

**FRANCHISE AGREEMENT**

**THIS FRANCHISE AGREEMENT** made and entered into this 2<sup>nd</sup> day of April, 2024, by and between the **CITY OF VERSAILLES**, a municipal corporation and political subdivision of the Commonwealth of Kentucky (hereinafter "Versailles"), and **KENTUCKY UTILITIES COMPANY, INC.**, a corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky, with its principal office at One Quality Street, Lexington, Kentucky 40507 (hereinafter "Kentucky Utilities").

**WITNESSETH:**

**WHEREAS**, by Ordinance No. 2024-01 , Versailles provided for the creation and sale of a non-exclusive franchise, for a term of ten (10) years, to enter upon, lay, acquire, construct, operate, maintain , install, use and repair, in the public right-of-way of Versailles, a system or works for the generation, transmission, distribution and sale of electrical energy from points either within or without the corporate limits of Versailles, to Versailles and the inhabitants thereof, and from and through Versailles to persons, corporations and municipalities beyond the limits thereof, and for the sale of same for light, heat, power and other purposes; and

**WHEREAS**, Ordinance No. 2024-01 authorized the advertising for bids on said franchise, and Kentucky Utilities submitted a timely bid to acquire said franchise; and

**WHEREAS**, by Ordinance No. 2024-05 adopted April 2, 2024, Versailles accepted the bid of Kentucky Utilities to acquire said franchise; and

**WHEREAS**, Versailles and Kentucky Utilities have entered into this Franchise Agreement to memorialize the sale by Versailles to Kentucky Utilities of said franchise subject to the terms and conditions reflected in Ordinance Nos. 2024-01 and 2024-05 (collectively, the "Ordinances").



**NOW THEREFORE**, for and in consideration of the mutual covenants and agreements contained herein the receipt and sufficiency of which are hereby acknowledged, Versailles and Kentucky Utilities hereby agree to incorporate the foregoing recitals as if fully set forth herein and further agree as follows:

1. Ordinance No. 2024-01, which is attached hereto as Exhibit "A", is incorporated herein by reference in its entirety and shall apply as if fully set forth herein.

2. The bid of Kentucky Utilities for said franchise, which is attached hereto as Exhibit "B", is incorporated herein by reference in its entirety and shall apply as if fully set forth herein.

3. Ordinance No. \_\_\_\_\_, which is attached hereto as Exhibit "C", is incorporated herein by reference in its entirety and shall apply as if fully set forth herein.

4. Versailles has granted unto Kentucky Utilities a non-exclusive franchise, for a term of ten (10) years, to enter upon, lay, acquire, construct, operate, maintain, install, use and repair, in the public right-of-way of Versailles, a system or works for the generation, transmission, distribution and sale of electrical energy within the corporate boundaries of Versailles subject to the provisions of the Ordinances.

5. The franchise memorialized in this Franchise Agreement shall commence April 3, 2024, and shall expire as provided in the terms and provisions of Ordinance No. 2024-01.

6. As compensation for said franchise, Kentucky Utilities agrees to pay to Versailles a sum equal to three percent (3%) of the gross receipts per year from Kentucky Utilities' sale of electricity to all electric-consuming entities inside Versailles's corporate limits as provided in Ordinance No. 2024-01.



7. Versailles shall have the right to increase said franchise fee described above to up to five (5%) percent of gross receipts per year from Kentucky Utilities' sale of electricity to electric-consuming entities on or after the later of ninety (90) days after the date of the written notice or the effective date of the franchise fee specified in Versailles's notice.

8. Kentucky Utilities does hereby bind itself, its successors and assigns, to faithfully and fully perform each and every condition of said franchise as memorialized in this Agreement, and further to faithfully perform all acts required of it as the purchaser of said franchise.

9. This Franchise Agreement memorializes the agreement between the parties contained and embodied in the Ordinances and shall be binding upon and inure to the benefit of the respective successors in interest to the parties hereto.

IN WITNESS WHEREOF, Versailles and Kentucky Utilities have executed this Franchise Agreement as their free and voluntary act and deed effective as of the day and year first above written.

[Signatures on following page]

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COMMISSION  
OF KENTUCKY

CITY OF VERSAILLES

BY: B. J.  
MAYOR

ATTEST:

Camille Reynolds  
CITY CLERK

KENTUCKY UTILITIES COMPANY, INC.

