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November 18, 2013

RECEIVED

NOV 10 2013

PUBLIC SERVICE
COMMISSION

Mr. Jeff Derouen
Kentucky Public Service Commission
Post Office Box 615
Frankfort, KY 40602

Re: City of Whitesville Franchise

Dear Mr. Derouen:

Enclosed are the original and 10 copies of application on our Whitesville franchise.

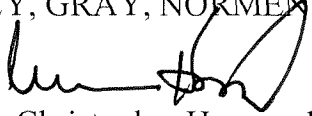
First and second readings will be in December. We will bid this in January 2014.

Your assistance in this matter is appreciated.

Very truly yours,

DORSEY, GRAY, NORMENT & HOPGOOD

By


J. Christopher Hopgood
Attorney for Kenergy Corp.

JCH/cds
Encls.

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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENERGY CORP.
FOR CERTIFICATE OF CONVENIENCE) CASE NO. 2013-_____
AND NECESSITY TO APPLY FOR A)
FRANCHISE FROM THE CITY OF)
WHITESVILLE

APPLICATION

(a) Applicant Kenergy Corp. (“Kenergy”) is a nonprofit electric cooperative organized under KRS Chapter 279 and is engaged in the business of distributing retail electric power to member consumers in the Kentucky counties of Daviess, Hancock, Henderson, Hopkins, McLean, Muhlenberg, Ohio, Webster, Breckinridge, Union, Crittenden, Caldwell, Lyon, and Livingston.

(b) The post office address of Kenergy is Post Office Box 18, Henderson, Kentucky 42419-018.

(c) Applicant’s Articles of Consolidation are on file with the Commission in Case No. 99-136.

(d) Applicant is and for many years has been the owner of a separate franchise granted by the Kentucky city of Whitesville to erect along, over, under or across the public ways and grounds thereof electric utility facilities used and owned by

applicant in its distribution of retail electric service in and to said city and the inhabitants thereof, which franchise, by its terms, will expire in the near future.

(e) Applicant owns sources of supply of electric power and energy now being furnished to customers in said city and has distribution facilities in said city, now used for the furnishing of retail electric service in said city.

(f) There is and will continue to be a demand and need for retail electric service in and to such city and the inhabitants thereof and applicant desires to apply for and obtain from such city a new franchise to replace applicant's existing franchise from such city. See attached proposed ordinance.

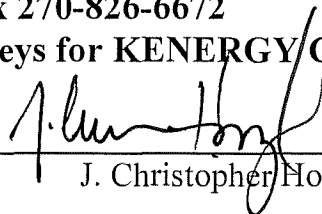
(g) If applicant is successful in acquiring such franchise a copy of same will be filed with the Commission.

WHEREFORE, applicant asks that the Public Service Commission for the Commonwealth of Kentucky make its order granting to applicant a certificate of convenience and necessity to bid for and acquire the aforementioned franchise from the city of Whitesville, and applicant further requests all proper relief.

Dated at Henderson, Kentucky, this 18th day of November, 2013.

DORSEY, GRAY, NORMENT & HOPGOOD
318 Second Street
Henderson, Kentucky 42420
Telephone 270-826-3965
Telefax 270-826-6672
Attorneys for KENERGY CORP.

By _____



J. Christopher Hopgood

ORDINANCE #13-___

AN ORDINANCE PROVIDING FOR THE SALE OF A NON-EXCLUSIVE FRANCHISE OR PRIVILEGE TO CONSTRUCT, MAINTAIN, OPERATE, REPAIR AND REMOVE AN ELECTRIC TRANSMISSION AND/OR DISTRIBUTION SYSTEM, TOGETHER WITH ALL NECESSARY OR CONVENIENT POLES, WIRES, LINES, ANCHORS AND OTHER FACILITIES AND APPURTENANCES FOR THE PURPOSE OF TRANSPORTING, DISTRIBUTING AND VENDING ELECTRIC ENERGY FOR PUBLIC AND PRIVATE USES ALONG, OVER AND ACROSS THE STREETS, AVENUES, LANES, ALLEYS AND PUBLIC GROUNDS OF THE CITY OF WHITESVILLE, DAVIESS COUNTY, KENTUCKY, FOR A PERIOD OF FIVE (5) YEARS. SAID SALE SHALL BE 3% OF REVENUES ASSESSED ONLY AGAINST RESIDENTS/BUSINESSES RESIDING WITHIN THE CORPORATE LIMITS OF THE CITY OF WHITESVILLE AND IS PAYABLE QUARTERLY.

