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MAR 15 2013

PUBLIC SERVICE  
COMMISSION

421 West Main Street  
Post Office Box 634  
Frankfort, KY 40602-0634  
15021 223-3477  
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www.stites.com

March 15, 2013

**HAND DELIVERED**

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

Mark R. Overstreet  
(502) 209-1219  
(502) 223-4387 FAX  
moverstreet@stites.com

RE: P.S.C. Case No. 2011-00293 (City of Hindman Franchise)

Dear Mr. Derouen:

Pursuant to the Commission's Order dated October 18, 2012, Kentucky Power Company states that it was the successful bidder for the City of Hindman franchise.

An executed copy of the Acceptance of the City of Hindman franchise, along with City of Hindman Ordinance 2012-2, which together constitute the franchise agreement, are filed herewith.

In accordance with the Commission's order, this letter, the Acceptance, and the City of Hindman Ordinance 2012-2 should be placed of record in the Company's general correspondence file.

Very truly yours,

  
Mark R. Overstreet

MRO  
Enclosure

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PUBLIC WORKS  
COMMISSION

ACCEPTANCE

TO THE MAYOR AND CITY COUNCIL  
THE CITY OF HINDMAN, KENTUCKY

WHEREAS, on the 5 day of november, 2012, the City

Council of the City of Hindman, Kentucky, passed Ordinance No.

2012-2, 2012, entitled:

ORDINANCE NO. 2012-2


An Ordinance of the City Council of the City of Hindman, Kentucky, granting to Kentucky Power Company, its successors and assigns, a ten (10) years 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 Hindman, Kentucky, and its successors and assigns, lines, poles and equipment for the transportation, transmission, and distribution of electric energy to the City of Hindman 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 assents to and accepts the terms and provisions of said Ordinance and agrees to be bound and abide by said terms and provisions as set forth in said Ordinance.

IN WITNESS WHEREOF, the said Kentucky Power Company, a Kentucky corporation, has caused its name to be hereunto affixed by Gregory G. Pauley, its President and Chief Operating Officer, on this the 11<sup>th</sup> day of MARCH, 2013.

KENTUCKY POWER COMPANY

BY 

GREGORY G. PAULEY,  
PRESIDENT AND CHIEF  
OPERATING OFFICER

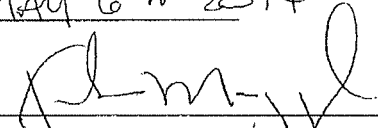
STATE OF KENTUCKY


COUNTY OF PERRY

I, a Notary Public, in and for the County and State aforesaid, do certify that the foregoing Acceptance was this day acknowledged before me by Gregory G. Pauley, President and Chief Operating

Officer of Kentucky Power Company, to be his free act and deed in  
said capacity, this the 15<sup>th</sup> day of MARCH, 2013.

My commission expires: MAY 6<sup>th</sup> 2014

  
\_\_\_\_\_  
NOTARY PUBLIC, STATE-AT-LARGE

  
I, ~~Rebecca S. Patrick~~, Clerk of the City of Hindman, Kentucky, do

hereby certify that the above is a true copy of the Acceptance by  
Kentucky Power Company of an electrical franchise Ordinance  
passed by the City Council, of said City on the 5 day of  
November, 2012.

Received and filed on this the 13 day of March, 2013.

  
\_\_\_\_\_  
CLERK  
CITY OF HINDMAN, KENTUCKY

RECEIVED

MAR 15 2013

ORDINANCE NO. 2012-2

PUBLIC SERVICE  
COMMISSION

An Ordinance of the City Council of the City of Hindman, 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 Hindman, Kentucky, and its successors and assigns, lines, poles and equipment for the transportation, transmission, and distribution of electric energy to the City of Hindman 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.

BE IT ORDAINED BY THE CITY OF HINDMAN, KNOTT COUNTY,

KENTUCKY, AS FOLLOWS:

Section 1: Kentucky Power Company, 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 streets, thoroughfares, alleys, sidewalks, bridges, public ways and other public places (as the same now exist or may hereafter be laid out) of

the City of Hindman, Knott 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 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 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 other public places.

Section 3: The franchise, privilege, right and authority shall be in full force and effect for a period of twenty (20) years from and the date of passage of this Ordinance.

Section 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 operation of said lines and appurtenances.

Section 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 Hindman as may be deemed necessary for the construction and maintenance of its lines, wires or cables, but, whenever the grantee of this franchise shall begin the erection of any lines or other equipment, it shall promptly and diligently prosecute the work to 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 6: Wherever in this franchise either the City of Hindman 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 the City and said grantee, whether so expressed or not.

Section 7: The grantee of this franchise 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 service 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 the City.

Section 8: The consideration paid and agreed to be paid in its bid by the grantee for the franchise, privilege, right and authority provided for herein, shall be complete compensation and consideration for 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 or occupancy of said streets, thoroughfares, alleys, sidewalks, bridges, public ways and other public places of said City, and in lieu of any pole tax or meter tax.

Section 9: The Ordinance granting this franchise shall be accepted by the grantee thereof within sixty (60) days from the date of its passage.

Section 10: All Ordinances and parts of Ordinances in conflict herewith, to the extent of such conflict only, are hereby repealed.

Section 11: This Ordinance shall be in full force and effect upon its passage by the City Council.