BY: [Signature]

STATE OF KENTUCKY )  
COUNTY OF Jefferson)

The foregoing Franchise Agreement was subscribed, sworn to and acknowledged before me by Shannon Montgomery, as VP Customer Services, Kentucky Utilities Company, Inc., on this the 15<sup>th</sup> day of April, 2024.

My commission expires: March 26, 2026



Valerie A. Phillips  
NOTARY PUBLIC  
KENTUCKY, STATE-AT-LARGE



Exhibit List

- A Ordinance No. 2024-01
- B Bid
- C Ordinance No. 2024-05



# Exhibit A

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**ORDINANCE NO. 2024-01**

AN ORDINANCE CREATING AND ESTABLISHING FOR BID A NON-EXCLUSIVE ELECTRIC FRANCHISE FOR THE PLACEMENT OF FACILITIES FOR THE TRANSMISSION, DISTRIBUTION AND SALE OF ELECTRICAL ENERGY WITHIN THE PUBLIC RIGHT-OF-WAY OF THE CITY OF VERSAILLES FOR A TEN (10) YEAR DURATION, IN RETURN FOR PAYMENT TO THE CITY OF VERSAILLES OF THE SUM OF THREE PERCENT (3%) OF FRANCHISEE'S GROSS RECEIPTS PER YEAR FROM THE FRANCHISEE'S SALE OF ELECTRICITY TO ELECTRIC-CONSUMING ENTITIES INSIDE THE CITY OF VERSAILLES'S CORPORATE LIMITS AND RESERVING THE RIGHT TO INCREASE SAID FRANCHISE FEE TO UP TO FIVE PERCENT (5%) OF FRANCHISEE'S GROSS RECEIPTS PER YEAR FROM THE FRANCHISEE'S SALE OF ELECTRICITY TO ELECTRIC-CONSUMING ENTITIES INSIDE THE CITY OF VERSAILLES'S CORPORATE LIMITS AND FURTHER PROVIDING FOR COMPLIANCE WITH RELEVANT LAWS, REGULATIONS AND STANDARDS; INDEMNIFICATION; INSURANCE; CANCELLATION OR TERMINATION; AND BID REQUIREMENTS; ALL EFFECTIVE ON DATE OF PASSAGE.

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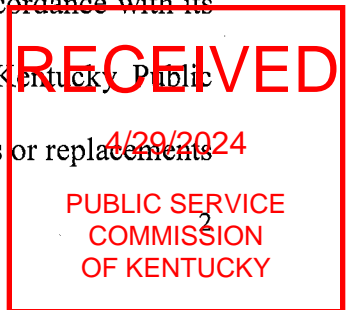


**BE IT ORDAINED BY THE THE CITY OF VERSAILLES:**

SECTION 1. –

(a) There is hereby created a non-exclusive franchise to enter upon, lay, acquire, construct, operate, maintain, install, use, and repair, in the Right-Of-Way of the City, a system or works for the generation, transmission, and distribution of electrical energy within the corporate boundaries of the City as it now exists or may hereafter be constructed or extended, subject to the provisions of this Ordinance. Such system may include pipes, wire, manholes, ducts, structures, stations, towers, amplifiers, poles, overhead conductors and devices, underground conductors and devices, transformers, and any other apparatus, equipment and facilities (collectively, “Equipment”) necessary, essential, and/or used or useful to the distribution and sale of electric service through the City and to any other town or any portion of the county or to any other county (“Services”). Additionally, the Company shall have the right to use the streets with its service and maintenance vehicles in furtherance of this Franchise. Unless there is an emergency, prior to beginning the construction or installation of any new equipment under this Franchise, the Company shall obtain any necessary governmental permits for such construction or installation, copies of which it shall provide to the City. Work performed by the Company under this Franchise shall be performed in a workmanlike manner and in such a way as not to unnecessarily interfere with the public’s use of City streets. Whenever the surface of any City street is opened, it must be restored at the expense of the Company within a reasonable time to a condition comparable to what it was prior to the opening thereof.

(b) The Company will replace segments of existing overhead facilities within the Right-Of-Way with underground facilities at the request of and cost to the City in accordance with its general underground practices and procedures and rules established by the Kentucky Public Service Commission. Subject to such practices and procedures and rules, repairs or replacements





of existing facilities or construction of new facilities within areas where existing facilities have been placed underground at the request of the City also shall be placed underground; provided, however, the City pays incremental costs associated with placing new facilities in such areas underground, if any.

