

NON-EXCLUSIVE ELECTRIC FRANCHISE AGREEMENT

THIS NON-EXCLUSIVE ELECTRIC FRANCHISE AGREEMENT (the “Agreement”) made and entered into this 22nd day of October, 2024, by and between the **CITY OF COVINGTON**, a municipal corporation of the home rule class and political subdivision of the Commonwealth of Kentucky, with a principal address of 20 West Pike Street, Covington, Kentucky 41011 (hereinafter “Covington”), and **OWEN ELECTRIC COOPERATIVE, INC.**, a corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky, with a principal address of 8205 Highway 127 N, PO BOX 400, Owenton, Kentucky 40359 (hereinafter “Owen Electric”) (collectively, the “Parties”).

RECITALS

WHEREAS, by Ordinance No. O-10-2024, Covington provided for the creation and sale of a non-exclusive electric franchise, for a term of twenty (20) years, to acquire, lay, maintain, operate, enter upon, construct, install, use and repair, in the public right-of-way of Covington, a system or works for the generation, transmission and distribution of electrical energy from points either within or without the corporate limits of Covington, to Covington and the inhabitants thereof, and from and through Covington to persons, corporations and municipalities beyond the limits thereof, and for the sale of same for light, heat, power and other purposes (the “Franchise”); and

WHEREAS, Ordinance No. O-10-24 authorized the advertising for bids on said franchise, and Owen Electric submitted a timely bid to acquire said franchise; and

WHEREAS, by Ordinance No. O-32-24, adopted October 8, 2024, Covington accepted the bid of Owen Electric to acquire said franchise; and

WHEREAS, Covington and Owen Electric have entered into this Franchise Agreement to



memorialize the sale by Covington to Owen Electric of said franchise subject to the terms and conditions reflected in Ordinance Nos. O-10-24 and O-32-24 (collectively, the “Ordinances”).

NOW THEREFORE, in consideration of the foregoing recitals, which are hereby incorporated into this Agreement as an integral part hereof and are not mere recitals hereto, and the mutual promises, covenants and obligations herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Covington and Owen Electric mutually agree as follows:

1. Ordinance No. O-10-24, 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 Owen Electric 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. O-32-24, which is attached hereto as **Exhibit “C”**, is incorporated herein by reference in its entirety and shall apply as if fully set forth herein.
3. Covington has granted unto Owen Electric a non-exclusive electric franchise, for a term of twenty (20) years, to enter upon, lay, acquire, construct, operate, maintain, install, use and repair, in the public right-of-way of Covington, a system or works for the generation, transmission and distribution of electrical energy within the corporate boundaries of Covington subject to the provisions of the Ordinances.
4. The franchise memorialized in this Agreement shall commence November 1, 2024, and shall expire as provided in the terms and provisions of Ordinance No. O-10-24.
5. As compensation for said Franchise, Owen Electric agrees to pay to Covington a sum equal to three percent (3%) of the gross receipts per month from Owen Electric’s sale of



electricity to all electric-consuming entities inside Covington's corporate limits, paid monthly, as provided in Ordinance No. ORD-10-2024.

6. Owen Electric 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.

7. This Agreement is entered into and is to be performed in the Commonwealth of Kentucky. Covington and Owen Electric agree that the laws of the Commonwealth of Kentucky shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and shall govern the interpretation of this Agreement. Any litigation regarding any dispute related to this Agreement shall be in the courts of Kenton County, Kentucky.

8. All notices, requests, consents, approvals, demands and other communications required or permitted to be given or made under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered personally or (b) deposited to the United States mail, addressed as follows, or at such other address as may be provided in writing by the parties:

If to Contractor: Owen Electric Cooperative, Inc.
8205 Highway 127 N
PO BOX 400
Owenton, Kentucky 40359

If to City: City Manager

City of Covington
20 W. Pike Street
Covington, KY 41011

With a copy to:

City of Covington
Office of the City Solicitor
20 W. Pike Street
Covington, KY 41011

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9. In the performance of services under this Agreement, Owen Electric shall comply with all statutes, ordinances, regulations and rules of the United States of America, Commonwealth of Kentucky, Kenton County, and the City of Covington.

Owen Electric agrees to comply with §110.01 et seq. of Covington Code of Ordinances, titled "Business and Occupational License Fees." Specifically, Owen Electric agrees to pay all business and occupational license fees that may become due during the term of this Agreement or which are past due for any other work that Owen Electric has performed in Covington. Owen Electric further agrees that it will require, by contract, all subcontractors working for Owen Electric to provide services pursuant to this Agreement, to comply with Section 110.01 et seq. of Covington Code Ordinances. Owen Electric affirms that it has obtained, or has taken the appropriate steps to apply for, a City Occupational License.

Per Commissioners' Ordinance No. O-11-06, entities working on behalf of Covington must not have filed pending adverse claims against Covington in the form of settlement demands or lawsuits; not shall they be delinquent in obligations to pay loans, fines, liens, or other obligations to Covington.

10. Owen Electric agrees that no officer, employee, or agent of Covington who exercises any functions or responsibilities in connection with the planning and carrying out of the program, no any immediate family members, close business associate, or organization which is about to employ any such person, shall have any personal financial interest, direct or indirect, in Owen Electric or in this Agreement (unless he or she is an employee of Owen Electric) and the Owen Electric shall take appropriate steps to assure compliance.

By signing this Agreement, Owen Electric affirms that it is aware of the prohibition against



conflicts of interest, gratuities, and kickbacks as set forth in KRS 45A.455, which is specifically incorporated herein by reference, and agrees not to violate these provisions.

