



# Blue Grass Energy

A Touchstone Energy Cooperative 

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September 4, 2013

Jeff Derouen, Executive Director  
Kentucky Public Service Commission  
P O Box 615  
Frankfort Kentucky 40602

RECEIVED  
SEP 5 2013  
PUBLIC SERVICE  
COMMISSION

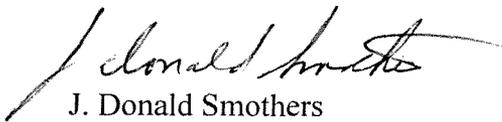
Re: PSC Case No. 2013-00112

Dear Mr. Derouen,

Please find enclosed as requested by the PSC in Case No. 2013-00112, Application of Blue Grass Energy Cooperative Corporation for a Certificate of Convenience and Necessity to apply for and obtain a Franchise in the territorial limits of Lexington-Fayette County Government of Fayette County Kentucky for electric utility service, a copy of the ordinance as adopted by the Lexington Fayette Urban County Government Council raising the Franchise fee from 3% to 4% effective October 1, 2013.

If you have any questions, please contact me at 859-885-2118.

Respectfully submitted,



J. Donald Smothers  
Vice President, Financial Services & CFO

ORDINANCE NO. 102 - 2013

*END*  
899-13  
13  
0-102-2013

AN ORDINANCE AMENDING ORDINANCE NO. 35-2013 AND THE FRANCHISE AGREEMENTS WITH KENTUCKY UTILITIES COMPANY, INC.; BLUE GRASS ENERGY COOPERATIVE CORPORATION; AND CLARK ENERGY COOPERATIVE, INC., TO INCREASE THE FRANCHISE FEES FOR EACH UTILITY FROM THREE PERCENT (3%) TO FOUR PERCENT (4%) OF GROSS REVENUES EFFECTIVE OCTOBER 1, 2013.

WHEREAS, the current franchise fees for the respective electric franchises with Kentucky Utilities Company, Inc. (Resolution No. 153-2013); Blue Grass Energy Cooperative Corporation (Resolution No. 154-2013); and Clark Energy Cooperative, Inc. (Resolution No. 152-2013), have been established at three percent (3%) of each franchisees' gross revenues as defined in their respective franchise agreements and ordinances; and

WHEREAS, pursuant to the terms and provisions of Lexington-Fayette Urban County Government Ordinance No. 35-2013, and the respective franchise agreements the Lexington-Fayette Urban County Government, through the Urban County Council, has the right to impose upon each franchisee a franchise fee in an amount not to exceed five percent (5%) of its gross revenues.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT:

Section 1 - That the above recitals are incorporated herein as if fully stated.

Section 2 - That pursuant to the provisions of Ordinance No. 35-2013, and the respective franchise agreements with Kentucky Utilities Company, Inc.; Blue Grass Energy Cooperative Corporation; and Clark Energy Cooperative, Inc., the ordinance and franchise agreements be and hereby are amended, and the franchise fee for each utility is increased from three percent (3%) to four percent (4%) of its gross revenues as defined in that utility's ordinance and franchise agreement effective October 1, 2013.

Section 3 - That the remainder of Ordinance No. 35-2013 and the respective franchise agreements shall be unchanged and the franchise fees established by this Ordinance shall remain in effect until such time as this Ordinance is further amended by the Urban County Council.

Section 4 – That the Mayor is hereby authorized to execute any necessary amendments to the franchise agreements or any other related documents in order to implement the increase to the franchise fees.

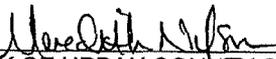
Section 5 - That this Ordinance shall become effective on the date of its passage.

PASSED URBAN COUNTY COUNCIL: August 29, 2013

MAYOR



ATTEST:

  
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CLERK OF URBAN COUNTY COUNCIL  
PUBLISHED: September 5, 2013-1t  
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