SECTION 2. The following definitions apply to this Ordinance:

*City Council* means the legislative body of the City of Versailles.

*Company* means the Party or Person that shall become the purchaser of said franchise, or any successor or assignee of such Party or Person.

*Facility* includes all property, means, and instrumentalities owned, operated, leased, licensed, used, furnished, or supplied for, by, or in connection with the business of the utility in the Right-Of-Way.

*Government or City* means the City of Versailles.

*Gross Receipts* means those amounts of money which the Company receives from its customers within the City's geographical limits or boundaries for the retail sale of electricity under rates, temporary or permanent, authorized by the Kentucky Public Service Commission and represents amounts billed under such rates as adjusted for refunds, the net write-off of uncollectible accounts, corrections or other regulatory adjustments. Gross Receipts does not include miscellaneous service charges, including but not limited to turn ons, meter sets, non sufficient funds, late fees and interest, which are related to but are not a part of the actual retail sale of electricity.

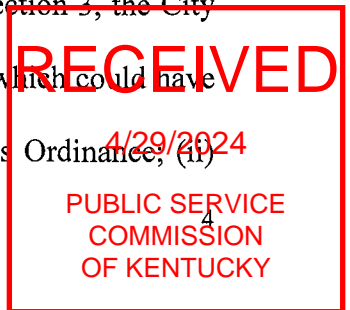
*Party or Person* means any natural or corporate person, business association or other business entity including, but not limited to, a partnership, a sole proprietorship, a political subdivision, a public or private agency of any kind, a Utility, a successor or assignee of any of the foregoing, or any other legal entity.



*Public Utility or Utility* means a Party or Person that is defined in KRS Chapter 278.010 as a utility and (i) is subject to the jurisdiction of the Kentucky Public Service Commission or the Federal Energy Regulatory Commission, or (ii) is required to obtain a franchise from the Government to use and occupy the Right-Of-Way pursuant to Sections 163 and 164 of the Kentucky Constitution.

*Right-Of-Way* means the surface of and the space above and below a public roadway, highway, street, freeway, lane, path, sidewalk, alley, court, boulevard, avenue, parkway, cartway, bicycle lane or path, public sidewalk, or easement held by the Government for the purpose of public travel and shall include Rights-Of-Way as shall be now held or hereafter held by the Government.

SECTION 3. The Franchise created herein shall be non-exclusive and shall continue for a period of ten (10) years from and after the effective date of this Ordinance, as set forth in Section 5. The Company may, at its option, terminate this Franchise upon forty-five (45) days' written notice if (a) the City breaches any of its obligations hereunder and such breach is not cured within thirty (30) days of the Company's notice to the City of such breach; (b) the Company is not permitted to pass through to affected customers all fees payable by it under Section 9 herein; or (c) the City creates or amends any ordinance or regulation which, in the Company's sole discretion, would have the effect of (i) substantially altering, amending or adding to the terms of this Ordinance, (ii) substantially impairing the Company's ability to perform its obligations under the Franchise in an efficient, unencumbered and profitable way; or (iii) preventing the Company from complying with applicable statutes or regulations, rules or orders issued by the Kentucky Public Service Commission. Without diminishing the Company's rights under this Section 3, the City agrees that to the extent it desires to pass or amend an ordinance or regulation which could have the effect of substantially (i) altering, amending, or adding to the terms of this Ordinance, (ii)



impairing the Company's ability to perform its obligations under this Franchise in an efficient, unencumbered and profitable way; or (iii) preventing the Company from complying with applicable statutes or regulations, rules or orders issued by the Kentucky Public Service Commission, that it will first discuss such proposed ordinance or regulation with the Company and the parties shall negotiate in good faith regarding the same.

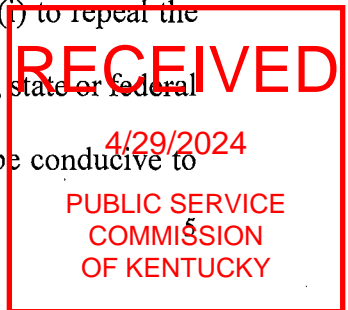
SECTION 4. The Company is authorized to operate throughout all the territory within the corporate limits of the City for which it is authorized under state or federal law.

SECTION 5. This Ordinance shall become effective on the date of its passage and publication as required by law. The Franchise created by this Ordinance shall take effect no earlier than thirty (30) days after the City Council accepts the bid(s).

