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DEC 27 2017

PUBLIC SERVICE
COMMISSION

Case No. 2017-00480

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LAW OFFICE OF
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JOHN J. SCOTT
ATTORNEY AT LAW

December 21, 2017

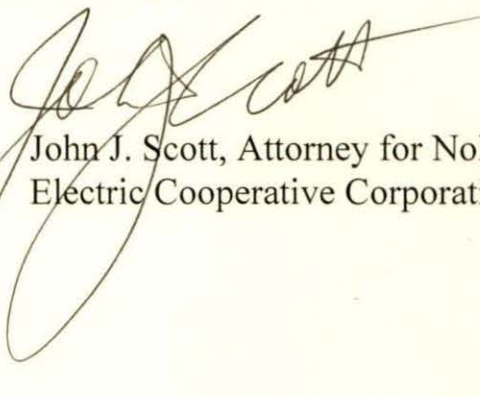
Gwen R. Pinson, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

Re: Application for Franchise

Dear Ms. Pinson:

Please find enclosed an original and ten (10) copies of an Application for a Certificate of Convenience and Necessity to apply for an electric franchise for the City of Hodgenville, Kentucky, which I would like to have filed on behalf of Nolin Rural Electric Cooperative Corporation.

Sincerely yours,



John J. Scott, Attorney for Nolin Rural
Electric Cooperative Corporation

Enclosure
JJS/clt

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DEC 27 2017

PUBLIC SERVICE
COMMISSION

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

THE APPLICATION OF THE NOLIN)	CASE NO. 2017- <u>00480</u>
RURAL ELECTRIC COOPERATIVE)	
CORPORATION FOR A CERTIFICATE)	
OF CONVENIENCE AND NECESSITY TO)	
APPLY FOR AND OBTAIN A FRANCHISE)	
IN THE TERRITORIAL LIMITS OF CITY)	
OF HODGENVILLE, KENTUCKY FOR)	
ELECTRIC UTILITY SERVICE)	

APPLICATION

Comes Nolin Rural Electric Cooperative Corporation (hereinafter called the "Applicant") and pursuant to KRS Chapter 278.020 and 807 KAR Chapter 5 respectfully submits the following application:

1. The Applicant is an electric cooperative engaged in the business of retail electric service in portions of the City of Hodgenville in Larue County, Kentucky and in other areas of Kentucky. The mailing address of the applicant is 411 Ring Road, Elizabethtown, Kentucky 42701.
2. The Articles of Incorporation, as amended, of the Applicant are on file with the Commission in Case No.: 93-324 styled "Application For Authorization To Obtain Five Year Line Of Credit."
3. This application is for the purpose of bidding on a franchise pursuant to KRS 278.020.
4. The City of Hodgenville, Kentucky is a governmental agency

offering the franchise to be bid upon, and a copy of the proposed franchise ordinance is attached as “Exhibit A” and incorporated herein by reference. The City of Hodgenville advertised for bids for the franchise on December 20, 2017. Bids are due by January 19, 2018. A copy of the advertisement is attached on “Exhibit B”.

5. The type of franchise being offered is an electrical franchise. The franchise is for electric service within the territorial area now served by the Applicant within the city limits of the City of Hodgenville in Larue County, Kentucky. The Applicant has served consumers/members in this area since 1939. A need and demand for retail electric service exists within this franchised area because Applicant has provided retail electric service to existing consumers/members for many years and will provide retail service for new development within the certified territory of Applicant within the City of Hodgenville, Kentucky.
6. The franchise ordinance seeks to permit the City of Hodgenville to assess a franchise fee of four percent of the gross annual electric energy sales revenue received by the Applicant from the sale, distribution and/or delivery of electric energy rendered on its bill within the City of Hodgenville, Kentucky.
7. The local government franchise fee shall be listed as a separate item on the customers’ bills from which the fee is derived, showing the amount and designating the unit of government to which the fee is payable in accordance with previous orders of the Kentucky Public Service Commission.
8. The Applicant desires to apply for, bid and obtain the herein before mentioned franchise for its duly certified territory conditioned upon this Commission issuing a Certificate of Convenience and Necessity showing there is a demand and need for such service.

Wherefore, the Applicant now moves the Public Service Commission of the Commonwealth of Kentucky to grant the said Certificate of Convenience and Necessity for an Electric Franchise in those areas in the City of Hodgenville, Kentucky within the territory of the Applicant, which the Applicant has herein requested and which the Commission has discretion to do pursuant to KRS 278.020(4), upon determination that there is a need and demand for the service.

