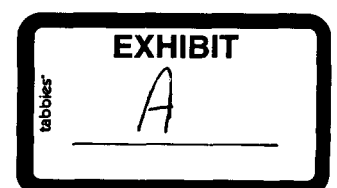
WHEREAS the current franchise for electrical services in that portion of the City of Stanford, which is now served by Kentucky Utilities will expire on January 1, 2009, as will the 3% tax on utility service, and in order to continue the income to the City, it will be necessary to sell a new franchise to become effective January 1, 2009 with the expiration of the old franchise; and

WHEREAS, certain parties are desirous of obtaining a franchise for the right to use certain areas of the streets, alleys and public grounds in Stanford for the construction, maintenance and operation as hereinafter described, of facilities for use in the transmission and distribution of electrical energy in certain parts of the City; and

WHEREAS it is the opinion of this body that it is to the best interest of the City that such franchise be advertised, sold and granted according to law;

BE IT THEREFORE RESOLVED that such franchise be, the same is, hereby defined and the terms and conditions upon which same is to be granted and enjoyed are specified, all as set forth in the Ordinance introduced herewith; 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 Stanford City Clerk, 305 East Main Street, Stanford, Kentucky. That the City Clerk be, and is hereby authorized and directed to offer said franchise for sale at public outcry to the highest and best eligible bidder under the terms of KRS 278.016, 278.017 and 278.018 and related statutes (hereinafter called "best eligible bidder") in accordance with the terms and conditions set forth in said franchise; and that the City Clerk, after having advertised for sale and sold said franchise be, and here is, hereby directed to report this action to a subsequent meeting of this body.

BE IT FURTHER RESOLVED that the terms and conditions of said franchise are set forth in the Ordinance now introduced, in summary as follows:



AN ORDINANCE

THE CITY COUNCIL OF THE CITY OF STANFORD, LINCOLN COUNTY, KENTUCKY DOES ORDAIN AS FOLLOWS:

Ordinance #450-1-09 AN ORDINANCE CREATING A FRANCHISE FOR THE ERECTION, LAYING AND MAINTENANCE OF ELELCTRICLA FACILITES AND EQUIPMENT IN, ALONG AND ACROSS THE CITY OF STANFORD KENTUCKY FOR FURNISHING AND SELLING ELECTRICITY BY MEANS OF SAID FACILITIES; AND PROVIDING FOR THE SALE OF SAID FRANCHISE.

Adopted, after second reading at a meeting of the Stanford City Council, Stanford, Kentucky on

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Sandy Gooch

City Clerk/ Treasurer

**NOTICE OF SALE  
OF FRANCHISE**

By virtue of an ordinance heretofore passed by the Council of the City of Stanford, Kentucky, directing the advertisement for bids and selling of a franchise to use certain streets, alleys, and public grounds of the City of Stanford, Kentucky for the purpose of owning, operating, equipping and maintaining a system for the transmission and distribution of electric energy, the City Clerk of Stanford, will on Jan. 6, 2009, at or about 6:30 p.m., sell at public auction to the highest bidder at the City Hall of Stanford, 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 Stanford City Clerk, Main Street, Stanford, Kentucky. The ordinance by title and summary is as follows: ORDINANCE #450-1-09. AN ORDINANCE CREATING A FRANCHISE FOR THE ERECTION, LAYING AND MAINTENANCE OF ELECTRIC FACILITIES AND EQUIPMENT IN, ALONG AND ACROSS THE PUBLIC WAYS, ROADS, STREETS, ALLEYS AND OTHER PUBLIC PLACES IN THE CITY OF STANFORD, KENTUCKY; FOR FURNISHING AND SELLING ELECTRICITY BY MEANS OF SAID FACILITIES; AND PROVIDING FOR THE SALE OF SAID FRANCHISE. Adopted, after second reading, at a meeting of the City Council of Stanford, Kentucky.

Sandy Gooch,  
City Clerk  
City of Stanford  
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