SECTION 6. Subject to Section 3 hereof, the Company will comply with all applicable provisions of lawful City ordinances and regulations (including any amendments thereto), unless such provisions (i) conflict with or impair the Company's ability to comply with any rule, regulation or order issued by the Kentucky Public Service Commission related to the Company's rates or services, or otherwise (ii) are preempted by the action of any state or federal authority with jurisdiction over the Company.

The Company shall not be excused from complying with any of the terms and conditions of this Ordinance by any failure of the Government, upon any one or more occasions, to insist upon the Company's performance or to seek the Company's compliance with anyone or more of such terms or conditions.

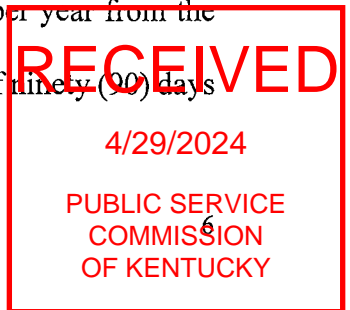
SECTION 7. Rights Reserved by City. Subject to the above provisions, the Franchise created by this Ordinance is expressly subject to the right of the City: (i) to repeal the same for misuse, nonuse, or the Company's failure to comply with applicable local, state or federal laws; (ii) to impose such other regulations as may be determined by the City to be conducive to



the safety, welfare and morals of the public; and/or (iii) to control and regulate the use of its Right-Of-Way.

SECTION 8. As consideration for the granting of the Franchise created by this Ordinance, the Company agrees it shall defend, indemnify, and hold harmless the Government from and against claims, suits, causes of action, proceedings, judgments for damages or equitable relief, and costs and expenses asserted against the Government that the Company's use of the Right-Of-Way or the presence or operation of the Company's equipment on or along said Right-Of-Way has caused damage to tangible property or bodily injury, if and to the extent such damage or injury is not caused by the Government's negligence. The Government shall notify the Company in writing within a reasonable time of receiving notice of any issue it determines may require indemnification

SECTION 9. Franchise Fees. As compensation for the Franchise created by this Ordinance to the Company, the City shall receive payment of a total annual fee of three (3) percent of gross receipts per year from the Company's sale of electricity to electric-consuming entities (which includes businesses, industrial facilities and dwellings) inside the City's corporate limits; *provided, however,* that such fee shall be payable by the Company only if and to the extent the Company is authorized by the Kentucky Public Service Commission (or its successor) to pass through such fee to the entities served by it inside the City's corporate limits. The City shall notify the Company, at least thirty (30) days prior to the effective date, of any annexations or other changes in the City's boundaries and provide the Company a list, in electronic format, of all addresses within the territory annexed or added to or de-annexed or otherwise removed from the Government's limits that are to be served by the Company. The City shall have the right to increase said franchise fee described above to up to five (5) percent of gross receipts per year from the Company's sale of electricity to electric-consuming entities on or after the later of ninety (90) days



after the date of the written notice or the effective date of the franchise fee specified in the City's notice.

Payment of any amount due under this Franchise shall be made on a quarterly basis within forty-five (45) days of the end of the preceding payment period.

No acceptance of any franchise fee payment by the Government shall be construed as an accord and satisfaction that the amount paid is in fact the correct amount nor shall acceptance be deemed a release to any claim the Government may have for future or additional sums pursuant to this Franchise. Any additional amount due to the Government shall be paid within ten (10) days following written notice to the Company by the Government.

As further consideration for the granting of this Franchise, the Company agrees to pay all publication costs the City incurs in the granting of this Franchise. The above-mentioned costs shall be invoiced by the City to the Company and the Company shall pay said costs within thirty (30) days of receipt of said invoice.

Any other fees assessed to the Company in connection with the Company's use of the City's public ways, including fees associated with permits and licenses of whatever nature, shall be payable by the Company only if and to the extent the Company is authorized by the Kentucky Public Service Commission (or its successor) to pass through such fees to the entities served by it inside the City's corporate limits.

To the extent the Company actually incurs other reasonable incremental costs in connection with its compliance with the Government's ordinances, the Government agrees that the Company may recover such amounts from its customers pursuant to the terms of a tariff filed with and approved by the Kentucky Public Service Commission, if otherwise permitted by law.



SECTION 10. The Company shall maintain in force through the term of the Franchise insurance coverage for general liability insurance, auto liability and workers compensation, in accordance with all applicable laws and regulations. The Company shall maintain a general liability and auto liability coverage minimum limit of \$2,000,000 per occurrence. The Company may elect to self-insure all of part of this requirement.

