

129 FERC ¶ 61,099  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;  
Sudeen G. Kelly, Marc Spitzer,  
and Philip D. Moeller.

Kentucky Utilities Company

Docket No. ER08-1588-000

Frankfort Electric and Water Plant Board  
City of Barbourville, Kentucky  
City of Bardstown, Kentucky  
City of Bardwell, Kentucky  
City of Benham, Kentucky  
City of Berea, Kentucky  
City of Corbin, Kentucky  
City of Falmouth, Kentucky  
City of Madisonville, Kentucky  
City of Nicholasville, Kentucky  
City of Paris, Kentucky  
City of Providence, Kentucky  
Complainants

Docket No. EL09-6-000

v.

Kentucky Utilities Company  
Respondent

ORDER ON UNCONTESTED PARTIAL SETTLEMENT

(Issued November 2, 2009)

1. On May 6, 2009, Kentucky Utilities Company (Kentucky Utilities) filed an Offer of Partial Settlement (Settlement) to resolve all issues set for hearing in the above captioned dockets, save one issue that is currently before the Commission. The issue currently before the Commission is the just and reasonable treatment of renewable

resources under the applicable service agreements. This Settlement revised the rates, terms and conditions under which Kentucky Utilities provides Kentucky Municipals<sup>1</sup> with requirements electric service. The Settlement implements a formula rate for the charges for requirements electric service and states that the rate will be automatically updated on July 1 of each year based on the costs reflected in Kentucky Utilities' annual FERC Form 1 filing for the preceding calendar year.

2. On May 26, 2009, Commission Trial Staff filed initial comments supporting the Settlement. No other comments were filed. The presiding judge certified the Settlement to the Commission as uncontested on June 10, 2009.<sup>2</sup>

3. The Settlement provides “[o]nce the Commission has approved this Settlement Agreement and the Settlement Rates described herein, nothing in this Settlement Agreement shall waive the rights of K[entucky] U[tilities] or the Kentucky Municipals to make appropriate filings pursuant to the applicable provisions of the Federal Power Act and the Commission’s regulations to seek to change the Settlement Rates or to oppose any such change(s) being sought.”<sup>3</sup>

4. The subject Settlement is fair and reasonable and in the public interest and is hereby approved. The Commission’s approval of this Settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.

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<sup>1</sup> The Kentucky Municipals are the Frankfort Electric and Water Plant Board, and the cities of Barbourville, Bardwell, Bardwell, Benham, Berea, Corbin, Falmouth, Madisonville, Nicholasville, Paris, and Providence, Kentucky.

<sup>2</sup> *Kentucky Utilities Company*, 127 FERC ¶ 63,025 (2009).

<sup>3</sup> Settlement at 7.