

January 3, 2020

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

P.O. Box 14241
2001 Mercer Road
Lexington, KY 40512-4241

RECEIVED

JAN 03 2020

PUBLIC SERVICE
COMMISSION

Case No. 2020-00003

Dear Ms. Pinson:

On December 24, 2019 the City of Mt. Sterling, Kentucky ("Mt. Sterling") advertised for bids for a natural gas franchise. A copy of the advertisement is attached. Also attached are an original and ten copies of Columbia's application for a Certificate of Convenience and Necessity to bid on the subject franchise.

Mt. Sterling has established January 13, 2020 at 2:00 p.m. as the deadline for bids. Columbia respectfully requests the Commission's prompt attention to the attached application so that Columbia may submit a timely bid.

Please contact myself or Judy Cooper, jmcoop@nisource.com or (859) 288-0242 if you have any questions.

Sincerely,

Brooke E. Wancheck (SDF)

Brooke E. Wancheck, Asst. General Counsel
Columbia Gas of Kentucky, Inc.
290 West Nationwide Blvd
Columbus, Ohio 43215
Telephone: (614) 460-5558
Fax: (614) 460-6986
Email: bwancheck@nisource.com

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JAN 03 2020

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE APPLICATION)
OF COLUMBIA GAS OF KENTUCKY, INC.)
FOR ISSUANCE OF A CERTIFICATE OF)
PUBLIC CONVENIENCE AND)
NECESSITY TO BID ON A GAS) Case No. 2020-00003
DISTRIBUTION FRANCHISE IN THE)
CORPORATION LIMITS OF THE CITY OF)
MT. STERLING, KENTUCKY.)

APPLICATION OF COLUMBIA GAS OF KENTUCKY, INC.

The petition of Columbia Gas of Kentucky, Inc. ("Columbia") respectfully
states:

(A) That applicant is engaged in the business of furnishing natural gas
services to the public in certain counties in the Commonwealth of Kentucky, pur-
suant to authority granted by the Commission.

(B) That applicant's full name and post office address is:

Columbia Gas of Kentucky, Inc.
2001 Mercer Road
P.O. Box 14241
Lexington, KY 40512-4241

(C) That Columbia's Articles of Incorporation previously have been filed with the Commission in Case No. 2016-00162 and are incorporated herein by reference.

(D) That Columbia is furnishing gas distribution service in the franchise area as of the date of the filing of this Application.

(E) Attached hereto is Ordinance 17-2019 passed on December 17, 2019 by the City of Mt. Sterling, Kentucky ("Mt. Sterling"). Said Ordinance reflects the decision of Mt. Sterling to advertise for bids for a natural gas franchise. Said advertisement was by legal notice published in the *Mt. Sterling Advocate* on December 24, 2019.

(F) The need and demand for gas distribution service within the corporation limits of Mt. Sterling is shown by the fact that Columbia serves approximately 2,942 customers in the City at the present time. There exists a public necessity for adequate service of natural gas to the citizens of Mt. Sterling, Kentucky.

(G) Columbia desires to acquire said franchise for gas distribution service in Mt. Sterling and submit a bid pursuant to Mt. Sterling's published legal notice. The deadline for receipt of bids is January 13, 2020 at 2:00 p.m.

WHEREFORE, Columbia respectfully requests that the Public Service Commission make its order issuing a Certificate of Public Convenience and Necessity that authorizes Columbia to acquire a gas distribution franchise from Mt. Sterling, for the reasons described herein.

Dated at Columbus, Ohio, this 3rd day of January 2020.

Respectfully submitted,

COLUMBIA GAS OF KENTUCKY, INC.

By: Brooke E. Wancheck (SDF)
Brooke E. Wancheck
Assistant General Counsel

Brooke E. Wancheck, Asst. General
Counsel
290 West Nationwide Blvd
Columbus, Ohio 43215
Telephone: (614) 460-5558
Fax: (614) 460-6986
Email: bleslie@nisource.com

Attorney for
COLUMBIA GAS OF KENTUCKY, INC.

ATTACHMENT

**Ordinance 17-2019
December 17, 2019**

CITY OF MOUNT STERLING, KENTUCKY

ORDINANCE NO. 17-2019

AN ORDINANCE CREATING AND ESTABLISHING FOR BID A NON-EXCLUSIVE GAS FRANCHISE FOR THE PLACEMENT OF FACILITIES FOR THE TRANSMISSION, DISTRIBUTION AND SALE OF GAS FOR HEATING AND OTHER PURPOSES WITHIN THE PUBLIC RIGHTS-OF-WAY OF THE CITY OF MOUNT STERLING FOR AN INITIAL TEN (10) YEAR PERIOD WITH UP TO TWO (2) ADDITIONAL EXTENSIONS OF TIME OF FIVE (5) YEARS EACH, IMPOSING A FRANCHISING FEE OF THREE PERCENT (3%) OF EACH FRANCHISEE'S GROSS ANNUAL REVENUES FROM THE SALE, DISTRIBUTION, AND DELIVERY OF GAS WITHIN THE CITY OF MOUNT STERLING; AND RESERVING THE RIGHT TO IMPOSE A FRANCHISE FEE NOT TO EXCEED FIVE PERCENT (5%) OF EACH FRANCHISEE'S GROSS ANNUAL REVENUES FROM THE SALE, DISTRIBUTION, AND DELIVERY OF GAS WITHIN THE CITY OF MOUNT STERLING; ALL EFFECTIVE ON DATE OF PASSAGE.