SECTION 11. The Company agrees to charge such rate or rates as may from time to time be fixed by the Public Service Commission of Kentucky or any successor regulatory body.

SECTION 12.

(a) In addition to all other rights and powers pertaining to the Government by virtue of the Franchise created by this Ordinance or otherwise, the Government, by and through its City Council, reserves the right to terminate and cancel this Franchise and all rights and privileges of the Company hereunder in the event that the Company:

(1) Willfully violates any material provision of this Franchise or any material rule, order, or determination of the Government made pursuant to this Franchise, except where such violation is without fault or through excusable neglect;

(2) Willfully attempts to evade any material provision of this Franchise or practices any fraud or deceit upon the Government;

(3) Knowingly makes a material misrepresentation of any fact in the application, proposal for renewal, or negotiation of this Franchise;

(4) If experiencing a foreclosure or other judicial sale of all or a substantial part of the Company's Facilities located within the City of Versailles, the Company shall provide the Government at least thirty (30) days advance written notice of such foreclosure or sale; or



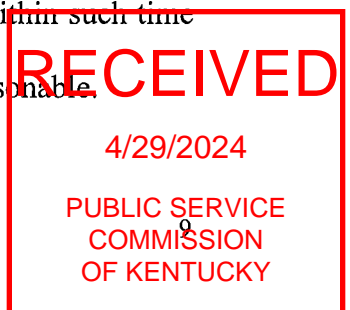
(5) Is no longer able to provide regular and customary uninterrupted service to its customers in the franchise area.

(b) Prior to attempting to terminate or cancel this Franchise pursuant to this section, the City's Mayor or his or her designee, or the City Council shall make a written demand that the Company do or comply with any such provision, rule, order or determination. If the violation, found in Section 12(a), by the Company continues for a period of thirty (30) days following such written demand without written proof that corrective action has been taken or is being actively and expeditiously pursued, the Government may place its request for termination of this Franchise as early as the next regular City Council meeting agenda. The Government shall cause to be served upon Company, at least ten (10) days prior to the date of such City Council meeting, a written notice of intent to request such termination and the time and place of the meeting, legal notice of which shall be published in accordance with any applicable laws.

(1) It shall be a defense to any attempt to terminate and cancel this Franchise that the Company was relying on federal law, state law, or a valid tariff in acting or not acting on the issue in dispute.

(2) The City Council shall consider the request of the Government and shall hear any person interested therein, and shall determine in its discretion, whether or not any violation by the Company was with just cause.

(3) If such violation by the Company is found to have been with just cause, the City Council shall direct the Company to comply therewith within such time and manner and upon such terms and conditions as are just and reasonable.





(4) If the City Council determines such violation by the Company was without just cause, then the City Council may, by resolution, declare that this Franchise of the Company shall be terminated and forfeited unless there is compliance by the Company within such period as the City Council may fix.

(c) Any violation by the Company or its successor of the material provisions of this Franchise, or the failure promptly to perform any of the provisions thereof, shall be cause for the forfeiture of this Franchise and all rights hereunder if, after written notice to the Company and an opportunity to cure, such violations, failure or default continue as set forth in Section 12(a).

SECTION 13. Right to Cancel. The City Council shall have the right to cancel the Franchise created by this Ordinance thirty (30) days after the appointment of a receiver or trustee to take over and conduct the business of the Company, whether in receivership, reorganization, bankruptcy or other action or proceeding, unless such receivership or trusteeship shall have been vacated prior to the expiration of said thirty (30) days, unless:

1. Within thirty (30) days after his election of appointment, such receiver or trustee shall have fully complied with all the provisions of this Ordinance and remedied all defaults thereunder; and,
2. Such receiver or trustee, within said thirty (30) days shall have executed an agreement, duly approved by the court having jurisdiction in the premises, whereby such receiver or trustee assumes and agrees to be bound by each and every provision of this Ordinance and the Franchise granted to the Company.

SECTION 14. In the event the sale of electricity is deregulated within the Commonwealth of Kentucky, and deregulation results in a material shortfall of revenue to the Government, the Government shall have the option of terminating this Franchise with the Company. If this



Franchise is terminated by the Government pursuant to this provision, the Government and the Company shall have a duty to negotiate in good faith with respect to offering a mutually acceptable franchise to the Company.