WITNESS the hand of the President of the Applicant this 21st day of December, 2017.

**NOLIN RURAL ELECTRIC
COOPERATIVE CORPORATION**

BY: Michael L. Miller
MICHAEL L. MILLER, PRESIDENT
411 RING ROAD
ELIZABETHTOWN, KY. 42701
(270) 765-6153

STATE OF KENTUCKY
COUNTY OF HARDIN

I, the undersigned, a Notary Public, do hereby certify that on this 21st day of December, 2017, personally appeared before me **MICHAEL L. MILLER**, who being by me first duly sworn, subscribed to and acknowledged that he is the **PRESIDENT** of Nolin Rural Electric Cooperative Corporation, a Kentucky corporation, that he signed the foregoing document as **PRESIDENT** of the corporation, and that the statements therein contained are true.

Cindy L. Deo
NOTARY PUBLIC, State of Kentucky

At Large

My commission expires 12/27/19.



**JOHN J. SCOTT
ATTORNEY FOR NOLIN RURAL
ELECTRIC COOPERATIVE
CORPORATION
JOHN J. SCOTT, P.S.C.
108 E. POPLAR STR., P.O. BOX 389
ELIZABETHTOWN, KY. 42702-0389
(270) 765-2179**

ORDINANCE NO. 2017-14

AN ORDINANCE OF THE CITY OF HODGENVILLE, KENTUCKY PROVIDING FOR A FRANCHISE FOR THE ERECTION, LAYING AND MAINTENANCE OF ELECTRIC FACILITIES AND APPURTENANCES AND EQUIPMENT IN, ALONG AND ACROSS THE PUBLIC WAYS, ROADS, STREETS, ALLEYS AND PUBLIC UTILITY EASEMENTS IN THE CITY OF HODGENVILLE, KENTUCKY AND FOR FURNISHING AND SELLING ELECTRICITY BY MEANS OF SAID FACILITIES; AND PROVIDING FOR THE SALE OF SAID FRANCHISE AGREEMENT

WHEREAS, the City of Hodgenville wishes to ensure that electric service continues to be furnished to its citizens and public facilities in a reliable and efficient manner;

WHEREAS, the City is aware that the provision of such service requires the continued use of public ways, roads, streets, alleys and public utility easements;

WHEREAS, the City wishes to provide for the sale of a franchise for the benefit of its citizenry, as provided by Section 96.010 of the Kentucky Revised Statutes;

NOW THEREFORE, BE IT ORDAINED as follows:

Section 1. An exclusive and specific Franchise is created to provide electric service within each territorial boundary established by order of the Public Service Commission for the corporate limits of Hodgenville, together with the right to use the City's public rights of way described by the Franchise Agreement attached to this Ordinance.

Section 2. The Franchise created by this Ordinance shall be bid in accordance with the applicable requirements of the Constitution of the Commonwealth of Kentucky and Chapter 424 of the Kentucky Revised Statues, the territorial boundaries established by the Kentucky Public Service Commission, as well as any applicable City ordinance.

Section 3. The Franchise created by this Ordinance shall be awarded to the highest and best bidder as shall be determined by the City in its sole discretion. In awarding the Franchise, the City shall consider the technical, managerial and financial qualifications of the bidder to perform its obligations under the Franchise.

Exhibit "A"

ORDINANCE NO. 2017-14

Section 4. The winning bidder and the City shall negotiate, execute and be bound by a Franchise Agreement with terms identical to, or substantially identical to, the Franchise Agreement referenced in Section 1 above and attached hereto, such Agreement to contain terms "that are fair and reasonable to the City, to the purchaser of the Franchise and to the patrons of the utility" (KRS Section 96.010). Such Franchise Agreement shall take effect no earlier than 90 days after its execution, to allow the City and winning bidder to develop appropriate procedures for identifying and reviewing the electric-consuming entities within the City's corporate limits.

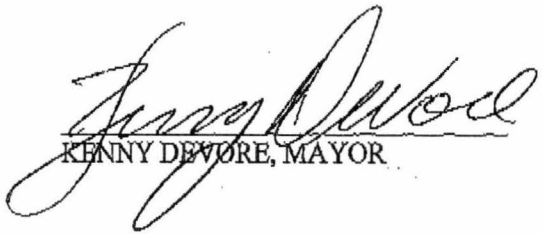
Section 5. All ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed.

Section 6. Should any section, clause, line, paragraph, or part of this Ordinance or the attached Agreement be held unconstitutional or invalid for any reason, the same shall not affect the remainder of this Ordinance or the attached Agreement, as applicable.

