



An AEP Company

BOUNDLESS ENERGY

Kentucky Power Company
1645 Winchester Avenue
Ashland, KY 41101
606-327-2603

To: The Honorable Sharon Woods, Mayor
City Commission
City of Allen
22 Main Street
Allen, Kentucky 41601

Dear Mayor Woods and Commission Members:

Kentucky Power Company, 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 Allen, Floyd County, Kentucky, such franchise to run for a period of twenty (20) years and to contain all rights and privileges and to be subject to all conditions prescribed by the Ordinance directing the sale of the same and adopted by the City Commission on the 14th day of November, 2022.

The Company offers to pay an annual sum equal to twenty-five percent (25%) of the total amount, excluding any applicable tax and any applied fuel clause adjustment, paid by the City of Allen to Kentucky Power Company 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.

When the Company is required to install underground facilities or relocate existing overhead facilities underground pursuant to a municipal or other governmental requirement or directive pursuant to Section 7 of the Company's Terms and Conditions of Service, the Company shall increase proportionally the rates and charges to all customer classifications within the boundary of that municipality or governmental entity to recover such costs.

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. 2022-00399, entered December 6, 2022, authorizing Kentucky Power Company to bid.

The undersigned, Kentucky Power Company, already owns and operates in the City of Allen, plant and equipment sufficient to render the service required under the terms and provisions of the Ordinance directing the sale, and is now furnishing adequate service to the City and the inhabitants thereof.

Respectfully submitted this 6th day of January 2023.

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KENTUCKY POWER COMPANY

By: 

Brian K. West

Vice President, Regulatory and Finance

Attachment

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ORDINANCE NO. / , 2023

An Ordinance of the City Commission of the City of Allen, 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 Allen, Kentucky, and Its Successors and Assigns, Lines, Poles and Equipment for the Transportation, Transmission and Distribution of Electric Energy to the City of Allen and the Inhabitants thereof and 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 ALLEN, FLOYD 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 Allen, Floyd 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 and distribution of the same within, through or across said City.

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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 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 Allen 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 Allen 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

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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 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 Commission.


Sharon Woods, Mayor

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ATTEST:

Chrystal Fields
Chrystal Fields, Clerk

Introduction and First Reading: *Jan 9th*, 2023.

Second Reading: *Jan 16th*, 2023.

Adopted by the City Commission of the City of
Allen, Kentucky

the *16th* day of *January*, 2023.

Published: *January 25*, 2023

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