  
\_\_\_\_\_  
JANICE JARRELL, MAYOR

ATTEST:

  
\_\_\_\_\_  
REBECCA S. PATRICK

Introduction and First Reading: October 1, 2012

Second Reading: November 5, 2012

Adopted by the City Council of the  
City of Hindman, Kentucky this the 5<sup>th</sup>  
day of November, 2012.

Published:

ORDINANCE NO.

An Ordinance of the City Council of the City of Hindman, Kentucky, providing for the advertisement and sale of a franchise authorizing the owner thereof to own, maintain, construct and operate electric power transmission and distribution lines upon, along, over and under the streets, thoroughfares, alleys, sidewalks, bridges, public ways and other public places of the said City.

WHEREAS, the City of Hindman, Knott County, Kentucky, is incorporated under the provisions of the Kentucky Revised Statutes, and desires to grant a franchise for an electric power company to own, maintain, construct and operate its electric power transmission and distribution lines upon, along, over and under the streets, thoroughfares, alleys, sidewalks, bridges, public ways and other public places of the City of Hindman, Knott County, Kentucky, and

WHEREAS, there exists a public necessity for adequate service of electric power and energy to the citizens of the City of Hindman, Knott County, Kentucky, and

WHEREAS, it appears that it is to the interest of the public that a franchise be advertised and sold, granting and entitling the grantee to use the streets, thoroughfares, alleys, sidewalks, bridges, public ways and public places for the erection, operation and maintenance of lines for the transmission and distribution of electric power to the citizens of the City of Hindman, Knott County, Kentucky, and to persons, firms and corporations beyond the limits of the City of Hindman, Knott County, Kentucky.

**BE IT ORDAINED BY THE CITY OF HINDMAN, KNOTT COUNTY, KENTUCKY, AS FOLLOWS:**

SECTION 1

That there be sold at public auction to the highest and best bidder, the 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 (as the same now exist or may hereafter be laid out) of the City of Hindman, Knott County, Kentucky, lines,

poles, and equipment for the 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 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 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 other public places.

## SECTION 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 passage of this Ordinance.

#### SECTION 4

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

#### SECTION 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 Hindman as may be deemed necessary for the construction and maintenance of its lines, wires or cables, but, whenever the grantee of this franchise shall begin the erection of any lines or other equipment, it shall promptly and diligently prosecute the work to 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 6

Whenever in this franchise either the City of Hindman 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 the City and said grantee, whether so expressed or not.

#### SECTION 7

The grantee of this franchise 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 service 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 8

The consideration paid by the successful bidder for the franchise, privilege, right and authority provided for herein, shall be

completed compensation and consideration for 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 or occupancy of said streets, thoroughfares, alleys, sidewalks, bridges, public ways and other public places of said City, and in lieu of any pole tax or meter tax.

#### SECTION 9

Stacy Conley, City Attorney for the City of Hindman, Knott County, Kentucky, is hereby appointed Special Commissioner, to sell said franchise, privilege, right and authority hereby ordered sold, and said Special Commissioner is directed to offer said franchise for sale at public auction and shall sell same to the highest bidder on the \_\_\_\_ day of \_\_\_\_\_, 2012, at \_\_\_\_\_, at the front door of the City Building in Hindman, Kentucky, after she has advertised the time, terms, conditions and place of sale, pursuant to law, by inserting a notice of sale in The Troublesome Creek Times, a newspaper of



general circulation in Hindman, Knott County, Kentucky, once a week for three (3) consecutive weeks prior to the date of said sale, said advertisement to include this Ordinance or a summary thereof.

#### SECTION 10

Bids and proposals for the purchase and acquisition of the franchise, privilege, rights and authority hereby granted shall be in writing and shall be delivered to the Mayor upon the date and at the time fixed by the Special Commissioner in said advertising for receiving bids. Thereafter, the Special Commissioner shall report and submit to the City Council at the time and place of its next regular meeting said bids and proposals for its approval, and said City Council reserves the right for and on behalf of the City of Hindman to refuse any and all bids for said franchise, privilege, right and authority. In the event the bids reported by the Special Commissioner shall be refused by the said City Council, it may direct, by resolution or ordinance, said franchise, privilege, right and authority to be again offered for sale from time to time until a

satisfactory bid therefor shall be received and approved. Each bid shall be accompanied by a deposit and each bidder shall post bond in accordance with the provisions and requirements of KRS 96.020. However, such deposit and bond need not be made by a corporation or person already owning, in or adjacent to the City of Hindman, Knott County, Kentucky, a plant and equipment sufficient to render the service required by this Ordinance.

#### SECTION 11

Each bidder for said franchise, privilege, right and authority shall file, as a part of his bid, a certified copy of a Certificate of Convenience and Necessity from the Public Service Commission of Kentucky, issued under the authority of KRS 278.020(4).

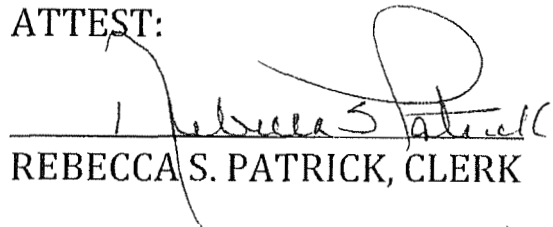
#### SECTION 12

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

Approved, this the 2nd day of July, 2012.

 \_\_\_\_\_ MAYOR  
JANICE JARRELL

ATTEST:

  
REBECCA S. PATRICK, CLERK

Introduction and First Reading: June 4, 2012

Second Reading: July 2, 2012