NOW, THEREFORE, BE IT ORDAINED by the City Commission of the City of Whitesville as follows:

That the right and privilege to use the public streets, avenues, lanes, alleys and public grounds within the city limits of the City of Whitesville, Daviess County, Kentucky, for the purpose of constructing, maintaining, operating, repairing and removing an electric transmission and/or distribution system, together with poles, lines, wires, anchors and other facilities appurtenant or incident thereto for the transportation, distribution and sale of electric energy to service the City of Whitesville, and public and private uses therein, including adjoining rural area, for a period of five (5) years commencing March 2, 2014, be duly advertised for sale publicly to the highest and best bidder, the City of Whitesville reserving the right to reject any and all bids. Said sale shall be 3% of revenues assessed only against residents/businesses residing within the corporate limits of the City of Whitesville, payable quarterly, plus all cost of advertising and selling. Said sale shall be subject to confirmation and ratification or rejection by the Whitesville City Commission.

The sale of the franchise herein contemplated shall be made by Patricia Burch, City Clerk of the City of Whitesville, or by someone designated by her, who is hereby commissioned to make due advertisement of said sale, which advertisement shall include a description of said franchise, right and privilege in the Owensboro Messenger Inquirer, a newspaper of general circulation published in the City of Owensboro, Daviess County, Kentucky. The newspaper advertisement aforesaid shall be published in said newspaper one (1) time not less than seven (7) days nor more than twenty-one (21) days before the sale and within thirty (30) days after the final passage of this ordinance.

The said City Clerk shall submit a report of the sale in writing to the Whitesville City Commission at its next regular meeting after the sale. The terms and conditions of the franchise, right and privilege so to be advertised and offered for sale, and to be granted in the event the sale is confirmed by the Whitesville City Commission shall be as follows:

SECTION ONE: The purchaser, his or its successor or assigns, shall have the non-exclusive franchise, privilege, right and power to use and occupy the streets, avenues, alleys, lanes and public grounds within the city limits of the City of Whitesville to construct, maintain, operate, repair and remove an electric transmission and/or distribution system consisting of transmission and/or distribution poles, lines, wires, anchors and all other facilities and appurtenances necessary or convenient for the purpose of transporting, distributing, vending and conveying electric energy for public and private uses in the City of Whitesville and adjoining rural areas, during a term of five (5) years commencing March 1, 2014. Said sale shall be 3% of revenues assessed against residents/businesses within the corporate limits of the City of Whitesville payable quarterly; provided, however, said franchise may be terminated at the end of four (4) years by either party mailing or delivering to the other party written notice of intent to terminate at least 120 days prior to the end of the year.

SECTION TWO: Said construction, operation, maintenance, repair and removal shall be accomplished with the least practicable inconvenience to the public or individuals and with reasonable dispatch and diligence. All damage to the streets, sidewalks or other public property caused by such operations shall be repaired by the purchaser, his or its successor or assigns, at his or its proper cost and without necessary delay. The purchaser, his or its successors or assigns shall be responsible for all injuries or damage to persons or property occasioned by want of care or negligence in conducting such operation.

The purchaser agrees to the underground placement of power lines and/or facilities in accordance with the purchaser's underground policy. Every reasonable effort shall be made by the purchaser to locate new power lines and/or facilities underground.

The purchaser agrees to allow the City of Whitesville to utilize its power lines and/or facilities for special events, provided said utilization does not violate purchaser's safety regulations and any applicable law.

SECTION THREE: The purchaser, his or its successors or assigns, shall have the right to remove all of its property and facilities from the streets, avenues, lanes, alleys, ways and public grounds of the City of Whitesville, within a reasonable time after the expiration or other termination of this franchise.

SECTION FOUR: All franchises previously granted by the City of Whitesville, any of which is now held or may hereafter be acquired by the purchaser of this franchise, shall

be hereby canceled and revoked and the terms of any such franchise shall be considered as superseded by the franchise hereby created and defined.

SECTION FIVE: The franchise, right, privilege and power herein described, together with all the terms and conditions hereof, shall extend and apply to the successor and assigns of the purchaser, and unlimited and unrestricted power and authority to assign and transfer the same at will and without further consent thereto by the City of Whitesville, or its inhabitants, is hereby expressly given and granted to the purchaser, his or its successors and assigns.

SECTION SIX: The purchaser, his or its successors or assigns shall proceed with due diligence to obtain any required approval of applicable public regulatory bodies, to apply for and operate under this franchise.

SECTION SEVEN: All ordinances or parts of ordinances in conflict with this ordinance are hereby repealed and this ordinance shall be in full force and effect from and after its final passage and publication.

INTRODUCED and PUBLICLY READ on this the ____ day of _____, 2013.

PUBLICLY READ AND ADOPTED on second reading on this ____ day of _____, 2013.

Michael L. Nugent, Mayor
City of Whitesville, KY

Date: _____

ATTEST:

Patricia Burch, City Clerk
City of Whitesville, KY

This instrument was prepared by:

J. Christopher Hopgood
DORSEY, GRAY, NORMENT & HOPGOOD
318 Second Street
Henderson, KY 42420