SECTION 15. The Company shall have the authority to trim trees that are located within or overhang the Right-Of-Way so as to prevent the branches of such trees from coming in contact with the wires, cables, or other Facilities of the Company. Any trimming, removal or other disturbance of trees shall conform to all lawful ordinances, requirements and directives of the Government, and the Company shall make available upon reasonable request of the Government, information regarding its tree-trimming practices. In the event that the Company fails to timely and sufficiently respond to a legitimate and reasonable complaint regarding its failure to trim such trees, and such complaint is made known to the Government, the Government shall contact the Company with respect to such matter and attempt to reach a satisfactory result. Notwithstanding the foregoing, this provision in no way limits any existing or future lawful rights that the Government or the Company may have with respect to such trees.

SECTION 16

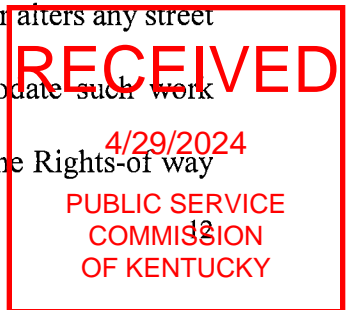
(a) No pavement, sidewalks, curbs, gutters or other street installations shall be disturbed and no excavations in any of the said streets shall be made, without the written permission of the Versailles Director of Public Works or his or her lawful designee. Where approval of the Versailles Director of Public Works is required hereunder, and the Company has delivered a written request for said permission, the Versailles Director of Public Works shall render a decision regarding said permission in a reasonable amount of time. Any written communication required by this subsection may be transmitted via e-mail. Any communication to the Government required by this subsection must be sent both to the Director of Public Works and the Assistant Director of Public Works.

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(b) However, in the event of an emergency, the Company may disturb, excavate or other make use of the Rights-of-way without first obtaining written permission of the Director of Public Works, or his or her lawful designee, provided such person is notified within five (5) days of such work with the time, date, location and extent of the work performed.

(c) When the Company enters upon any street for the purpose of constructing, erecting, installing, operating, maintaining, repairing, removing, replacing, inspecting its Facilities, it shall prosecute the work without cost to Versailles and shall dig and close up all trenches and exposed places as rapidly as possible, and in no cases shall trenches be exposed for more than twenty-four (24) hours, unless special permission is granted by the Director of Public Works. The Company shall leave the streets in a same or similar condition as existed prior to when it entered for said purposes. If a temporary or "rough" repair is done, said temporary or "rough" repair shall be maintained in such a way that vehicle traffic is not impacted and replaced by a permanent repair within thirty (30) days if a local asphalt plant is open. If a local asphalt plant is not open, the Company shall have thirty days (30) after the opening of such plant to make the permanent repair. Such work shall be maintained by the Company for one (1) year in as good condition as the remainder of the street. In the event the Company fails, refuses or neglects to comply with this provision, Versailles, may give written notice to the company. If after twenty-one (21) days after receipt of said written notice to the Company to make such repairs, such repairs are not completed, Versailles may make such repairs and the cost and expense of such repairs shall be paid by the Company within thirty (30) days following the date from which the itemized bill is presented to the Company.

(d) If Versailles constructs, reconstructs, repairs, maintains, or alters any street or other municipal public works within the Rights-of-way, and, to accommodate such work Versailles orders the Company to relocate its Facilities that are located within the Rights-of way



and not within a pre-existing easement or other right in favor of the Company, that are interfering with such work, then the Company shall, at its own expense, change or relocate its Facilities so as to not interfere with the work to be performed. In the event the Company makes such a change or relocation, then any additional change or relocation pursuant to a subsequent order by Versailles to change or relocate the same Facilities shall not be at the Company's expense. Prior to any change or relocation, the Company shall be given access to all street plans, construction plans, and other specifications for the work.

(e) Prior to Versailles paving or repaving any street, Versailles shall provide the Company with reasonable advance written notice so the Company may make any changes, repairs, maintenance, installations, relocations, replacements or improvements of its own Facilities beneath the proposed paving prior to such paving. In the event the Company refrains from performing such work, it shall thereafter be precluded from doing so, except for emergencies, for a period of one (1) year following the paving. Within the one (1) year period, any work may be made in the unpaved area of the street and shall not disturb the new pavement unless permission is granted from the Versailles Director of Public Works.

