

OWEN ELECTRIC COOPERATIVE

510 South Main Street • P.O. Box 400 • Owenton, Kentucky 40359-0400 • 502/484-3471

November 23, 1998

Jim Crawford
Crawford, Baxter & James, P.S.C.
P. O. Box 353
Carrollton, KY 41008

Re: Franchise Agreement with City of Sparta

Dear Jim:

Enclosed is the information packet sent to us by the City of Sparta. I understand they have an existing agreement with Kentucky Utilities for the original city limits. They have extended their city boundaries to west of I-71 and want to grant the cooperative a franchise for the area we serve.

Please handle this process and let us know if you need further information. We will need to know the effective date of the franchise agreement so that we can begin assessing the 3% franchise fee on the affected members. Thanks.

Sincerely,
Owen Electric Cooperative

William T. Prather
Vice President, Administration

Enclosures

Cc Frank Downing



January 4, 1999

City of Sparta
ATTN: Ms. Jayne Smith 606-643-4410
P.O. Box 40
Sparta-Sanders Road
Sparta, Kentucky 41086

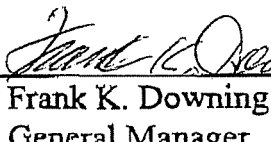
RE: Franchise

Dear Ms. Smith:

This letter constitutes the bid of Owen Electric Cooperative, Inc., ("Owen"), a Kentucky non-stock corporation engaged in the distribution of electricity at retail, for the acquisition of a franchise as referred to in an Ordinance of the City of Sparta, Gallatin County, Kentucky, for the right and privilege of installing in and upon the public streets, alleys and grounds of the City, fixtures and equipment for the transmission and distribution of electricity and providing for the manner in which said facilities shall be installed, maintained and operated. Owen requests that the franchise be for a term of twenty (20) years. Owen submits a bid of \$1.00 for the franchise referred to herein. As additional consideration for the grant of the franchise, Owen will collect and pay to the City a sum equal to 3% of the gross revenue received by Owen, on and after the date when the grant of the franchise becomes effective and approved by the Kentucky Public Service Commission ("PSC"), from electric service rendered within the corporate limits of the City to customers supplied under residential and commercial revenue classifications as now defined in Owen's system of accounts and reported to the Kentucky PSC.

Respectfully submitted,

OWEN ELECTRIC COOPERATIVE, INC.

BY: 
Frank K. Downing
General Manager



MONTHLY MEETING SPARTA CITY COUNCIL

JANUARY 4, 1999

7:05 P.M.

MEETING CALLED TO ORDER BY MAYOR BRENDA HENRY. THOSE IN ATTENDANCE;

ABSENT;

BRENDA HENRY, MAYOR
GLENN PING, COUNCIL
JOHN FUELHART, COUNCIL
BILLY ARMSTRONG, COUNCIL
RICKY CAYTON, COUNCIL
DAVID WHITE, COUNCIL
JAYNE SMITH, CLERK

STEVE EDDERS

GUESTS;

GEORGE ZUBATY, JUDGE EX.
DEBBIE JONES, K.U.
RICK RAND, O.C.R.E.C.C.
SIDNEY GULLION, FISCAL COURT

BILL PING, POLICE CHIEF
BRENT McDONALD, OFFICER

***** SWORN INTO OFFICE BY JUDGE ZUBATY; BRENDA HENRY, MAYOR, BILL PING, POLICE CHIEF, DAVID WHITE, RICKY CAYTON, BILLY ARMSTRONG, JOHN FUELHART, GLENN PING.

***** DEBBIE JONES PRESENTED PROPOSAL FOR K.U. FRANCHISE MOTION ACCEPTED BY JOHN FUELHART SECONDED BY RICKY CAYTON, ALL CARRIED.

***** JIM CRAWFORD OF O.C.R.E.C.C. SUBMITTED FRANCHISE PROPOSAL AT 3%. HE ADVISED THIS WOULD HAVE TO BE APPROVED BY P.S.C BEFORE PAYMENT COULD START. MOTION MADE TO ACCEPT BY GLENN PING, AND SECONDED BY RICKY CAYTON.

***** DECISION MADE TO CHECK WITH BILLY O'BANION IN OWEN CC. IN REF. TO THE SPARTA POLICE OFFICERS CROSSING THE BRIDGE INTO OWEN CC. TO PATROL.

***** ASK SCOTT CAMMACK TO SEND A LETTER TO S.B.A. IN REF TO EMPTY TRAILER IN OLD SPARTA-----POSSIBLE \$150.00 A DAY FINE. ALSO, ASK MR. CAMMACK TO SEND A LETTER TO C.S.X. RAILROAD IN REF TO DEPOT.

***** ALL COUNCIL AGREED THAT NO MEMBER SHALL MISS MORE THEN ## 3 MONTHLY MEETINGS IN A ROW.

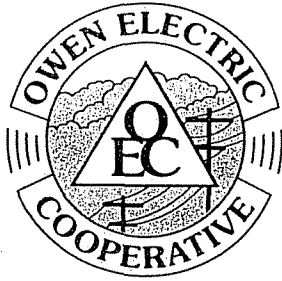
***** CHECK WITH BOBBY SEARCY FOR NEW TIRES FOR THE BRONCO.

***** AGREEMENT MADE TO GIVE DENISE PING A \$10.00 CHECK TO PAY THE FEE TO FRANKFORT TO BE A NOTARY.

8:20 P.M.

MOTION MADE TO ADJOURN BY JOHN FUELHART, SECONDED BY DARRIF BRANCH





OWEN ELECTRIC COOPERATIVE

510 South Main Street • P.O. Box 400 • Owenton, Kentucky 40359-0400 • 502/484-3471

February 2, 1999

- Copy To Crawford - 2/2/99

Ms. Jayne Smith
City of Sparta
P O Box 40
Sparta-Sanders Road
Sparta, KY 41086

Re: Franchise for the Cooperative

Dear Ms. Smith:

The Cooperative has received approval from the Kentucky Public Service Commission for a Certificate of Convenience and Necessity for the franchise agreement with the city of Sparta. We will begin assessing the franchise fee on our applicable accounts billed on or after February 2, 1999.

For our records, we need to have a letter documenting the city's approval of the Cooperative's franchise bid dated January 4, 1999. Please send this to my attention.

Should you have any further questions, you may contact me at 502-484-3471.
Thank you.

Sincerely,
Owen Electric Cooperative

William T. Prather
Vice President, Administration



CITY OF SPARTA KY.

P.O. BOX 40
HWY.465
SPARTA KY. 41086
GALLATIN

Phone 606-643-4410
Fax 606-643-4437

February 11, 1999

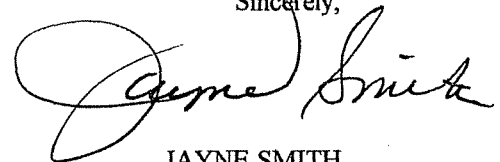
WILLIAM T. PRATHER
OWEN ELECTRIC COOPERATIVE
OWENTON, KENTUCKY 40359

DEAR MR. PRATHER:

ENCLOSED YOU WILL FIND A COPY OF OUR MONTHLY MEETING DATED JANUARY 4, 1999.

IN THE MINUTES YOU WILL FIND WHERE YOUR PROPOSAL WAS ACCEPTED BY COUNCIL. IF I CAN
BE OF ANY MORE ASSISTANCE PLEASE CONTACT ME.

Sincerely,



JAYNE SMITH