Section 7. This Ordinance shall become effective from and after its passage and publication

READ THE FIRST TIME, this 27th day of November, 2017.

READ, ADOPTED AND APPROVED this 11th day of December, 2017.


KENNY DEVORE, MAYOR


Attest: Toni Burton City Clerk

FRANCHISE AGREEMENT

This Franchise Agreement ("Agreement") is hereby made and entered into this ____ day of _____, 2017 by and between the City of Hodgenville in the Commonwealth of Kentucky ("City") and Nolin Rural Electric Cooperative Corporation ("Company").

WITNESSTH:

In consideration of the faithful performance and strict observance by the Company and the City of all terms, provisions, conditions, obligations and reservations set forth herein, it is hereby agreed between the parties as follows:

1. Grant and Acceptance. The City hereby grants to the Company the right to construct, operate, maintain, install, use and lay pipes, wire, manholes, ducts, structures, stations, towers, amplifiers, poles, overhead conductors and devices, underground conductors and devices, transformers, and any other apparatus, equipment and facilities (collectively, "Equipment") necessary, essential, and/or used or useful to the distribution and sale of electric service throughout the City's corporate limits. Existing Equipment as of the date of the execution of this agreement shall be deemed approved. New Equipment shall be installed at new City approved locations within the rights-of-way of roads, streets, alleys, and public utility easements. City approval shall not be required for installations upon Company properties and Company obtained easements.

Additionally, the Company shall have the right to use the roads, streets, alleys, and public utility easements with its service and maintenance vehicles in furtherance of the Franchise. Prior to beginning the construction or installation of any new Equipment under the Franchise, the Company shall provide notice to the City of the location of the proposed construction or installation within the public right-of-way and obtain any necessary governmental permits for such construction or installation, including approval of the location by the City Engineer. Work performed by the Company under the Franchise shall be performed in a workmanlike manner and in such a way as not to unnecessarily interfere with the public's use of City roads, streets, alleys and public utility easements. Whenever the surface of any City street is opened, it shall be restored within a reasonable time in accordance with the City's improvement and repair requirements. All disturbed areas shall be returned to preconstruction condition within sixty (60)

days of completion of the work, unless weather conditions or other extenuating circumstances prevent such repairs within that time period.

2. The location of any Equipment constructed or installed under this Franchise Agreement shall not materially interfere with the use and maintenance of any other pre-existing public or private utility or any public facilities including roads, streets, alleys, sidewalks, drainage structures, buildings, parks or other public areas.

3. All equipment shall be designed, constructed and installed to comply with minimum safety standards and all installations shall comply with City development standards.

4. The Company shall, upon request by the City, modify, relocate, reconstruct, improve or adjust any of its Equipment which has been installed or exists within the rights-of-way of roads, streets or alleys or exists upon public grounds and public utility easements if the City, in its sole discretion, and as part of any public improvement project, constructs, reconstructs, widens, alters, excavates, paves, repaves, repairs, changes or improves any roads, streets, alleys, public grounds or public utility easements. So long as such request is part of a public improvement project and made by the City, the cost of such request within the public right-of-way will be allocated between the City and the Company in an equitable manner and shall be accomplished within a reasonable period of time.

5. If the City requires the Company to adapt or conform its Equipment, or to in any way construct, reconstruct, alter, relocate, adjust, or change the system Equipment to enable any other person, firm, corporation or entity, whether public or private, other than the City, to utilize the roads, streets, alleys or public utility easements, the Company shall be reimbursed for all costs by the person, firm, corporation or entity requesting the work. The Company may bill for said costs for such change, construction, removal, repair, maintenance, alteration or relocation, according to the standard company policy.

6. Term of Franchise; Termination. The Franchise shall be exclusive for the territorial boundaries established by the Kentucky Public Service Commission and shall continue for a period of twenty years from and after the effective date of this Agreement, as set forth in Section 9. The Company may, at its option, terminate the Franchise and this Agreement upon five (5) days' written notice if (a) the City breaches any of its obligations hereunder and such breach is not cured within thirty (30) days of the Company's notice to the City of such breach; (b) the Company is not permitted to pass through to affected customers all fees payable by it under Section 11 and 12 herein; or (c) the City creates or amends any ordinance or regulation which, in

