



INTER COUNTY
ENERGY COOPERATIVE

A Touchstone Energy Cooperative 

August 15, 2007

RECEIVED

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PUBLIC SERVICE
COMMISSION

Ms. Elizabeth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

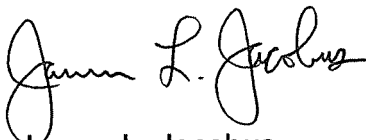
Re: Case No. 2007-00108 – Application of Inter-County Energy Cooperative Corporation For a Certificate of Convenience and Necessity to Apply For An Electric Franchise From the City of Junction City, Kentucky

Dear Ms. O'Donnell:

Please find enclosed two copies of the Notice of Ordinance granting the franchise to Inter-County Energy Cooperative, approved by the City Council of the City of Junction City, Kentucky pursuant to the Commission's Order dated March 22, 2007.

Should you need additional information concerning this filing, please contact this office.

Sincerely,



James L. Jacobus
President/CEO

Enclosure(s)

ORDINANCE NO 2007-4

THE CITY COUNCIL OF THE CITY OF JUNCTION CITY, BOYLE COUNTY, KENTUCKY, DOES ORDAIN AS FOLLOWS:

SECTION 1. That Inter County Rural Electric Energy Cooperation, the purchaser and grantee of this franchise, his or its legal representatives, successors, and assigns, hereinafter called the "purchaser", be, and is, subject to the conditions hereinafter contained, hereby authorized and empowered to acquire, purchase, construct, maintain and operate in and through this City, a system or works for the generation, distribution and transmission of electrical energy from points either within or without the corporate limits of this City, to this City and the inhabitants thereof, and from and through this City to persons, corporations and municipalities beyond the limits thereof, and for the sale of same for light, heat, power and other purposes to erect and maintain poles, wires, and other apparatus necessary or convenient for the operation of said system in, upon, across and along each and all of the streets, avenues, alleys and public places, within the present and future corporate limits of this City; to have and hold, as by law authorized, any and all real estate, easements, water and other rights necessary or convenient for said purpose; to use any and all such streets, avenues, alleys and public places while constructing or operating said electric system or works; and to cross any and all streets and streams in this City for the purpose of constructing, maintaining or extending such poles, wires and other apparatus as may be necessary or convenient for the proper distribution of electric energy in and through this City. If, after any pole has once been erected, the City Council shall order the removal of said pole to another location, the City shall pay the cost of making such relocation, unless due to widening, regradeing or reconstruction of the street or highway, in which case the purchaser will relocate at its expense. In any extensions of the present distribution system, additional poles shall be placed under the supervision of the City Council.

SECTION 2. The purchaser shall indemnify, and save harmless the City from any and all damages, judgments, decrees, costs and expenses, including a reasonable attorney's fees, which the City may legally suffer or incur or which maybe legally obtained against the City for or by reason of the use and occupation of any street, avenue, alley, or other public place in the City by the purchaser, pursuant to the terms of this franchise, or legally resulting from the exercise by the purchaser of any privileges herein granted; and, if any claim shall be made or suit brought against the City for damages alleged to have been sustained by reason of the occupation of any street, avenue, alley or public place or the exercise of any privileges herein granted, by the purchaser, the City shall immediately notify the purchaser in writing thereof, and the purchaser is hereby given the right and privilege to defend or assist in defending such suit, in the name of the City.

SECTION 3. The purchaser may furnish electricity for light, heat, power and any other purpose to any person or persons residing along or near the aforesaid streets, avenues, alleys and public places, and may make such contracts for the use thereof as may be agreed upon between the purchaser and the said person or persons.

SECTION 4. The purchaser shall extend its electric light or power lines and install additional equipment whenever there is assured to it from additional business to be derived therefrom a reasonable return upon the investment required to install such extension.

SECTION 5. The purchaser shall have the right to make and enforce reasonable rules and regulations necessary to the proper conduct of its business and protection of its property.

SECTION 6. The purchaser shall have the right to charge for electrical energy supplied within the City, rates that are reasonable and that are subject to regulation by the Public Service Commission of Kentucky.

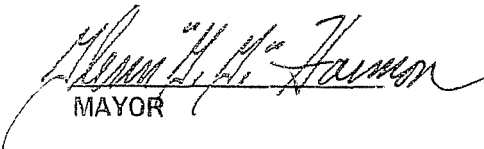
SECTION 7. This franchise and all rights and privileges granted hereunder shall be in full force and effect for a period of twenty (20) years from and after the date when this franchise is granted to the purchaser.

SECTION 8. This franchise may be transferred by the purchaser and the word "purchaser" whenever used in this franchise shall include and be taken to mean and apply also to all successors and assigns of the purchaser.

SECTION 9. As additional consideration for the grant of this franchise, the purchaser will pay to the City a Sum equal to 3% of the gross revenue received by the purchaser, on or after January 1, 1960, or on and after the date when the grant of this franchise becomes effective, whichever is later, from electric service rendered within the corporate limits of the City to customers supplied under residential and commercial revenue classifications, as now defined in the Company's system of accounts and reported to the Public Service Commission of Kentucky. The amount payable to the City for each calendar year during which this franchise is in effect, shall be computed on the basis of revenues received between January 1st and December 31st of such year, and payments shall be made quarterly on or before April 1st, July 1st, October 1st, and January 1st; the amount which may be payable to the City for a portion of a calendar year at the commencement or termination of a calendar year, and shall be computed on the basis of revenues received during such portion of a calendar year, and shall be payable not more than 60 days after the termination of the period for which payment is made. Should any license tax, occupational tax or any other tax, charge or fee except ad valorem tax be now or hereinafter imposed, the amount payable under this section shall be payable only to the extent that it exceeds the sum of all taxes, charges or fees.

SECTION 10. This Ordinance shall become effective upon its final passage and publication and the City Clerk is hereby directed to publish the Ordinance in the Danville Advocate Messenger of Danville, Kentucky.

Given first reading and passage: June 14, 2007
Given second reading and passage : August 9, 2007


MAYOR

ATTEST:


CITY CLERK

CERTIFICATE OF CITY CLERK

I, the undersigned, hereby certify that I am the duly qualified and acting City Clerk of the City of Junction City, Kentucky, that the foregoing Ordinance is a true Copy of an Ordinance given first reading at a meeting held on June 14, 2007, and given second reading and duly enacted by the City Council of said City at a meeting held on August 9, 2007, that said Ordinance has been ordered to be published as required by law, and that said Ordinance appears as a matter of public record in the official records of the City Council.

I further certify that said meeting was duly held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820, and 61.825, that a quorum was present at said meeting, that said Ordinance has not been modified, amended, revoked or repealed, and that same is now in full force and effect.

IN WITNESS WHEREOF, I have hereto set my hand as City Clerk of the City and the official Seal of the City on this the 9th day of August, 2007.


CITY CLERK