

Kentucky Power 1400 East Main Street Hazard, KY 41701 KentuckyPower.com

February 14, 2017

TO: The Mayor and Council of City of Whitesburg Letcher County, Kentucky

Honorable Mayor and City of Whitesburg Council:

The undersigned, Kentucky Power Company d/b/a American Electric Power, a corporation organized and existing under the laws of the Commonwealth of Kentucky, hereby offers to purchase the right, privilege, franchise and authority to erect and operate an electric light and power system in the City of Whitesburg, Letcher County, Kentucky, such franchise to run for a period of twenty years and to contain all rights and privileges and to be subject to all conditions prescribed by the Ordinance (or Resolution), directing the sale of the same and adopted by the City of Whitesburg on the 13th day of December, 2016.

The Company offers to pay an annual sum equal to twenty-five percent (25%) of the total amount, excluding any applicable tax and/or any applied fuel adjustment clause, paid by the City of Whitesburg to Kentucky Power Company, d/b/a American Electric Power, for street lighting purposes during the preceding twelve (12) months. Each annual payment will be made within forty-five (45) days after each anniversary of the effective date of the franchise.

We attach and file herewith, as part of this bid and purchase offer, a copy of the Certificate of Convenience and Necessity issued by the Order of the Public Service Commission of Kentucky, Case No. 2016-00299,dated October 25, 2016, authoriz ing Kentucky Power Company, d/b/a American Electric Power to bid.

The undersigned, Kentucky Power Company, d/b/a American Electric Power, already owns and operates in the City of Whitesburg, plant and equipment sufficient to render the services required under the terms and provisions of the Ordinance directing the sale, and is now furnishing adequate service to the Town and its inhabitants.

Respectfully submitted this 14th day of February, 2017.

KENTUCKY POWER COMPANY

d/b/a AMERICAN ELECTRIC POWER

Greg Sparkman,

Kentucky Power - Manager Distribution Systems

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PUBLIC SERVICE COMMISSION OF KENTUCKY

ACCEPTANCE

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

WHEREAS, on the 11th day of October, 2016, the City Council of the City of Whitesburg, Kentucky, passed Ordinance 2016-04 entitled:

ORDINANCE NO.2016-4

An Ordinance of the City Council of the City of Whitesburg, 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, publicways, and other public places of the City of Whitesburg, Kentucky, and its successors and assigns, lines, poles, and equipment for the transportation, transmission and distribution of electric energy to the City of Whitesburg and the inhabitants thereof and the persons and corporations beyond the limits thereof for light, heat, power and other purposes and for the transmission, transportation, and distribution of same within, through or across said City.

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

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

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PUBLIC SERVICE COMMISSION OF KENTUCKY BY_____AMERICAN ELECTRIC POWER.

KENTUCKY STATE PRESIDENT

ATTEST:

ASSISTANT SECRETARY, AEP - KENTUCKY

Received and filed this the 14th day of Jehune 2017

GARNET SEXTON, ČĽERK CITY OF WHITESBURG, KENTUCKY

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