the Company's sole discretion, would have the effect of (i) substantially altering, amending or adding to the terms of this Agreement, (ii) substantially impairing the Company's ability to perform its obligations under the Franchise in an efficient, unencumbered and profitable way; or (iii) preventing the Company from complying with applicable statutes or regulations, rules or orders issued by the Kentucky Public Service Commission. Without diminishing the Company's rights under this Section 6, the City agrees that to the extent it desires to pass or amend an ordinance or regulation which could have the effect of substantially (i) altering, amending, or adding to the terms of this Agreement; (ii) impairing the Company's ability to perform its obligations under the Franchise in an efficient, unencumbered and profitable way; or (iii) preventing the Company from complying with applicable statutes or regulations, rules or orders issued by the Kentucky Public Service Commission, that it will first discuss such proposed ordinance or regulation with the Company and the parties shall negotiate in good faith regarding the same.

7. Compliance with City Regulations. The Company will comply with all applicable provisions of lawful City ordinances and regulations (including any amendments thereto), unless such provisions (i) conflict with or impair the Company's ability to comply with any rule, regulation or order issued by the Kentucky Public Service Commission related to the company's rates or services, or otherwise (ii) are preempted by the action of any authority with jurisdiction over the Company.

8. Territorial Extent of the Franchise. The Company is authorized to operate throughout all the territory within the corporate limits of the City for which it has a certificate of public convenience and necessity under state law.

9. Effective Date. This Agreement shall become effective 90 days after the execution hereof.

10. Rights Reserved by City. Subject to the above provisions, the Franchise is expressly subject to the right of the City: (i) to repeal the same for misuse, nonuse, or the Company's failure to comply with applicable local, state or federal laws; (ii) to impose such other regulations as may be determined by the City to be conducive to the safety, welfare and morals of the public; and/or (iii) to control and regulate the use of its roads, streets, alleys, bridges, public utility easements and the space about and beneath them.

11. Liability and Indemnification. The Company shall indemnify, defend and hold harmless the City from and against claims by third parties asserted against the City that the

Company's use of the roads, streets, alleys, public grounds and public utility easements or the presence or operation of the Company's Equipment on or along said places has caused damage to tangible property or bodily injury, if and to the extent such damage or injury is not caused by the City's negligence or misconduct, but is caused by the Company's negligence or misconduct.

12. Franchise Fees. As compensation for the Franchise granted to the Company, the City shall receive payment as follows:

A total annual fee of four (4) percent of gross receipts per year from the Company's sale of electricity to electricity-consuming entities inside the City's corporate limits; provided, however, that such fee shall be payable by the Company only if and to the extent the Company is authorized by the Kentucky Public Service Commission (or its successor) to pass through such fee to the entities served by it inside the City's corporate limits. Gross receipts shall only include revenue received from customers within the City of Hodgenville supplied under residential and commercial rate schedule.

13. Other Fees. Any other fees assessed to the Company in connection with the Company's use of the City's public ways, including fees associated with permits and licenses of whatever nature, shall be payable by the Company only if and to the extent the Company is authorized by the Kentucky Public Service Commission (or its successor) to pass through such fees to the entities served by it inside the City's corporate limits.

14. Insurance. The Company shall maintain in force through the term of the Franchise both general liability insurance and motor vehicles insurance, in accordance with all applicable laws and regulations.

15. Rate Regulation. The Company agrees to charge such rate or rates as may from time to time be fixed by the Public Service Commission of Kentucky or any successor regulatory body.

Agreed to this _____ day of _____, 2017.

Kenny Devore, Mayor
City of Hodgenville

Michael L. Miller
President and CEO of Nolin RECC

300 Legals

300 Legals

300 Legals

300 Legals

**ADVERTISEMENT FOR BIDS
SALE OF ELECTRIC FRANCHISE**

The City of Hodgenville will offer for sale to the highest and best bidder an exclusive electrical franchise for each of the territorial boundaries established by the Public Service Commission for the corporate limits of Hodgenville, Kentucky. The franchise shall be for the erection, laying and maintenance of electric facilities and appurtenances and equipment in, along and across the public ways, roads, streets, alleys, public grounds and public utility easements in the City of Hodgenville, Kentucky and for furnishing and selling electricity by means of said facilities. A sample ordinance and franchise agreement may be obtained from the City Clerk's office, 200 South Lincoln Blvd., Hodgenville, Kentucky 42748.

Bids shall be submitted to the City Clerk at the address listed above by 11:00 a.m. E.D.T. on 19 January, 2018, at which time they will be publicly opened.

The City of Hodgenville reserves the right to reject any or all bids received.

Kenny Devore, Mayor

Attest: Toni Burton City Clerk

Exhibit "B"