SECTION 17. This Ordinance and any Franchise awarded pursuant to it shall be governed by the laws of the Commonwealth of Kentucky, both as to interpretation and performance. The venue for any litigation related to this Ordinance and any Franchise awarded pursuant to it shall be in a court of competent jurisdiction in Woodford County, Kentucky.

SECTION 18. This Ordinance and any Franchise awarded pursuant to it does not create a contractual relationship with or right of action in favor of a third party against either the Government or the Company.

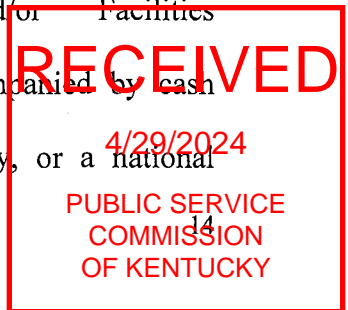


SECTION 19. If any section, sentence, clause or phrase of this Ordinance is held unconstitutional or otherwise invalid, such infirmity shall not affect the validity of the remaining Ordinance.

SECTION 20. It shall be the duty of the City's Mayor, or his/her designee, to offer for sale at public auction the Franchise and privileges created hereunder. Said Franchise and privileges shall be sold to the highest and best bidder or bidders at a time and place fixed by the City's Mayor after he or she has given due notice thereof by publication or advertisement as required by law. In awarding the franchise, the City shall consider the technical, managerial, and financial qualifications of the bidder to perform its obligations under the franchise.

SECTION 21. Bids and proposals for the purchase and acquisition of the franchise and privileges hereby created shall be in writing and shall be delivered to the City's Mayor, or his/her designee, upon the date(s) and at the times(s) fixed by him or her in said publication(s) or advertisement(s) for receiving same. Thereafter, the City's Mayor shall report and submit to the City Council, at the time of its next regular meeting or as soon as practicable thereafter, said bids and proposals for its approval. The City Council reserves the right, for and on behalf of the Government, to reject any and all bids for said franchise and privileges; and, in case the bids reported by the City's Mayor shall be rejected by the Council, it may direct, by resolution or ordinance, said franchise and privileges to be again offered for sale, from time to time, until a satisfactory bid therefore shall be received and approved.

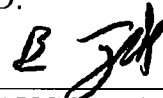
In addition, any bid submitted by a corporation or person not already owning within the territorial limits of the City a plant, equipment, and/or Facilities sufficient to render the service required by this Ordinance must be accompanied by cash or a certified check drawn on a bank of the Commonwealth of Kentucky, or a national



bank, equal to five percent (5%) of the fair estimated cost of the system required to render the service, which check or cash shall be forfeited to the Government in case the bid should be accepted and the bidder should fail, for thirty (30) days after the confirmation of the sale, to pay the price and to give a good and sufficient bond in a sum equal to one-fourth (1/4) of the fair estimated cost of the system to be erected, conditioned that it shall be enforceable in case the purchaser should fail, within sixty (60) days, to establish and begin rendering the service in the manner set forth in this Ordinance. Bids shall include such documentation as is necessary to support the bidder's determination of the fair estimated cost of the system required to render the service. Government reserves the right to review any of bidder's supporting documentation which justifies bidder's determination of said estimated cost. Such deposit need not be made by a corporation or person already owning within the territorial limits of the City a plant, equipment, and/or Facilities sufficient to render the service required by this Ordinance.

Introduced and given first reading at a meeting of the Versailles City Council, held on the 16th day of January, 2024 and fully adopted after a second reading at a meeting of said Council held on the 6th day of February, 2024.

APPROVED:



BRIAN TRAUGOTT, MAYOR

ATTEST:

  
ELIZABETH REYNOLDS, CITY CLERK



# Exhibit B

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PUBLIC SERVICE  
COMMISSION  
OF KENTUCKY





City of Versailles  
196 South Main Street  
Versailles, KY 40383

March 4, 2024

**Franchise Bid Letter**

Dear City of Versailles,

On behalf of Kentucky Utilities Company (KU), please consider this letter as KU's bid for an electric franchise with the City of Versailles. This bid is in response to the City of Versailles' request as contained in the February 15, 2024, issue of *The Woodford Sun*. It is our understanding that said franchise will be for a ten (10) year period with an annual fee of three (3.0) percent with the option to increase up to five (5.0) percent with a ninety (90) days' written notice as authorized by Ordinance No. 2024-01 passed by the Versailles Council on February 6, 2024.