11. This 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, Covington and Owen Electric have executed this Franchise Agreement as their free and voluntary act and deed effective as of the day and year first above written.

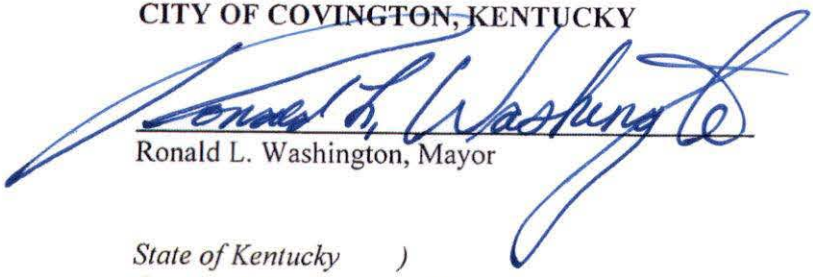
[Signature page follows.]

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CITY OF COVINGTON, KENTUCKY



Ronald L. Washington, Mayor

State of Kentucky)
County of Kenton) SS:

The foregoing Franchise Agreement was subscribed, sworn to and acknowledged before me by Hon. Ronald L. Washington, in his capacity as Mayor of the City of Covington, Kentucky, on this the 2nd day of September, 2025.



Susan Ellis
NOTARY PUBLIC
Commonwealth of Kentucky
Commission Number KYNP6528
My Commission Expires
May 17, 2028


[Name] Susan Ellis
Notary Public # KYNP 6528
My Commission Expires: May 17, 2028

OWEN ELECTRIC COOPERATIVE, INC.

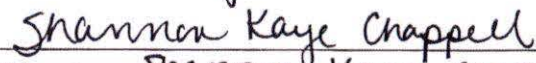


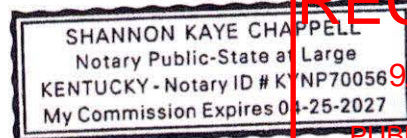
By: Mike Stafford

Its: Vice President, Member Services

State of Kentucky)
County of Owen) SS:

The foregoing Franchise Agreement was subscribed, sworn to and acknowledged before me by Mike Stafford, in his/her capacity as Vice President, Member Services of the Owen Electric Cooperative, Inc., on this the 11th day of August, 2025.


[Name] Shannon Kaye Chappell
Notary Public # KYNP70056
My Commission Expires: 4-25-2027



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Exhibit List

- A Ordinance No. O-10-24
- B Bid
- C Ordinance No. O-32-24

SEP 11 2025
CLERK OF COURTS
COMMONWEALTH OF KENTUCKY
JAN 13 2026



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EXHIBIT A

COMMISSIONER'S ORDINANCE NO. O-10-24

AN ORDINANCE CREATING AND ESTABLISHING FOR BID NON-EXCLUSIVE ELECTRIC FRANCHISE FOR THE PLACEMENT OF FACILITIES FOR THE TRANSMISSION, DISTRIBUTION AND SALE OF ELECTRICITY WITHIN THE PUBLIC RIGHT-OF-WAY OF THE CITY OF COVINGTON FOR A TWENTY (20) YEAR DURATION, IMPOSING A FRANCHISE FEE IN OF THE SUM OF 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 COVINGTON'S CORPORATE LIMITS AND FURTHER PROVIDING FOR INDEMNIFICATION; INSURANCE; CANCELLATION OR TERMINATION; AND BID REQUIREMENTS; ALL EFFECTIVE ON DATE OF PASSAGE.

*** * * ***

WHEREAS, Sections 163 and 164 of the Constitution of the Commonwealth of Kentucky, and Chapter 96 of the Kentucky Revised Statutes, authorize municipal corporations to require public utilities, including providers of electricity within their boundaries, to operate under franchise agreements and to grant utilities the right to use Right-Of-Way on such terms and conditions as are deemed reasonable and necessary; and

WHEREAS, KRS 82.082 authorizes the City to exercise any and all powers within its boundaries that are not in conflict with the Kentucky Constitution or state statutes; and

WHEREAS, the City Commission of the City of Covington, Kentucky, has found and determined that the construction, operation, maintenance and utilization of an electric franchise over, across or under Right-Of-Way in the City of Covington, benefits said utility and the customers it serves; and

WHEREAS, the City Commission has further found and determined that the construction, installation, removal, maintenance and/or repair of utility-owned facilities and other infrastructures does periodic and unavoidable disturbance that gradually results in the degradation of the City's streets and sidewalks, for which the City is entitled to reasonable compensation in order to offset and recover the costs of reconstructing, removing, repairing or resurfacing damaged Right-Of-Way; and,

WHEREAS, in order to protect the health, safety and welfare of the citizens of Covington, Kentucky, to protect and preserve the City's public right-of-way and infrastructure and to provide for the orderly administration of the franchise contemplated herein, it is necessary and appropriate to require the successful franchisee to conduct its business and operations in a lawful manner in compliance with the terms and conditions set forth hereinbelow.

