

ORDINANCE NO. 347-2018

An Ordinance of the City Commission of the City of South Shore, Kentucky, Granting to Kentucky Power Company, Its Successors and Assigns, a Ten (10) 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 South Shore, Kentucky, and Its Successors and Assigns, Lines, Poles and Equipment for the Transportation, Transmission and Distribution of Electric Energy to the City of South Shore 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 South Shore, GREENUP 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 South Shore, Greenup 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 ten (10) years from the date of passage of this Ordinance.

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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 South Shore 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 South Shore 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 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,

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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.

Cheryl Moore, Mayor
Cheryl Moore, Mayor

ATTEST:

Linda Potter
Linda Potter, Clerk

Introduction and First Reading June 19, 2018.

Second Reading: June 26, 2018.

Adopted by the City Council of the City of South Shore, Kentucky

the 26th day of June, 2018.

Published: _____, 2018





An AEP Company

BOUNDLESS ENERGY™

Kentucky Power Company
855 Central Avenue
Suite 200
Ashland, KY 41101
606-327-2600

The Honorable Cheryl Moore, Mayor
South Shore City Commission
City of South Shore
P.O. Box 516 - 69 Narco Drive
South Shore, Kentucky, 41175

Dear Mayor Moore 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 South Shore, Greenup County, Kentucky, such franchise to run for a period of ten (10) 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 17th day of April, 2018.


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 South Shore 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.

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. 2018-00077, entered March 6, 2018, authorizing Kentucky Power Company to bid.

The undersigned, Kentucky Power Company, already owns and operates in the City of South Shore, 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 City and the inhabitants thereof.

Respectfully submitted this 18th day of May, 2018.

KENTUCKY POWER COMPANY

By: 
Matthew J. Satterwhite
President and COO

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Attachment

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY POWER)	
COMPANY FOR A CERTIFICATE OF PUBLIC)	CASE NO.
CONVENIENCE AND NECESSITY)	2018-00077
AUTHORIZING THE APPLICANT TO APPLY)	
FOR AND OBTAIN A FRANCHISE FROM THE)	
CITY OF SOUTH SHORE, IN GREENUP)	
COUNTY, KENTUCKY)	

ORDER

On February 21, 2018, Kentucky Power Company ("Kentucky Power") filed its application with the Commission seeking a Certificate of Public Convenience and Necessity ("CPCN") to authorize it to bid on a franchise offered by the city of South Shore, Kentucky, for electric transmission and distribution service. Under the provisions of KRS 278.020(5), no utility may apply for a franchise from any governmental agency until it has obtained a CPCN from this Commission based on our finding that there is a need and demand for the service sought to be rendered.

In light of the city of South Shore's ordinance creating a franchise for electric transmission and distribution service, the Commission determines that there is evidence of a need and demand for electric transmission and distribution service in the above-mentioned city. Since the Commission's authority in such matters is limited by statute to finding only whether there is a need and demand for the service sought to be rendered, no finding or determination is made as to the qualifications of the bidder, the validity of any of the provisions of the franchise offered by said city, or the manner in which any franchise fee is to be treated for rate purposes.

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IT IS THEREFORE ORDERED that:

1. Kentucky Power is granted a CPCN that authorizes it to bid on a franchise offered by the city of South Shore, Kentucky, for electric transmission and distribution service.

2. If Kentucky Power is not the successful bidder, Kentucky Power shall, within ten days of the award of the franchise at issue, file with the Commission a written notice stating that Kentucky Power was not the successful bidder.

3. If Kentucky Power is the successful bidder, Kentucky Power shall, within ten days of the award of the franchise at issue, file with the Commission a copy of the executed franchise agreement and a statement disclosing the amount of the initial franchise fee.

4. If Kentucky Power is the successful bidder, Kentucky Power shall, within ten days of an increase or decrease in the amount of the initial franchise fee set forth in the franchise agreement, file with the Commission documentation setting forth the revised fee.

5. Any documents filed pursuant to ordering paragraphs 2, 3, or 4 of this Order shall reference the number of this case and shall be electronically submitted via the Commission's electronic Tariff Filing System.

6. This Order shall not be construed as granting a CPCN to construct utility facilities in said city.



By the Commission

ENTERED
MAR 06 2018
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

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Case No. 2018-00077