KU agrees to the terms and conditions of the franchise created by Ordinance No. 2024-01 and agrees to reimburse advertising expenses incurred by the City of Versailles.

Please be advised that KU has also filed for a Certificate of Public Convenience and Necessity from the Kentucky Public Service Commission in connection with the submission of this bid.

We appreciate the opportunity to present this bid and welcome any questions regarding the same.

Respectfully,

Shannon Montgomery  
Vice President, Customer Services



# Exhibit C

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ORDINANCE 2024-05

ORDINANCE CONFIRMING THE SALE AND AWARDING A NON-EXCLUSIVE FRANCHISE TO KENTUCKY UTILITIES CORPORATION FOR A TERM OF TEN (10) YEARS FOR ELECTRIC FRANCHISE FOR THE PLACEMENT OF FACILITIES FOR THE TRANSMISSION, DISTRIBUTION AND SALE OF ELECTRICAL ENERGY ALONG AND UNDER PUBLIC RIGHT-OF-WAY WITHIN THE CITY OF VERSAILLES, KENTUCKY, IN RETURN FOR PAYMENT TO THE CITY OF VERSAILLES OF THE SUM OF THREE PERCENT (3%) OF FRANCHISEE'S GROSS RECEIPTS PER YEAR FROM THE FRANCHISEE'S SALE OF ELECTRICITY TO ELECTRIC-CONSUMING ENTITIES INSIDE THE CITY OF VERSAILLES'S CORPORATE LIMITS AND RESERVING THE RIGHT TO INCREASE SAID FRANCHISE FEE TO UP TO FIVE PERCENT (5%) OF FRANCHISEE'S GROSS RECEIPTS PER YEAR FROM THE FRANCHISEE'S SALE OF ELECTRICITY TO ELECTRIC-CONSUMING ENTITIES INSIDE THE CITY OF VERSAILLES'S CORPORATE LIMITS

WHEREAS, Ordinance No. 2024-01, adopted by the Versailles City Council, on February 6, 2024, provided for the creation and sale of a non-exclusive franchise, for a term of ten (10) years, to acquire, lay, maintain, operate, enter upon, construct, install, use and repair, in the public Right-Of-Way of the City a system or works for the generation, transmission and distribution of electrical energy from points either within or without the corporate limits of this City, to this City and the inhabitants thereof, and from and through this City to persons, corporations and municipalities beyond the limits thereof, and for the sale of same for light, heat, power and other purposes; and

WHEREAS, said ordinance also established a sealed bid process which includes advertising the invitation for bids, and awarding the franchise to the successful bidder(s); and

WHEREAS, after publication of said advertisement on February 15, 2024, the City received a bid from Kentucky Utilities Corporation.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF VERSAILLES, KENTUCKY, AS FOLLOWS:

Section 1. That an electric franchise created by Ordinance No. 2024-01 be, and it hereby is, awarded to Kentucky Utilities Corporation, for the cost of advertising and sale of an electric franchise, plus three percent (3%) of its annual gross revenues, which shall be payable to the City of Versailles, Kentucky, on a quarterly basis.

Section 2. That the City of Versailles, Kentucky, pursuant Ordinance No. 2024-01 shall have the right to increase said franchise fee described above to up

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to five (5) percent of gross receipts per year from Kentucky Utilities Corporation's sale of electricity to electric-consuming entities inside the City of Versailles's corporate limits on or after the later of ninety (90) days after the date of the written notice or the effective date of the franchise fee specified in the City of Versailles's notice.

Section 3. All prior ordinances, municipal orders, or policies or parts thereof in conflict herewith, are to the extent of such conflict, hereby repealed.

Section 4. That the mayor of the City of Versailles is hereby authorized to sign the Franchise Agreement which memorializes the sale by the City Versailles to Kentucky Utilities of said franchise subject to the terms and conditions reflected in Ordinance No. 2024-01 and this Ordinance.

Section 5. That the statements set forth in the Preamble to this Ordinance are hereby incorporated in this Ordinance by reference, the same as if set forth at length herein.

Section 6. That if any section, sentence, clause or phrase of this Ordinance is held to be unconstitutional or otherwise invalid, such infirmity shall not affect the validity of the remainder of the Ordinance.

Section 7. That this Ordinance shall be effective on the date of its passage.

/s/ B. J. [Signature]

Mayor

/s/ Elizabeth Reynolds

City Clerk

ATTEST:

