



**KENTUCKY
POWER**

A unit of American Electric Power

Kentucky Power
P O Box 5190
101A Enterprise Drive
Frankfort, KY 40602
KentuckyPower.com

RECEIVED

SEP - 4 2007

**PUBLIC SERVICE
COMMISSION**

Ms. Elizabeth O'Donnell, Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

31 August 2007

Dear Ms O'Donnell:

As directed by the Public Service Commission's Order in Case No. 2006-00360 dated July 28, 2006, we are attaching two copies of the Ordinance/Acceptance granting Kentucky Power Company a twenty-year electric franchise in the city of Hyden, Leslie County, Kentucky.

If you have any questions, I can be reached at 502/696-7012.

Sincerely,

Judi Willis
Senior Regulatory Consultant

Attachment

Cc: Hon. Mark R. Overstreet, Stites & Harbison (w/a)

ACCEPTANCE

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SEP - 4 2007

PUBLIC SERVICE
COMMISSION

TO THE MAYOR AND CITY COMMISSION
THE CITY OF HYDEN, KENTUCKY

WHEREAS, on the 14th day of May, 2007, the City Commission of the City of
Hyden, Kentucky, passed Ordinance 05/1010 entitled:

ORDINANCE NO.

An Ordinance of the City Commission of the City of Hyden, Kentucky,
granting to Kentucky Power Company, its successors and assigns, a
twenty (20) year franchise, privilege, right and authority to acquire,
maintain, construct and operate in, above, under, across, and along the
streets, thoroughfares, alleys, sidewalks, bridges, public ways, and other
public places of the City of Hyden, Kentucky, and its successors and
assigns, lines, poles, and equipment for the transportation, transmission
and distribution of electric energy to the City of Hyden and the inhabitants
thereof and the persons and corporations beyond the limits thereof for
light, heat, power and other purposes and for the transmission,
transportation, and distribution of same within, through or across said City.

WHEREAS, the undersigned, Kentucky Power Company, is willing to accept said
Ordinance granting said franchise in accordance with the terms and conditions therein
set forth.

NOW, THEREFORE, the said Kentucky Power Company hereby assents to and
accepts the terms and provisions of said Ordinance and agrees to be bound and abide
by said terms and provisions as in said Ordinance set forth.

IN WITNESS WHEREOF, said Kentucky Power Company, a Kentucky
corporation, has caused its name to be hereunto affixed by its President, its seal to be
affixed and the same to be attested by its Assistant Secretary on this the 7th day of

June, 2007.

KENTUCKY POWER COMPANY

BY T.C. Mosher
TIMOTHY C. MOSHER,
PRESIDENT AND COO
KENTUCKY POWER

ATTEST:

Errol K. Wagner
ERROL K. WAGNER,
ASSISTANT SECRETARY,
KENTUCKY POWER

I, Amy Smith, Clerk of the City of Hyden, Kentucky, do hereby certify
that the above is a true copy of the Acceptance by Kentucky Power Company of an
electric franchise Ordinance passed by the City Commission of said City on the
14th day of May, 2007.

Received and filed this the 7th day of June, 2007.

Amy Smith
CLERK
CITY OF HYDEN, KENTUCKY

(KPC83)

**ORDINANCE GRANTING ELECTRIC FRANCHISE TO
KENTUCKY POWER COMPANY D/B/A
AMERICAN ELECTRIC POWER**

Ordinance No. 05/1010, May 14, 2007

The City Commission of the City of Hyden, Leslie County, Kentucky, does ordain as follows:

SECTION 1

The Kentucky Power Company d/b/a American Electric Power, its successors and assigns, hereinafter called grantee, is granted the franchise, privilege, right and authority to acquire, maintain, construct and operate in, above, under, across and along the public ways other public places (as the same now exist or may hereinafter be laid out) of the City of Hyden, Leslie County, Kentucky, lines, poles, and equipment for the transportation, transmission and distribution of electric energy, either by means of overhead or underground conductors, with all the necessary or desirable appurtenances for the purpose of supplying electric energy to said City and the inhabitants thereof, and the persons and corporations beyond the limits thereof, for light, heat, power, and any other purpose or purposes for which electric energy is now or may hereafter be used, and for the transmission of the same within, through or across said City.

SECTION NO. 2

Said lines and appurtenances shall be constructed so as to interfere as little as possible with the traveling public in its use of the streets, thoroughfares, alleys, sidewalks, bridges, public ways and public places.

SECTION NO. 3

The franchise, privilege, right and authority shall be in full force and effect for a period of

twenty (20) years from the date of the passage of the ordinance granting it.

SECTION NO. 4

The grantee of this franchise shall save the City harmless from any and all liability arising in any way from negligence of the grantee in the erection, maintenance, or operating of said lines and appurtenances.

SECTION NO. 5

The grantee of this franchise shall have the right and privilege to take up such portion or part of any pavement and make such excavation in the streets, thoroughfares, alleys, sidewalks, bridges, public ways and other public places of the City of Hyden, as may be deemed necessary for the construction and maintenance of its lines, wires, or cables, but whenever the grantee of the franchise shall begin the erection of any lines or other equipment, it shall promptly and diligently prosecute the work until completion and leave the streets, thoroughfares, alleys, sidewalks, bridges, public ways and other public places where such work is done in as good condition of repair as before such work was commenced.

SECTION NO. 6

Wherever in this franchise either the City of Hyden or the grantee thereof is referred to, it shall be deemed to include the respective successors and assigns of either, and all rights, privileges, and obligations contained in this franchise shall be binding upon, and inure to the benefit of, the respective successors and assigns of said City and said grantee, whether so expressed or not.

SECTION NO. 7

The grantee of this franchise to be offered for sale may make such rules and regulations,

covering the furnishing of said electric energy, as may be fair and reasonable and consistent with the standard practice of the grantee. Said grantee may charge such rates for electric services as shall be fair and reasonable. The said grantee shall render service under said franchise of like quality, that is, adequate, efficient and reasonable, to that now being rendered to said City.

SECTION NO. 8

The consideration paid by the successful bidder for the franchise, privilege, right and authority provided for herein shall be complete compensation and consideration for the sale of said franchise, privilege, right and authority and for the use and occupancy of the streets, thoroughfares, alleys, sidewalks, bridges, public ways and other public places of the City, in lieu of any street or alley rental or of any charge for the use and occupancy of said streets, thoroughfares, alleys, sidewalks, bridges, public ways, or other public places of the City, and in lieu of any pole tax or meter tax.

SECTION NO. 9

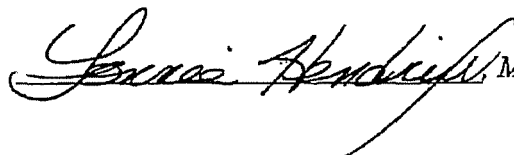
This Ordinance granting this franchise shall be accepted by the grantee thereof within sixty (60) days from the date of its passage.

SECTION NO. 10

All Ordinances and parts of Ordinances in conflict herewith, to the extent of such conflict only, are hereby repealed.

SECTION NO. 11

This Ordinance shall be in full force and effect upon its passage by the City Commission.

 Mayor
CITY OF HYDEN,
LESLIE COUNTY, KENTUCKY

ATTEST:

Amy Smith

*CITY CLERK,
CITY OF HYDEN,
LESLIE COUNTY, KENTUCKY.*

*INTRODUCTION AND
FIRST READING: April 9, 2007*

SECOND READING AND ADOPTION: May 14, 2007.