BE IT ORDAINED BY THE CITY OF MOUNT STERLING:

Section 1 - There is hereby created a non-exclusive franchise to acquire, lay, maintain and operate in the public streets, alleys, avenues, public roads, highways, sidewalks and other public ways of the City of Mount Sterling (hereinafter the "Rights-of-way"), a system of mains, pipes, fixtures and appliances for the transmission, distribution and sale of gas for heating and other purposes, subject to all the provisions of this Ordinance and any franchise agreement entered into pursuant to the terms of this Ordinance. This Ordinance does not excuse the franchisee from complying with any and all existing and future local laws and ordinances, as may be amended, except to the extent such local laws and ordinances are in conflict or inconsistent with the terms of this Ordinance and any franchise agreement entered into pursuant to the terms of this Ordinance.

Section 2 - The person, firm or corporation that shall become the purchaser of said franchise, or any successor or assignee of such person, shall hereinafter be referred to as the "Company" or "Franchisee". The City of Mount Sterling shall hereinafter be referred to as "Mount Sterling", or the "Government".

Section 3 - The Company acquiring this franchise shall have the right and privilege of laying, maintaining and operating gas mains and pipes, equipment and apparatus, and appurtenances necessary or appropriate in connection therewith, in, along and under the Rights-of-way within the

corporate boundaries of Mount Sterling as they now exist or may hereafter be extended (referred to herein as "System" or "Facilities"); subject to the provisions hereof and to all powers (including police power) inherent in, conferred upon, or reserved to the Government

Section 4 – In the operation of its System as it relates to the rights conferred by this franchise, the Company shall conform to at least the minimum standards or requirements contained in federal or state law or regulation related to transportation of gas by pipeline. In addition to complying with all of the requirements contained in federal or state law or regulation, the Company agrees that:

(a) Work by the Company hereunder shall be done in a workmanlike manner. In case of any material defect in the work, materials or equipment, whether latent or patent, the Company will forthwith remedy such defects without cost to Mount Sterling; and

(b) In the construction or reconstruction or maintenance or removal of any of said Facilities, the Company shall have due regard for the rights of Mount Sterling and others, and shall not unreasonably interfere with, or in any way permanently damage the property of Mount Sterling or others lawfully under, on, or above the Right-of-way. The Company shall not unnecessarily interfere with public use of the Rights-of-way.

Section 5 – (a) No pavement, sidewalks, curbs, gutters or other street installations shall be disturbed and no excavations in any of the said streets shall be made, without the written permission of the Mount Sterling Mayor or his or her lawful designee, unless in the case of a circumstance requiring the restoration of service or presenting an immediate risk of injury or damage to any person or property ("Emergency"). In such a case, the Mount Sterling Mayor and the Director of Public Works shall be notified within five (5) days of such work with the time, date, location and extent of the work performed. Where approval of the Mount Sterling Mayor or his or her lawful designee is required hereunder, and the Company has delivered a written request for said permission, the Mount Sterling Mayor, or his or her designee, shall render a written decision regarding said permission within ten (10) working days to the originating requestor at the Company. Any written communication

required by this subsection may be transmitted via e-mail. Any written communication or notice to the Government required by this subsection must be sent both to the Mayor and the Director of Public Works.

(b) When the Company enters upon any street for the purpose of constructing, erecting, installing, operating, maintaining, repairing, removing, replacing or inspecting its Facilities, it shall prosecute the work without cost to Mount Sterling and shall dig and close up all trenches and exposed places as rapidly as possible, and in no cases shall trenches be exposed for more than twenty-four (24) hours, unless written permission is granted by the Mayor or the Director of Public Works, or their designee(s). The Company shall restore the Right-of-ways in a same or similar condition as existed prior to when it entered for said purposes. If a temporary or "rough" repair is done, said temporary or "rough" repair shall be maintained in such a way that vehicle traffic is not impacted and replaced by a permanent repair within thirty (30) days of when weather and the availability of materials or labor make it possible to make the permanent repair. Such work shall be maintained by the Company in as good a condition as the remainder of the Right-a-way until the earlier of: one (1) year after the work was completed; or (2) the street was repaved by the City. In the event the Company fails, refuses or neglects to comply with this provision, Mount Sterling, may give written notice to the Company. If after twenty-one (21) days after receipt of said written notice to the Company to make such repairs, such repairs are not completed, Mount Sterling may make such repairs and the actual cost and expense of such repairs shall be paid by the Company within thirty (30) days following the date from which the itemized bill is presented to the Company.

(c) If Mount Sterling constructs, reconstructs, repairs, maintains, or alters any street or other municipal public works within the Rights-of-way, and, to accommodate such work Mount Sterling orders the Company to relocate its Facilities that are located within the Rights-of way and not within a pre-existing easement or other right in favor or the Company, that are interfering with such work, then the Company shall change or relocate its Facilities so as to not interfere with the work to be performed. Any relocation to expand or enhance the utility of a Right-of-way shall be

made at the Company's expense, however, the Company shall be reimbursed for the expense of a relocation whenever funds are available from a federal or state agency to cover such relocation as part of a project or where the relocation does not improve the function of the new Right-of-way or is for the purpose of aesthetics or convenience. In the event the Company makes such a change or relocation, then any additional change or relocation pursuant to a subsequent order by Mount Sterling to change or relocate the same Facilities shall not be at the Company's expense regardless of the basis for the subsequent relocation. Prior to any change or relocation, the Company shall be given access to all street plans, construction plans, and other specifications for the work.

(d) Prior to Mount Sterling paving or repaving any street, Mount Sterling shall provide the Company with at least ninety (90) days' advance written notice so the Company may make any changes, repairs, maintenance, installations, relocations, replacements or improvements of its own Facilities beneath the proposed paving prior to such paving. In the event the Company refrains from performing such work, it shall thereafter be precluded from doing so, except for Emergencies or other unforeseeable circumstances beyond the control of the Company, for a period of one (1) year following the paving. Within the one (1) year period, any work may be made in the unpaved area of the street and shall not disturb the new pavement unless written permission is granted from the Mount Sterling Mayor or Director of Public Works, or their respective designee(s) as described in Section 5(a) herein.

Section 6 – The Company may be required to provide a performance guarantee for projects that require the issuance of a Certificate of Public Convenience and Necessity from the Kentucky Public Service Commission pursuant to KRS 278.020 and involve the Rights-of-way. This performance guarantee shall be set in an amount and duration to be determined by Mount Sterling upon discussing and verifying the scope of such a project with the Company and shall be in favor of Mount Sterling to be issued by an entity subject to jurisdiction and venue in Kentucky. In no event shall the total cumulative amount of such performance guarantee exceed two hundred thousand dollars (\$200,000), unless otherwise provided in this Ordinance or by law.

Section 7 – As consideration for the granting of this franchise, the Company agrees to defend, indemnify, and hold harmless Mount Sterling from liability on account of injuries or damages to persons or property arising out of the Company's construction, maintenance, repair or operation of its System, and in the event of a lawsuit brought against Mount Sterling, the Company shall defend Mount Sterling at the cost of the Company. The obligation to defend, indemnify and hold harmless does not include defending, indemnifying, and holding harmless Mount Sterling for its own negligent acts or intentional acts or the negligence or acts of its employees, contractors or agents and Mount Sterling shall be exclusively liable for that portion of any claim, demand or judgment in proportion to its own degree of fault or that of its employees, contractors or agents. Mount Sterling shall notify the Company in writing of any known or potential claim that might be asserted against it within five (5) days of becoming aware of such claim and shall immediately upon receipt provide any documents pertaining to same to the Company. The Company shall have the authority in its sole discretion to choose and direct the counsel who will defend against any claim(s) for which its duty to indemnify or hold harmless is asserted and Mount Sterling may not consent to any settlement of a claim for which a duty to indemnify or hold harmless is asserted without first obtaining the consent of the Company. Failure to abide by these obligations shall void the Company's duty to indemnify Mount Sterling.

Section 8 - The Company agrees to procure and maintain throughout the term of any franchise agreement awarded pursuant to this Ordinance and any extension thereof, commercial general liability insurance in the principal amount of at least One Million dollars (\$1,000,000) per occurrence with a Two Million Dollar (\$2,000,000.00) aggregate, with an insurance company authorized to do business in the Commonwealth of Kentucky with the provision, "it is agreed and understood that the City of Mount Sterling, its agents, employees, officers and elected officials, as their interests may appear, are additional insureds, in the same manner as if a separate policy had been issued, under the provision of the policies required to be issued during the term of this franchise or as otherwise required by this Ordinance." Limits of liability required may be satisfied through a combination of primary and excess coverage amounts. In the event that any policy of insurance

provides coverage on a "claims-made" basis, the retroactive date for any such policy, if any, shall not be later than the effective date of this Ordinance. All insurance policies shall be broad form in nature and shall be through a company with an A.M. Best Rating of "A" or better, admitted to do business in Kentucky, and the contract shall be non-cancelable without at least thirty (30) days advance written notice by registered mail to Mount Sterling from the insurance company. In its sole discretion, the Company may choose to self-insure its obligations hereunder.

Section 9 – (a) Duly authorized representatives of Mount Sterling may, at all reasonable times and under reasonable conditions with prior notice: (1) have access to all or any of the property owned or used in part or in whole by the Company in its operating and maintaining the System under this franchise and located within the Rights-of-way; and (2) inspect, examine or verify all or any of the accounts, books, records, contracts, documents or papers of the Company relating to gross revenues in the City of Mount Sterling in order to audit and recompute any amounts determined to be payable under this Ordinance consistent with the provisions of Section 18(b) of this Ordinance. In the event that Mount Sterling determines that it desires an audit of this franchise, the Company agrees to comply with all reasonable requests of Mount Sterling pertaining to obtaining any necessary information or documentation from the Company reasonably necessary to the administration of this franchise, subject to any reasonable confidentiality agreement. In any inspection of the Company's facilities, representatives of the City shall be escorted by Company personnel, shall wear all required personnel protection equipment and shall observe all safety requirements applicable to such Facilities. Mount Sterling's representatives shall also acknowledge, in writing, that the Company's Facilities often qualify as critical energy infrastructure and that said representatives will safeguard all information pertaining to the location, operation, configuration or nature of such Facilities. At no time may any agent, employee or officer of Mt. Sterling interfere with, alter, manipulate or change any portion of the Company's system or controls.

(b) The Company agrees further to furnish the Mayor and the Director of Public Works timely written notice of its filing an application with the Public Service Commission for an increase in general rates or change in its billing practices concurrent with said filing.

(c) The Company agrees to provide Mount Sterling with information pertaining to its provision of services pursuant to this franchise upon reasonable request. This shall include, but is not necessarily limited to, attending official public meeting(s) at which some or all the Mount Sterling Council Members are in attendance in order to provide such information upon reasonable advanced notice and providing an annual update to the Council upon its request.

Section 10 - (a) The franchise hereby created shall be for an initial period of ten (10) years from the date of acceptance by Mount Sterling.

(b) This franchise may be renewed for up to two (2) additional terms not to exceed five (5) years each upon the request of the Company and the approval of the request by Mount Sterling. The request shall be made in writing to Mount Sterling at least one hundred eighty (180) days, but no earlier than one (1) year, in advance of the termination date of the Company's franchise agreement. The ultimate decision of whether to grant an additional franchise term shall solely be that of the Government.

(c) This franchise is not exclusive, and the Government reserves the right to grant similar franchises to more than one Company. All franchises awarded pursuant to this Ordinance are intended to terminate at the same time. Therefore, any other Company awarded a franchise pursuant to this Ordinance shall only be awarded a franchise that is equal in duration to the remaining term of the initial franchise(s). In the event that Mount Sterling enters into a franchise with another natural gas or electric utility, and such franchise contains more favorable terms to a utility than those contained in this franchise, the Company may request in writing that the City grant the Company an identical franchise. The City shall grant said franchise to the Company within thirty (30) days of receipt of the Company's written request.

(d) This franchise creates no vested rights in the Company and any installation or emplacement of Facilities by the Company in the Rights-of-way is at the Company's risk. Mount Sterling agrees that it will not seek to condemn, acquire or take the assets of the Company within the boundaries of the City for a period of one (1) year following the expiration or termination of any franchise arising out of this Ordinance. Mount Sterling further agrees that any future condemnation, acquisition or taking of the assets of the Company within the boundaries of the City shall be at a price equal to or higher than the replacement value of said assets plus the cost of all goodwill and going concern value of the Company's assets located within the boundaries of Mount Sterling.

(e) No assignment of this franchise or the System subject to this franchise shall take place without at least sixty (60) days advance written notice to Mount Sterling, and consent by Mount Sterling, which consent shall not be unreasonably withheld.

Section 11 – (a) If, after the Company is presented with a claim from Mount Sterling that a violation of any franchise agreement arising from the Ordinance has occurred and has further been provided the opportunity to appear, present evidence and examine the witnesses supporting the claim(s) of a violation in a formal hearing presided over by the Mount Sterling Mayor or his designee, Mount Sterling determines that the Company has violated any of the following provisions of this Ordinance, the following penalties shall be recoverable. The above-determination, which must be in writing and provide the factual and legal basis for the decision, shall be the final administrative decision, which may be appealed to a court of competent jurisdiction.

(1) For failure to pay the franchise fee when due pursuant to Section 16 of this Ordinance, or any itemized bill presented by Mount Sterling pursuant to Section 5 of this Ordinance or this section, the Company shall forfeit one hundred dollars (\$100.00) per day or part thereof for each day that the violation continues. However, this provision shall not apply if interest is assessed by Mount Sterling pursuant to Section 17(c).

(2) For failure to comply with the provisions of Section 5 of this Ordinance, the Company shall forfeit one hundred dollars (\$100.00) per day or part thereof for each day that the violation continues.

(b) If the Company fails to comply within thirty (30) days of any Mount Sterling City Council resolution directing compliance with any other provisions of this Ordinance, the Company shall forfeit one hundred dollars (\$100.00) per day or part thereof for each day that the violation continues beginning on the thirty-first (31st) day. The decision of the Council may be appealed to a court of competent jurisdiction and the forfeiture shall not be due to the City until such time as a final judgment is rendered.

(c) The Company shall not be excused from complying with any of the terms and conditions of this Ordinance by any failure of Mount Sterling, upon any one or more occasions, to insist upon the Company's performance or to seek the Company's compliance with any one or more of such terms or conditions. Payment of penalties shall not excuse non-performance under this Ordinance. The right of Mount Sterling to seek and collect penalties as set forth in this section is in addition to its right to terminate and cancel as set forth in Section 11 of this Ordinance.

Section 12 - The Company shall provide service to customers in Mount Sterling that is of like kind and quality as that provided to customers outside the City, consistent with KRS 278.030.

Section 13 - (a) In addition to all other rights and powers each party to a franchise agreement arising out of this Ordinance reserves the right to terminate and cancel any franchise awarded pursuant to this Ordinance and all rights and privileges of each party hereto in the event that either party:

(1) Willfully violates any material provision of the franchise agreement or legal authority relating to the subject matter of the franchise agreement, except where such violation is without fault or through excusable neglect, including but not limited to cases of force majeure;

(2) Willfully attempts to evade any material provision of the franchise or practices any fraud or deceit;

(3) Knowingly makes a material misrepresentation of any fact in the letting, application, adoption, execution, proposal for renewal, or negotiation of the franchise; or

(4) Fails to begin service restoration following seventy-two (72) consecutive hours of interrupted service, except when approval of such interruption is obtained from Mount Sterling. Such approval shall not be unreasonably withheld. In cases of force majeure or acts beyond the Company's control approval shall be granted. The Company shall provide, at a minimum, daily restoration status reports.

(b) Prior to attempting to terminate or cancel this franchise pursuant to this section, the party entitled to give notice of termination shall make a written demand that the defaulting party take appropriate corrective action to cure the default. If the alleged violation of Section 13(a) continues for a period of thirty (30) days following such written demand without written proof that the corrective action has been taken or is being actively and expeditiously pursued: (1) Mount Sterling may place its request for termination of the franchise as early as the next regular City Council meeting agenda; or (2) the Company may deliver written notice of termination to Mount Sterling. In the event of a termination by Mount Sterling, it shall cause to be served upon Company, at least ten (10) days prior to the date of such City Council meeting, a written notice of intent to request such termination and the time and place of the meeting, legal notice of which shall be published in accordance with any applicable laws.

(1) The Mount Sterling City Council shall consider the request of the Company and shall hear any person interested therein, and shall determine in its reasonable discretion, whether or not any alleged violation by the Company occurred or was with just cause.

(2) If such violation by the Company is found to have been with just cause, the City Council shall direct the Company to comply therewith within such time and manner and upon such terms and conditions as are just and reasonable.

(3) If the City Council determines such violation by the Company was without just cause, then the City Council may, by resolution or ordinance, declare that the franchise of the Company shall be terminated and forfeited unless there is compliance by the Company within such period as the City Council may fix.

Section 14 - The Company shall provide Mount Sterling at least sixty (60) days advance written notice of the foreclosure or other judicial sale of all or a substantial part of the Company's Facilities, or upon the termination of any lease covering all or a substantial part of its Facilities, and such notification shall be treated as a notification that an assignment of the franchise has taken place, and the provisions of Section 10 of this Ordinance, governing the consent of Mount Sterling to such assignment, shall apply.

Section 15 – (a) Mount Sterling shall have the right to cancel this franchise thirty (30) days after the appointment of a receiver, or trustee, to take over and conduct the business of the Company, whether in receivership, reorganization, bankruptcy, or other action or proceeding, unless such receivership or trusteeship shall have been vacated prior to the expiration of said thirty (30) days, unless:

(1) Within thirty (30) days after his election or appointment, such receiver or trustee shall have fully complied with all the provisions of this Ordinance and remedied all defaults thereunder or has reasonably commenced and is diligently pursuing such corrective actions; and

(2) Such receiver or trustee, within said sixty (60) days shall have executed an agreement, duly approved by the court having jurisdiction in the premises, whereby such receiver or trustee assumes and agrees to be bound by each and every provision of this Ordinance and the franchise granted to the Company.

(b) The Company shall have the right to cancel this franchise upon any act of bankruptcy, receivership, reorganization, application for the appointment of a receiver, or any other initiation of insolvency proceedings on behalf of, or against, Mount Sterling. Notwithstanding the foregoing, and subject to an order of an appointed trustee or receiver, Mount Sterling does not waive the ability to

claim that the Company is still required to pay Mount Sterling a franchise fee in order to maintain its System or Facilities in the Rights-of-way.

Section 16 - It shall be the duty of the Mayor or other lawful designee as soon as practicable after the passage of this Ordinance to offer for sale at public auction said franchise and privilege. In the event that additional interested bidders are identified or express an interest in obtaining a franchise after this initial offering, the additional offering and advertisement to accommodate such bidders is hereby authorized. Said franchise and privilege shall be sold to the highest and best bidder or bidders at a time and place fixed by the Mayor after he or she has given due notice thereof by advertisement or publication as required by law.

Section 17 - Bids and proposals for the purchase and acquisition of the franchise and privileges hereby created shall be in writing and shall be delivered to the Mayor or other lawful designee upon the date and at the time fixed by him or her in said publication or advertisement for receiving same. Thereafter, the Mayor shall report and submit to the City Council, at the time of its next regular meeting or as soon as practicable thereafter, said bids and proposals for its approval. The City Council reserves the right, for and on behalf of Mount Sterling, to reject any and all bids for said franchise and privileges; and, in case the bids reported by the Mayor shall be rejected by the City Council, it may direct, by resolution or ordinance, said franchise and privilege to be again offered for sale, from time to time, until a satisfactory bid therefore shall be received and approved.

(a) Each bid shall be accompanied by a nonrefundable payment to Mount Sterling in the amount of five hundred dollars (\$500.00) to cover its cost of advertising and other administrative expenses incurred.

(b) In addition, any bid submitted by an entity or person not already owning within the territorial limits of the City of Mount Sterling, plant, equipment, and/or Facilities sufficient to render the service required by this Ordinance must be accompanied by cash or a certified check drawn on a bank of the Commonwealth of Kentucky, or a national bank, equal to five percent (5%) of the fair estimated cost of the system required to render the service, which check or cash shall be forfeited to

the Government in case the bid should be accepted and the bidder should fail, for thirty (30) days after the confirmation of the sale, to pay the price and to give a good and sufficient bond in a sum equal to one-fourth (1/4) of the fair estimated cost of the system to be erected, conditioned that it shall be enforceable in case the purchaser should fail, within sixty (60) days, to establish and begin rendering the service in the manner set forth in this Ordinance. Bids shall include such documentation as is necessary to support the bidder's determination of the fair estimated cost of the system required to render the service. Mount Sterling reserves the right to review any of bidder's supporting documentation that justifies bidder's determination of said estimated cost.

Section 18- (a) The City, pursuant to this Ordinance, imposes upon the Company a franchise fee in the amount of three (3%) of the gross annual revenues received by the Company for the direct sale, distribution, and delivery of natural gas provided by the Company within the City of Mount Sterling and rendered on its bills (excluding nonrecurring charges as defined in Chapter 807 of the Kentucky Administrative Regulations Section 5:006, now or as hereafter amended). Additionally, the City reserves the right to amend the franchise fee at any time after the one-year anniversary of the effective date of this Ordinance, and upon prior ninety (90) days written notice to the Company. Should the City exercise said right to amend the franchise fee, the City shall receive payment of franchise fees in an amount not to exceed five percent (5%) of the gross annual revenues received by the Company for the direct sale, distribution, and delivery of natural gas provided by the Company within the City of Mount Sterling and rendered on its bills (excluding nonrecurring charges as defined in Chapter 807 of the Kentucky Administrative Regulations Section 5:006, now or as hereafter amended). At a minimum, the franchise fee is intended to apply to gross revenues related to those services which include the franchise fee as part of the tariff filed with the Public Service Commission as of the date of the adoption of this Ordinance, and the Company expressly agrees that it will continue to pay franchise fees on the gross revenues derived from these services for the term of this franchise and any renewals thereof. The Company will also assess and pay the franchise fee on any such gross revenues from revised, amended, or additional tariffs (except for nonrecurring charges in

Mount Sterling) unless Mount Sterling specifically indicates that it does not want the fee to apply, and subject to any necessary approval by the Public Service Commission. Calculations of amounts payable hereunder and payments shall commence with the first billing period following the effective date of any franchise agreement arising out of this Ordinance.

(b) The parties acknowledge and agree that the natural gas supplied by certain large volume suppliers is not currently included as part of the gross revenues to which the franchise fee is applied. In the event that Mount Sterling determines during the franchise period that it wishes to pursue the collection of the franchise fee from these suppliers through the Company, it will notify the Company, in advance, of the methodology and procedures for such collection, and be subject to any necessary approval of the Public Service Commission. In the event any judicial or administrative case, claim, cause, complaint, demand or proceeding challenging the legality, application or enforcement of this provision is filed, Mount Sterling shall indemnify and hold the Company harmless from any judgment(s) or settlements arising from such case, claim, cause, complaint, demand or proceeding.

(c) The Company shall be required to obtain street cut permits from the City prior to starting construction on any projects in the City. In addition, the Company shall be responsible for complying with all requirements contained in the Montgomery County Subdivision Regulations, as adopted by the City Council ("Subdivision Regulations"), including, but not limited to, meeting the specifications for road cuts and restoration contained in the Subdivision Regulations. In addition to the franchise fee set forth herein, the Company shall pay an annual permitting fee of \$1,500 to the City to cover any and all permits that the Company may seek and obtain during a calendar year. These permitting fees are subject to change during the term of the franchise based upon an audit of the actual cost of permitting for Mount Sterling, or a change in the amount of such respective permitting fees. In the event of such a change, the Company shall be provided at least sixty (60) days advance written notice.

Section 19 - (a) Payment of any amount due under this Ordinance shall be made monthly, within thirty (30) days of the end of the preceding calendar quarter. Upon request, and provided the

Company has the capability to do so without additional cost, Company shall deposit such payments electronically to an account specified by Mount Sterling. In the event of suspension of the Company's obligation pursuant to Section 18(e) herein, said suspension shall not have application to any amount due hereunder for the preceding calendar month, and the gross income received by the Company during any such suspension period shall be excluded from the Company's annual gross revenues for the purpose of calculating amounts due under Section 18 (a) herein.

(b) No acceptance of any franchise fee payment by Mount Sterling shall be construed as an accord and satisfaction that the amount paid is in fact the correct amount nor shall acceptance be deemed a release to any claim Mount Sterling may have for future or additional sums pursuant to this Ordinance. Mount Sterling shall have the right to inspect the Company's income, financial, and records relating to gross revenues in order to audit, and to re-compute any amounts determined to be payable under this Ordinance. The Company shall respond to a reasonable request for information related to obtaining audit information within ten (10) business days unless agreed otherwise by the parties. This provision shall survive the term of any franchise agreement awarded pursuant to this Ordinance for a period of one (1) year. Any additional amount undisputedly due to Mount Sterling as a result of the audit shall be paid within ten (10) days following written notice to the Company by Mount Sterling which notice shall include a copy of the audit report. If as a result of such audit or review Mount Sterling determines that the Company has underpaid its franchise fee by five percent (5%) or more for any six (6) month period, then, in addition to making full payment of the relevant obligation, it shall reimburse Mount Sterling for all of the actual costs, not to exceed \$3,500, associated with the audit or review. If such audit or review is performed in connection with the granting of a new franchise, and extension of the terms of this franchise, a sale or transfer of control of the Company, or a substantive modification of the terms to, or an assignment of this franchise, the Company shall reimburse Mount Sterling for up to \$3,500 of the reasonable costs associated with the audit or review including out-of-pocket costs for attorneys, accountants and other consultants.

(c) In the event that any franchise payment or recomputed amount is not made on or before the applicable dates heretofore specified, interest shall be charged from such date at the annual rate equivalent to the ten (10) year U.S. Treasury Note. Overpayments discovered by Mount Sterling or the Company shall be an adjustment on the next monthly payment(s) at an annual rate of interest equivalent to the ten (10) year U.S. Treasury Note.

(d) With respect to its billing of Mount Sterling, Company agrees to, upon request, provide an explanation of any and all billing adjustments or credits including the account(s) impacted and any and all late payments.

Section 20 – Bids offered for purchase of this franchise shall state the bidder's acceptance of the conditions set forth in this Ordinance. If any bid shall include an offer of payment over and above the terms of the franchise, then a certified check for said amount, payable to the City of Mount Sterling, shall be deposited with the Government. This amount shall be in addition to the provision for payments contained in Sections 18 and 19 of this Ordinance, which shall be considered as a condition of this franchise. Any check deposited by an unsuccessful bidder shall be returned when Mount Sterling shall have accepted the bid or bids, which in its judgment is or are the highest and best.

Section 21– Any violation by the Company, its vendee, Lessee, or successor of the provisions of this franchise or any material portions thereof, or the failure promptly to perform any of the provisions thereof, shall be cause for the forfeiture of any franchise awarded pursuant to this Ordinance and all rights hereunder after written notice to the Company and continuation of such violations, failure or default, as set forth in Section 13 of this Ordinance.

Section 22 – This Ordinance and any franchise awarded pursuant to it shall be governed by the laws of the Commonwealth of Kentucky, both as to interpretation and performance. The venue for any litigation related to this Ordinance or a franchise shall be in the court of competent jurisdiction in Montgomery County, Kentucky.

Section 23 - This Ordinance and any franchise awarded pursuant to it does not create a

contractual relationship with or right of action in favor of a third party against either Mount Sterling or the Company.

Section 24 - If any section, sentence, clause or phrase of the Ordinance is held unconstitutional or otherwise invalid, such infirmity shall not affect the validity of the remaining Ordinance.


Section 25 - The franchise created by this Ordinance shall become effective upon the duly authorized execution of a franchise agreement following the Mount Sterling City Council acceptance of the bid(s) for it.

Section 26 - This Ordinance shall become effective on the date of its passage.

DATE OF PASSAGE: Dec. 17, 2019.


MAYOR, CITY OF MOUNT STERLING, KENTUCKY

ATTEST:


CITY CLERK

Lot 28 of Southridge Subdivision - Phase II, Montgomery County, Kentucky, a plat of which is of record in Plat Cabinet C, Slide 221, Montgomery County Clerk's Office, to which plat reference is hereby made for a more particular description of said property.

Parcel Five above being the same property conveyed to Shannon Denniston by deed of conveyance from Jan Swppe Wingate and Jeffery Scott Wingate, wife and husband, dated November 7, 2018, now of record in Deed Book 326, Page 542, Montgomery County Clerk's Office.

PARCEL SIX: 528 WILLIN WAY

Lot 27 of Southridge Subdivision - Phase II, Montgomery County, Kentucky, a plat of which is of record in Plat Cabinet C, Slide 221, Montgomery County Clerk's Office, to which plat reference is hereby made for a more particular description of said property.

PARCEL SEVEN: 524 WILLIN WAY

Lot 28 of Southridge Subdivision - Phase II, Montgomery County, Kentucky, a plat of which is of record in Plat Cabinet C, Slide 221, Montgomery County Clerk's Office, to which plat reference is hereby made for a more particular description of said property.

PARCEL EIGHT: 520 WILLIN WAY

Lot 29 of Southridge Subdivision - Phase II, Montgomery County, Kentucky, a plat of which is of record in Plat Cabinet C, Slide 221, Montgomery County Clerk's Office, to which plat reference is hereby made for a more particular description of said property.

Parcel Six, Parcel Seven and Parcel Eight above being the same property conveyed to Shannon Denniston by deed of conveyance from Peck-Burdine Investments, LLC, a Kentucky limited liability company, dated December 28, 2016, now of record in Deed Book 318, Page 748, Montgomery County Clerk's Office, and being corrected by Deed of Correction by and between Peck-Burdine Investments, LLC, a Kentucky limited liability company, and Shannon Denniston, dated January 23, 2017, now of record in Deed Book 319, Page 54, Montgomery County Clerk's Office.

The Application/Petition for the requested zone changes for the above described property is on file in, and available for inspection at, the office of the Mount Sterling Planning & Zoning

33 North Maysville Street
MOUNT STERLING, KENTUCKY
40353
(859) 498-8725

Natural Gas Franchise

The City of Mt. Sterling is soliciting bids from parties interested in obtaining franchises to operate natural gas systems within the confines of the City of Mt. Sterling, Kentucky, pursuant to Ordinance No. 17-2019. Franchise(s) awarded pursuant to this Request for Bids will be non-exclusive and will be for a term of ten (10) years. Bids must meet all of the requirements of Ordinance No. 17-2019, which is available in the office of the City Clerk, Mt. Sterling City Hall, 33 N Maysville St., Mt. Sterling, KY 40353.

Sealed bids must be received no later than 2:00 p.m., local time, January 13, 2020, at which time the bids will be opened publicly in Mt. Sterling City Hall, 33 N Maysville St. Sealed bid proposals should be sent to Jeanette C. Bertram, City Clerk, City Hall, 33 N Maysville St., Mt. Sterling, KY 40353.

The City of Mt. Sterling reserves the right to accept any bid, to reject any and all bids, to waive any irregularities or informalities in awarding the franchise, and to accept what, in its opinion, is the lowest, responsive, responsible and best bid which is in the best interest of, and most advantageous to, the City.

NOTICE TO THE PUBLIC

The City of Mt. Sterling does not discriminate on the basis of race, color, national origin, sex, age, religion or disability, and provides, upon request, reasonable accommodation, including auxiliary aids and services, to afford an individual with a disability an equal opportunity to participate in all services, programs and activities.



Commonwealth of Kentucky
Menifee Circuit Court
Division I

Action No. 18-CI-90060

DIANA BUCHER, ET AL.
PLAINTIFF

vs: Notice of Commissioner's Sale
DARRELL HESS; UNKNOWN SPOUSE
OF DARRELL HESS; FARM CREDIT
MID-AMERICA
FLCA AND FARM CREDIT
MID-AMERICA
PCA; MTAG AS CUSTODIAN FIR
MGD-KY, LLC;
WAYNE BIRD; ALMA BIRD; TRUITT
BIRD;
MENIFEE COUNTY, KENTUCKY;
DELBERT STAMPER
AND PEGGY STAMPER

present you in this case and have only been appointed by the Court to contact you and put you on notice of this lawsuit. Please contact me or the Plaintiff's attorney, Jud Patterson, P.O. Box 673, 144 N. Broadway, Lexington, Kentucky 40588-0673, Phone: 859-623-6233

Very truly yours,
Leah Hawkins
Attorney at Law
40 Broadway
Mt. Sterling, KY 40353
Office: 859-498-0868;
Fax: 859-498-0915
hawkinsleahat45@bellsouth.net

Commonwealth of Kentucky
Menifee Circuit Court
Division I

Action No. 19-CI-90078

VANDERBILT MORTGAGE AND FINANCE, INC. PLAINTIFF

vs: Notice of Commissioner's Sale
BILLY JOE HUFF A/K/A BILLY J. HUFF A/K/A BILLY HUGG

A/K/A JOE HUFF;
DENISHA D. BRANHAM A/K/A DENISHA BRANHAM;

COMMONWEALTH OF KENTUCKY,
COUNTY OF MENIFEE, BY AND ON
BEHALF OF SECRETARY OF REVENUE
DEFENDANTS

By virtue of a Judgment and Order of Sale entered in Menifee Circuit Court on November 26, 2019, to raise the sum of \$44,495.87, plus interest, fees, and the costs of sale, I will expose for sale to the highest and best bidder at the Courthouse door, in Frenchburg, Menifee County, Kentucky, on Wednesday, January 8, 2020, at the hour of 10:00 a.m., the following described property:

This parcel of land is a portion of the Bryan and Jessica Wells property located on Blackberry Lane in Menifee County, Kentucky. The parent tract is on record in Deed Book 108, page 623 located in Menifee County Clerk's Office. The portion is more exactly described as follows:

Beginning at a point in the center of the drain (located N 27 deg. 34 min. 16 sec. E, 32.60 feet from a post found a corner to the Bryan and Jessica Wells remainder (D.B. 108, page 623) and the O'Hair Cemetery, parcel A, Bryan and Jessica Wells (D.B. 108, page 623) a corner to the Wells remainder and the Edna O'Hair property (now or formerly) (D.B. 80, page 614); thence leaving the Wells remainder with the O'Hair property along the drain for the following calls: thence N 08 deg. 26 min. 51 sec. E, 28.99 feet to a point; thence N 32 deg. 37 min. 08 sec. E, 107.20 feet to a point; thence N 16 deg. 37 min. 36 sec. W, 40.87 feet to a point; thence N 35 deg., 16 min. 59 sec. E, 28.29 feet to a point; thence N 15 deg. 06 min. 44 sec. E, 75.67 feet to a point; thence N 08 deg. 20 min. 48 sec. W, 38.32 feet to an iron pin set; thence N 26 deg. 17 min. 00 sec. W, 54.82 feet to a point; thence N 17 deg. 50 min. 05 sec. E, 85.13 feet to a point; thence N 03 deg. 35 min. 12 sec. E, 121.65 feet to a point; thence N 22 deg. 28 min. 38 sec. E, 33.41 feet to a point; thence N 35 deg. 18 min. 27 sec. E, 25.96 feet to a point; thence N 38 deg. 33 min. 25 sec. E, 43.39 feet to a point in drain (with an iron pin reference set S 27 deg. 21 min. 33 sec. W, 14.60 feet from point in drain) a corner of the

on the property sold as security for the purchase price.

Howard Stone
Master Commissioner
Menifee Circuit Court

02 SPECIAL NOTICES

BECOME A PUBLISHED
author! We want to read your book! Dorrance Publishing - trusted by authors since 1920. Book manuscript submissions currently being reviewed. Comprehensive services: consultation, production, promotion and distribution. Call for your free author's guide, 1-855-209-2951 or visit <http://dorranceinfo.com/Kentucky>

INVENTORS - FREE information package. Have your product idea developed affordably by the research and development pros and presented to manufacturers. Call 1-844-860-3328 for a free idea starter guide. Submit your idea for a free consultation.

04 PERSONALS

LOOKING FOR LOVE or just a friendly chat? Connect with Latino singles in your area. 18+ Plus. Call 1-866-686-5936. Try it free.

MAKE A CONNECTION. Real people, flirty chat. Meet singles right now! Call Live-links. Try it free. Call now, 1-888-979-2264.

TIRED OF THE same old dating sites? Meet real people in your area and make a new connection on your terms! 18 plus only. Call 1-855-850-1741.

07 CHILD CARE

NOTE TO PARENTS: Kentucky State Law requires licensing for child care facilities providing care for four or more children not related to the licensee by blood, marriage or adoption

08 BUSINESS SERVICES

USED TIRE SALE

West Main Auto Service
430 W. Main St. 498-9822.

AFFORDABLE NEW SIDING! Beautify your home! Save on monthly energy bills with beautiful new siding from 1800Remodel! Up to 18 months no interest. Restrictions apply. 1-855-799-2774

HANDY SEPTIC TANK PUMPING

Special Price

Up to 1000 gallon septic tank only \$150

for Hwy. 213, 599, 1050, Science Ridge Road

and any other roads east of Camargo

to the Menifee County line only.