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NOW, THEREFORE,
BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE CITY OF
COVINGTON, KENTON COUNTY, KENTUCKY:

Section 1

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 transmission and distribution of electricity within and without 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 poles, pipes, manholes, ducts, structures, and any other apparatus, equipment and facilities above and below the ground (collectively, "Equipment") necessary, essential, and/or used or useful to the transmission, distribution and sale of electricity through the City or to any other town or any portion of the county or to any other jurisdiction ("Services"). Additionally, the Company shall have the right to use the streets with its service and maintenance vehicles in furtherance of this Franchise. Prior to beginning the construction or installation of any new facilities 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. For avoidance of doubt, the Company shall not be required to obtain a permit prior to undertaking any maintenance or Emergency restoration work on existing facilities. To the extent a permit is necessary for such Emergency restoration work, the Company shall make any necessary permit application filings within any prescribed time by applicable ordinance or, if not provided by ordinance within a reasonable period, not to exceed fifteen (15) days, following completion of the work. 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 any prescribed time by applicable ordinance or if not provided by ordinance, within thirty (30) days for hard surfaces and within fifteen (15) days for soft surfaces along city streets. Such restoration shall be to a condition comparable to what it was prior to the opening thereof. By way of example, brick pavers must be restored with brick pavers and stamped concrete must be restored with stamped concrete. During seasonal periods where weather prevents the restoration within the times set forth in this Ordinance or in the event of any shortage of materials or labor, the Company shall make temporary restorations satisfactory to the City and shall work with the City to develop a mutually agreeable and reasonable period for permanent restoration. In the event a street is opened at the request of the City for a reason other than providing adequate, efficient and reasonable service, then the City shall bear the expense of opening and restoring the street.

Section 2

The following definitions apply to this Ordinance:

City Commission means the legislative body of the City of Covington.

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

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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 Covington.

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. Revenues do not include miscellaneous service charges, including but not limited to turn-ons, meter sets, insufficient funds, taxes, local fees, late fees and interest, which are related to but are not a part of the actual retail sale of electricity.

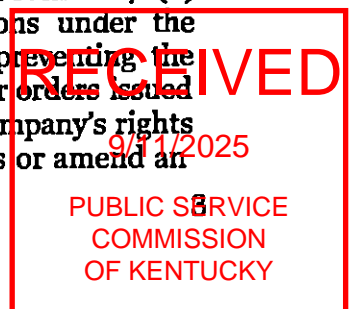
Party or Person means any natural or corporate person, business association or other business entity including, but not limited to, a partnership, a sole proprietorship, a political subdivision, a public or private agency of any kind, a Utility, a successor or assign of any of the foregoing, or any other legal entity. As used in this ordinance, the term *Parties* shall collectively refer to the Company and the Government.

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 TWENTY (20) 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 one hundred eighty (180) days' written notice if: (a) the City breaches any of its obligations hereunder and such breach is not cured within ninety (90) 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 Commission accepts the bid(s).

Section 6

The Company shall comply with all provisions of the City's Code of Ordinances ("Code"), including but not limited to, Urban Forestry, Right of Way Encroachment, Historic Preservation Guidelines, and Public Realm Streetscape Design Standards and City regulations (including any amendments thereto), unless such provisions: (i) conflict with 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 (ii) are otherwise preempted by the action of any state or federal authority with jurisdiction over the Company. The Company shall comply with the provisions of Covington Code of Ordinance §96.067 regarding Installation, Regulation, or Discontinuance of facilities and specifically including, but not limited to, §96.067(H) on leases of poles in the right of way to entities other than 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 any one 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 as permitted by law. All rights and privileges granted in any electric franchise shall be subject to the provisions hereof, this Ordinance and to all powers (including police power) inherent in, conferred upon, or reserved to the City, including but not limited to those contained in the Code and in all regulations and or policies promulgated by the City.

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Section 8

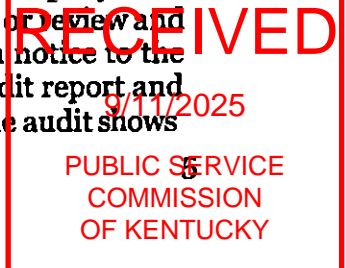
As consideration for the granting of the Franchise created by this Ordinance, the Company agrees it shall defend, indemnify, and hold harmless the Government from and against claims, suits, causes of action, proceedings, judgments for damages or equitable relief, and costs and expenses asserted against 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, gross negligence or willful conduct. 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

A. Franchise Fees. For the privilege of utilizing said public streets and Rights-Of-Ways, the Company, its successors and assigns, shall be required to pay to the Government monthly three percent (3%) of Gross Receipts per month from the Company's sale of electricity to electric-consuming entities (which includes businesses, industrial facilities and dwellings) inside the City's corporate limits. Additionally, the City reserves the right to increase the franchise fee at any time after the one-year anniversary of the effective date of this Ordinance, and upon prior ninety (90) days written notice to the Company. Should the City exercise said right to increase the franchise fee, the City shall receive payment of franchise fees in an amount not to exceed five percent (5%) of the Gross Receipts received by the Company from the Company's sale of electricity to electricity-consuming entities (which includes businesses, industrial facilities and dwellings) inside the City's corporate limits.

Unless otherwise agreed in writing, 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 and non-disputed amount due to the Government shall be paid within ten (10) days following written notice to the Company by the Government.

The Government shall have the right to inspect the Company's electric income records no more than once, annually, related to the Company's electric gross receipts within the City for a time period consisting of the lesser of the effective date of the franchise or the most recent two years (the Audit Period). The Government shall retain the right to audit and to re-compute any amounts determined to be payable under this agreement for the Audit Period; provided, however, that such audit shall take place within twelve (12) months following the close of the Company's fiscal year. If, as a result of such audit or review, the Government determines that Company has underpaid its franchise fees to the Government in any twelve (12) month period by ten percent (10%) or more, then, in addition to making full payment of the relevant obligation, the Company shall reimburse the Government for all expenses incurred as a result of an audit or review and such payments shall be paid within the thirty (30) days following written notice to the Company by the Government, which notice shall include a copy of the audit report and copies of all invoices for which the Government seeks reimbursement. If the audit shows



that the Company has overpaid its franchise fee in any twelve (12) month period, then the Government will promptly make a payment to the Company of the overpayment amount and Company will make appropriate bill adjustments to affected customer's bill to credit back the overpayment.

Once the Government has exercised its right to audit any fiscal year, such year shall not be includable within the scope of any subsequent audit by the Government unless agreed to by the Company.

If any franchise fee is owed to the Government, in the event that any franchise fee payment or recomputed amount is not made to the Government on or before the applicable dates heretofore specified, interest shall be charged from such date at the annual rate of 2% over prime interest rate, unless the Company demonstrates that the non-payment is the result of an act or omission of the Commonwealth of Kentucky or the City and wholly beyond the fault of the Company.

Any other fees assessed to the Company in connection with the Company's operation within the City pursuant to this franchise, including use of the City's Right-Of-Way, including fees associated with permits and licenses of whatever nature, shall be payable by the Company only if and to the extent such fee is provided for under the laws of the Commonwealth of Kentucky 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 Code, 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

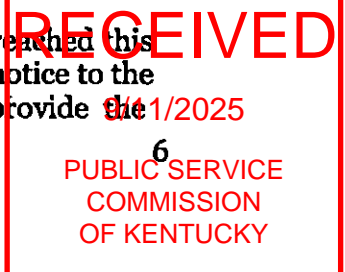
The Company shall maintain in force through the term of the Franchise insurance coverage for general liability insurance, auto liability and workers compensation, in accordance with all applicable laws and regulations. The Company shall maintain a general liability and auto liability coverage minimum limit of \$5,000,000 per occurrence. The Company may elect to self-insure all or 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 Kentucky Public Service Commission or any successor regulatory body and will give notice of same as required by KRS 278.180 and the Orders of the Kentucky Public Service Commission construing same.

Section 12

In the event the Government believes the Company has materially breached this franchise or violated one of its terms, the Government shall provide written notice to the Company that states the precise alleged breach or violation and shall provide the



Company a reasonable opportunity, not to exceed thirty (30) days from receipt of notice, to provide evidence that such breach or violation has not occurred or to take action to cure such breach or violation.

If after thirty days, the Company has either failed to provide evidence of such breach or violation not occurring or has failed to commence action to cure such breach or violation, the City reserves the right to assess a penalty in the amount of \$500 per violation or breach.

If payment of any penalty assessed under this provision not made to the Government on or before the applicable dates specified, interest shall be charged from such date at the annual rate of 2% over prime interest rate, unless the Company demonstrates that the non-payment is the result of an act or omission of the Commonwealth or the City and beyond the fault of the Company.

The Parties retain all rights available under the law of the Commonwealth of Kentucky with respect to enforce provisions of this Ordinance or any contract derived from the passage of this Ordinance, including the right to seek remedies at law, and direct damages.

The payment of penalties or damages shall not excuse non-performance under this Ordinance. The right of the Parties to seek and collect damages as set forth in this section is in addition to its right to terminate and cancel as set forth in Section 13 of this Ordinance.

In no event shall either Party be liable under this Agreement to the other Party any special, incidental, punitive, exemplary, or consequential damages.

Section 13

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

- (1) Willfully violates any material provision of 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 other Party;
- (3) Knowingly makes a material misrepresentation of any fact in the application, proposal for renewal, or negotiation of this Franchise; or
- (4) 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 Commission, or the Company shall make a written demand that the Company or City do, or comply with, any such provision, rule, order or determination. If the violation, found in Section 13(a), by the Company or the City 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 Commission meeting agenda. The Government shall cause to be served upon the Company, at least ten (10) days prior to the date of such City Commission 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. In the event of a breach by the City, the Company retains all rights available under the law of the Commonwealth of Kentucky with respect to enforce provisions of this Ordinance or any contract derived from the passage of this Ordinance,

(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 a reasonable opportunity to cure, such violations, failure or default continue as set forth in Section 13(a).

Section 14

Right to Cancel. The City shall have the right to terminate 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 15

In the event of a change of Kentucky law whereby retail rates of electric customers are no longer regulated by the Public Service Commission, 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 16

The Company shall conform to at least the minimum standards or requirements in federal and state law or regulation in the operation of its electric system pursuant to this Ordinance. In addition to complying with other applicable law, the Company agrees that:

- (a) Any defect in the work, materials or equipment, whether latent or patent, will be remedied by the Company;
- (b) Construction, reconstruction, maintenance, or removal of any facilities, shall be performed with due regard for the rights of the Government and others, and shall not unnecessarily interfere with, or in any way injure the property of the Government or others under, on, or above the ground, or otherwise unduly interfere with the public use of the Right-Of-Way;
- (c) Placement of lights, danger signals or warning signs shall be undertaken by the Company in compliance with applicable law; and
- (d) All new facilities shall be installed and shall be in conformance with the applicable requirements of this Ordinance and those set forth in the Code, the Zoning Ordinance, or any other applicable federal state and local laws or regulations. The Company assumes all responsibility for damage or injury resulting from its placement or maintenance of any facilities.
- (e) The Government shall have the ability to order the relocation of any facility located within the Right-Of-Way.
 - 1. Whenever the Government shall grade, regrade, construct, reconstruct, widen or alter any Right-Of-Way or shall construct, reconstruct, repair, maintain or alter a public improvement, including, but not limited to, storm sewers, sanitary sewers and street lights therein, it shall be the duty of the Company, when so ordered by the Government, to change, relay and relocate its facilities in the Right-Of-Way at no cost to the Government so as to conform to the established grade or line of such Right-Of-Way and so as not to interfere with such public improvements so constructed, reconstructed or altered. However, notwithstanding the above, if as part of said public improvement the Government, receives grant money, as part of a state or federally funded project, applicable for the relocation of any above-ground, to be relocated underground, the grant or other award shall be applied with the Company to bear any additional cost. The Company specifically acknowledges and agrees that the placement of facilities in the City's Right-Of-Way is a revocable permit, which may be revoked for specific facilities for the reasons set forth herein.
 - 2. The Government shall have the authority to order the relocation and/or for the Company to provide any required safety measures for any facility that due to proximity of a private property owner is interfering with the



property owner's respective use of their property or is in violation of a safety standard set forth by law and/or regulation. Specifically, the Company agrees to either relocate and/or provide safety measures for an property owner whose ability to use, repair, rebuild, paint and/or make any required alterations to their property is impacted by the location of Company's facilities.

3. If the reason the Government is ordering the relocation is to assist in the installation of facilities by another party, the party seeking to install the facilities, or the project funding source, shall bear the costs of said relocation, unless an agreement is otherwise reached. This shall not apply to any relocation resulting from the relocation required by redevelopment and/or construction of a City owned property, which shall include ownership by Industrial Revenue Bond and/or similar economic incentive issued pursuant to applicable state law.
4. The Company shall, at no cost to the Government, place facilities underground if said above-ground facilities cause a public safety concern or are required to be placed underground pursuant to federal, state or local laws or regulations.

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 Kenton County, Kentucky.

Section 18

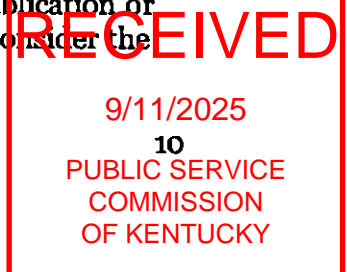
This Ordinance and any Franchise awarded pursuant to it does not create a contractual relationship with or right of action in favor of a third party against either the Government or the Company.

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 unless the rights of the City or Company are materially altered or impaired.

Section 20

It shall be the duty of the City Commission, through the City Manager's Office, 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 Commission after 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 Commission, through the office of the City Manager, upon the date(s) and at the times(s) fixed by publication(s) or advertisement(s) for receiving same. Thereafter, the City Manager shall report and submit to the City Commission, at the time of its next regular meeting or as soon as practicable thereafter, said bids and proposals for its approval. The City Commission 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 Manager shall be rejected by the City Commission, 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.

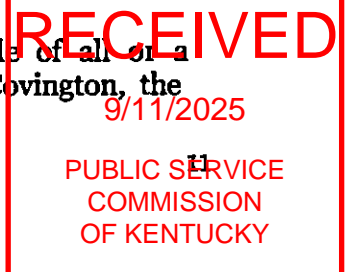
Bids offered for purchase of this Franchise shall state the bidder's acceptance of the conditions set forth in this Ordinance and shall be accompanied by a nonrefundable application fee in the amount of Four Thousand Dollars (\$4,000.00) payable to the City Commission to defray the City's costs of advertising and other administrative expenses incurred.

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. 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.

Section 22

The Franchise shall not be assignable without the written consent of the City; however, Franchisee may assign the Franchise to any affiliate, parent, or subsidiary entity which may, during the Term of the Franchise, assume the obligation to provide electricity throughout and for consumption within or outside the City without being required to seek the City's consent to such assignment. The Company shall provide the City with any notices required under the law of the Commonwealth of Kentucky.

If the Company experiences a foreclosure or other judicial sale of all or a substantial part of the Company's Facilities located within the City of Covington, the



Company shall provide the Government with any notices required under the law of the Commonwealth of Kentucky.

Section 23


The Company shall provide the City with the name, address, phone number and email address of each contractor and/or subcontractor constructing, installing, removing, maintaining and/or repairing Company-owned facilities in the City. Said information shall be provided to the City at least 7 days prior to any work being performed in the City by said contractors or subcontractors. Additionally, the Company, and all of its contractors and subcontractors, shall comply with all City ordinances and/or regulations, including, but not limited to, Section 96 of the Code.

Section 24

As set forth herein, the "Franchise Fee," is a fee paid by the Company's customers. In as much, Company agrees as further consideration of the use of the City's rights of way, the Company agrees to apply all Revenue Justification Policies, Economic Development Policies and/or other similar policy or procedure, provided for in the submittals to the Kentucky Public Services Commission by the Company.

Section 25

This Ordinance shall take effect and be in full force when passed, published, and recorded according to law.



MAYOR

ATTEST:


CITY CLERK

Passed: May 14, 2024 (Second Reading)

April 23, 2024 (First Reading)

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PUBLIC SERVICE
COMMISSION
OF KENTUCKY

EXHIBIT B



BID:
ITB 240802 – Electric Utility Franchise

Published: August 15, 2024

Opening: August 29, 2024

Company/Contractor/Bidder Name

Amount

OWEN ELECTRIC COOPERATIVE INC
8205 HWY 127N; P O B 400, OWENSON KY 40359

3% OF GROSS ANNUAL
QUARTER REVENUES.

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PUBLIC SERVICE
COMMISSION
OF KENTUCKY

CRAWFORD & BAXTER, P.S.C.

ATTORNEYS AT LAW
523 Highland Avenue
P.O. Box 353
Carrollton, Kentucky 41008

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Ruth H. Baxter
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Jake A. Thompson
E-Mail: JThompson@cbkylaw.com

Phone: (502) 732-6688
Toll Free: 1-800-442-8680
Fax: (502) 732-6920

August 28, 2024

City of Covington, Kentucky
ATTN: Mr. Peter Hager
20 W Pike St.
Covington, KY 41011

RE: Owen Electric Cooperative, Inc. ("Owen Electric")
Bid on Franchise Offered by the City of Covington

Dear Mr. Hager:

On August 16, 2024, Owen Electric Cooperative, Inc. ("Owen Electric") filed an application with the Kentucky Public Service Commission ("Commission") for a Certificate of Public Convenience and Necessity ("CPCN") authorizing Owen Electric to bid on the City of Covington's franchise. On August 23, 2024 the Commission approved Owen Electric's application and request to bid on the franchise. Copies of Owen Electric's CPCN application and Commission approval are attached.

Having satisfied this regulatory requirement, Owen Electric respectfully submits its bid for a franchise offered by the City of Covington, Kentucky for electric distribution service. Per the City's request, Owen Electric's formal bid and related documentation are attached.

If you have any questions or require additional information, please contact me.

Very truly yours,


James M. Crawford
Counsel

Enclosures

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COMMISSION
OF KENTUCKY

CITY OF COVINGTON
ITB240802
Attachment IV

BID FORM
For: Non-Exclusive Electric Utility Franchise Agreement(s)

Bidder (Company) Name: Owen Electric Cooperative, Inc.

Bidder's Representative's Name(s): Michael Stafford

Bidder's Representative's Title: Vice President, Member Services

Representative's Contact Information:

Direct Dial Telephone Number: (502) 563-3542

General/Main Telephone Number: (502) 484-3471

Mobile Telephone Number: (859) 576-3747

SMS/Text Number/Address: (859) 576-3747

e-Mail Address: mstafford@owenelectric.com

Other (Specify):

Bidder shall separately prepare and attach with its Bid the specifications of and for the Non-Exclusive Electric Utility Franchise Agreement(s) that it's Bidding to furnish to the City. Bidder's specifications shall:

1. Fully comply with the City's specifications as expressed in the ITB.
2. Specifically, and clearly express:
 - a. Any City specification included in this ITB (ITB240703), including the City's specified Terms and Conditions, that:
 - i. Bid does not include, or fully satisfy.
 - ii. Bid exceeds or surpasses, how and to what extent(s)/limit(s).
 - iii. Absence of either or both expressions shall indicate Bidder's full compliance with City's specifications.
 - b. Bidder's Bid price to acquire from the City the Non-Exclusive Electric Utility Franchise Agreement(s) its specification(s) describe.
 - i. Bid pricing shall remain firm for the City's evaluation and consideration for not less than ninety (90) days after the City publicly receives, opens and records Bids received by the City in response to this ITB240703.

Bidder's Representative's Signature:

Michael Stafford

Date Executed:

08/28/24

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PUBLIC SERVICE
COMMISSION
OF KENTUCKY

TO: CITY OF COVINGTON

FROM: OWEN ELECTRIC COOPERATIVE, INC.

SUBJECT: BID FOR A TWENTY-YEAR NON-EXCLUSIVE FRANCHISE BASED ON
ORDINANCE NO. 0-10-24

Owen Electric Cooperative, Inc. (hereinafter referred to as "Bidder") bids a sum equal to 3% of gross calendar quarter revenues received from sales of electricity for consumption within the City of Covington (as set forth in Ordinance No. 0-10-24) and within the certified territory of Bidder as recorded in the records of the Public Service Commission of Kentucky, Frankfort, Kentucky.

This bid is limited to the extent any Owen Electric Cooperative tariff, or state or federal regulation or statute, now existing or in the future, differs from the franchise specifications set forth in Ordinance No. 0-10-24, then that tariff, regulation, or statute, will control over any statement or agreement contained in these franchise documents. This limitation applies specifically to, but is not limited to, any underground facilities tariff, all joint use tariffs, agreements, and regulations, and any applicable relocation expense allocation tariffs. Further, all applicable tariffs, regulations, joint use agreements, and applicable statutes shall govern over Sections 6, 16, and 23 of the bid specification Ordinance No. 0-10-24.

This bid is further limited in that Owen Electric Cooperative only agrees to have general liability and automobile insurance liability minimum limits in place of \$2,000,000, which controls over any limits contained in Section 10 of the bid specification Ordinance No. 0-10-24.

This bid is further limited in that Owen Electric Cooperative does not agree to the audit provisions of Section 9 of the bid specification Ordinance No. 0-10-24, and does not include same in its bid. Owen Electric will agree to assist the City in performing a good faith inspection and/or explanation of its electric income records related to electric gross receipts within the City, for no more than a two-year period, no more than once every two years, but in no event shall Owen Electric Cooperative be responsible for the costs of same.

This bid is further limited by the clarification that any routine maintenance and equipment replacement, and any emergency work which Owen Electric Cooperative performs on its electric system is not subject to Section 23 of the bid specification Ordinance No. 0-10-24, including the seven (7) day notice requirement contained therein.

No deposit is required under Section 21 of Ordinance No. 0-10-24 as Bidder already owns within the territorial limits of the City of Covington, Kentucky equipment and facilities sufficient to render the service required by Ordinance No. 0-10-24. Payment for the nonrefundable application fee in the amount of \$4,000 has been made payable to the City and is included herein.

The authority to bid for this franchise has been approved by the Kentucky Public Service Commission.

Dated: August 28, 2024

OWEN ELECTRIC COOPERATIVE, INC.

BY:



Michael L. Cobb, PRESIDENT AND CEO

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PUBLIC SERVICE
COMMISSION
OF KENTUCKY

CITY OF COVINGTON
ITB240802
Attachment I

NON-COLLUSION AFFIDAVIT OF BIDDER
AFFIDAVIT OF PRINCIPAL BID RESPONDENT

STATE OF : KENTUCKY

SS:

COUNTY OF : OWEN

Michael Stafford, being first duly sworn, deposes and says that
s/he is Vice President, Member Services of Owen Electric Cooperative
(Sole Owner/Partner/President/Secretary/Other Title) (Name of Bidder)

who on 08/28/2024, submitted a Bid response as set forth in the attached copy; that all
(Date Bid Submitted)

statements of fact in such Bid are accurate, correct, and true; that such submittal was not made in the interest of or on behalf of any undisclosed person, partnership, company, association, organization, or corporation; that such submittal is genuine and not collusive or sham; that said Bidder has not directly or indirectly, by agreement, communication of conference with anyone attempting to induce action prejudicial to the interests of the public body which is to award the contract, or of any other submitter or anyone else interested in the proposed contract; and further, that prior to the public opening and reading of proposals, said submitter:

- (a) Did not directly or indirectly, induce or solicit anyone else to submit a false or sham proposal;
- (b) Did not directly or indirectly, collude, conspire, connive or agree with anyone else that said submitter or anyone else would submit a false or sham proposal, or that anyone should refrain from submitting or withdraw his/her proposal;
- (c) Did not, in any manner, directly or indirectly, seek by agreement, communication or conference with anyone to raise or fix the proposal price of said submitter or of anyone else, or to raise or fix any overhead, profit or cost element of his proposal price, or that of anyone else;
- (d) Did not, directly or indirectly, submit his bid price or any breakdown thereof, or the contents thereof, or divulge information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, or to any individual or group of individuals, except to the awarding authority or to any person or persons who have a partnership or other financial interest with said submitter in his/her business; and
- (e) Did not include in his/her bid price any fees, dues, charges, or assessments because required to do so by reason of his/her membership in or affiliation with any association, organization, corporation, partnership, company, individual or group of individuals, or because of any agreement or understanding with anyone that he/she would do so.

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OF KENTUCKY

Name of Bidder: OWEN ELECTRIC COOPERATIVE

Signature and Date: Michael Stafford 08/28/24

Typed or Printed Name: MICHAEL STAFFORD

Title: VICE PRESIDENT, MEMBER SERVICES

Subscribed and sworn to before me this 28th day of August, 2024.

(SEAL OF NOTARY HERE)

Shannon Kaye Chappell

Notary Public in and for
My commission expires

Kentucky

April 25, 2027.

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OF KENTUCKY

CITY OF COVINGTON
ITB240802
Attachment II

CAMPAIGN FINANCE AFFIDAVIT OF BID RESPONDENT

AFFIDAVIT OF PRINCIPAL RESPONDENT

STATE OF : KENTUCKY
SS:
COUNTY OF : OWEN

Michael Stafford, being first duly sworn, deposes and says that
s/he is Vice President, Member Services of Owen Electric Cooperative
(Sole Owner/Partner/President/Secretary/Other Title) (Name of Bidder)

who on 08/28/2024, submitted a Bid response as set forth in the attached copy; that submitter has not
(Date Bid Submitted)
knowingly violated any provision of the campaign finance laws of the Commonwealth and the award
of a contract to the prevailing submitter would not violate any provision of the campaign finance
laws of the Commonwealth of Kentucky.

Name of Bidder: OWEN ELECTRIC COOPERATIVE
Signature and Date: Michael Stafford 08/28/24
Typed or Printed Name: MICHAEL STAFFORD
Title: VICE PRESIDENT, MEMBER SERVICES

Subscribed and sworn to before me this 28th day of August, 2024.

(SEAL OF NOTARY HERE)

Shannon Kaye Chappell
Notary Public in and for Kentucky
My commission expires April 25, 2027

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PUBLIC SERVICE
COMMISSION
OF KENTUCKY

CITY OF COVINGTON
ITB240802
Attachment III

**CERTIFICATION AGAINST CONFLICTS OF INTEREST, GRATUITIES, AND
KICKBACKS**

Respondent certifies its understanding and compliance with KRS 45A.455, which states:

I. It shall be a breach of ethical standards for any City employee with procurement authority to participate directly in any proceeding or application; request for ruling or other determination; claim or controversy; or other particular matter pertaining to any contract, or subcontract, and any solicitation or proposal therefor, in which to his knowledge:

- A. He, or any member of his immediate family has a financial interest therein; or
- B. A business or organization in which he or any member of his immediate family has a financial interest as an officer, director, trustee, partner, or employee, is a party; or
- C. Any other person, business, or organization with whom he or any member of his immediate family is negotiating or has an arrangement concerning prospective employment is a party. Direct or indirect participation shall include but not be limited to involvement through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or purchase standard, rendering of advice, investigation, auditing, or in any other advisory capacity.

II. It shall be a breach of ethical standards for any person to offer, give, or agree to give any City employee or former employee, or for any City employee or former employee to solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment, in connection with any decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or purchase standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling or other determination, claim or controversy, or other particular matter, pertaining to any contract or subcontract and any solicitation or proposal therefor.

III. It is a breach of ethical standards for any payment, gratuity, or offer of employment to be made by or on behalf of a Sub-Respondent under a contract to the prime Respondent or higher tier Sub-Respondent or any person associated therewith, as an inducement for the award of a subcontract or order.

IV. The prohibition against conflicts of interest and gratuities and kickbacks shall be conspicuously set forth in every local public agency written contract and solicitation therefor.

V. It shall be a breach of ethical standards for any City employee or former employee knowingly to use confidential information for his actual or anticipated personal gain, or the actual or anticipated personal gain of any other person.

By signing the below, Respondent certifies its ongoing adherence and understanding of the above.

MICHAEL STAFFORD
(Print) Name

Michael Stafford
Signature

08/28/24
Date

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9/11/2025

PUBLIC SERVICE
COMMISSION
OF KENTUCKY

**BEFORE THE
KENTUCKY PUBLIC SERVICE COMMISSION**

In the Matter of:

**ELECTRONIC APPLICATION OF OWEN ELECTRIC)
COOPERATIVE, INC. FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECESSITY) CASE NO. 2024-00269
AUTHORIZING THE BID ON A FRANCHISE TO)
SERVE THE CITY OF COVINGTON, KENTUCKY)**

APPLICATION

Comes now the Applicant, Owen Electric Cooperative, Inc. ("Owen Electric" or "Applicant") by and through counsel, pursuant to KRS 278.020(4) and 807 KAR 5:001, Sections 14, 15(1), and related sections, submits its Application requesting that the Public Service Commission ("Commission") enter an Order on or before August 28, 2024 granting a Certificate of Public Convenience and Necessity ("CPCN") to bid for a franchise from the City of Covington ("City"), respectfully states as follows:

Pursuant to 807 KAR 5:001, Section 14(1), Applicant's mailing address is Owen Electric Cooperative, Inc., P.O. Box 400, 8205 Highway 127 North, Owenton, Kentucky 40359. The electronic mailing address of Applicant is psc@owenelectric.com.

Owen Electric states that it incorporated in the Commonwealth of Kentucky, on June 9, 1937, and attests that it is in good standing with the Commonwealth of Kentucky.

Pursuant to 807 KAR 5:001, Section 15(1)(a)2, the name of the governmental agency offering the franchise is the City of Covington, Kentucky.

Pursuant to 807 KAR 5:001, Section 15(1)(a)3, the type of franchise offered by the City and its Legal Notice is outlined in City of Covington, Kentucky - Invitation to Bid, provided as Exhibit A to this Application.

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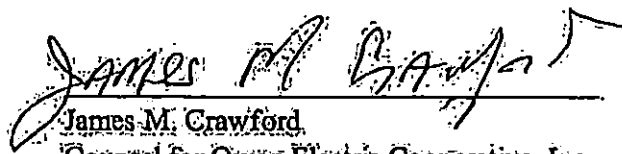
PUBLIC SERVICE
COMMISSION
OF KENTUCKY

Pursuant to 807 KAR 5:001, Section 15(1)(a)4, there is and will continue to be a demand and need for electric service in the areas of the City subject to the franchise, and Owen Electric desires to obtain a franchise in accordance with the bidding protocol established by the City.

Pursuant to 807 KAR 5:001, Section 15(1)(b), if Owen Electric is successful in acquiring said franchise, it shall file a copy thereof with the Commission using the electronic tariff filing system.

WHEREFORE, Owen Electric Cooperative, Inc. respectfully requests that the Commission enter an Order on or before August 28, 2024 granting a Certificate of Public Convenience and Necessity ("CPCN") to bid for and acquire an electric franchise from the City of Covington.

Dated at Owenton, Kentucky, this 16th day of August, 2024.



James M. Crawford

Counsel for Owen Electric Cooperative, Inc.
Crawford & Baxter, P.S.C.

P.O. Box 353

Carrollton, Kentucky 41008

Phone: (502) 732-6688

Fax: (502) 732-8303

Jcrawford@cbkylaw.com

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9/11/2025

PUBLIC SERVICE
COMMISSION
OF KENTUCKY

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF OWEN)	
ELECTRIC COOPERATIVE, INC. FOR A)	
CERTIFICATE OF PUBLIC CONVENIENCE AND)	CASE NO.
NECESSITY AUTHORIZING THE BID ON A)	2024-00269
FRANCHISE TO SERVE THE CITY OF)	
COVINGTON, KENTUCKY)	

ORDER

On August 16, 2024, Owen Electric Cooperative, Inc. (Owen Electric) 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 Covington, Kentucky, for electric transmission and distribution service.¹ Owen Electric provided a copy of Ordinance No. 0-10-24, which authorized granting a franchise for the sale and distribution of electricity within the city of Covington boundary.² Ordinance No. 0-10-24 was approved on May 14, 2024, and public notice of the sale of franchise was published on August 15, 2024.³

Sections 163 and 164 of the Kentucky Constitution and KRS Chapter 96 authorize municipal corporations to require public utilities, including non-governmental providers of electricity within the municipal corporations' boundaries, to operate under franchise agreements and to grant utilities the right to use public right-of-way on reasonable and

¹ Invitation to Bid, ITB240802 (issued Aug. 15, 2024).

² Application (filed Aug. 16, 2024), Exhibit A.

³ Exclusive Electric Utility Franchise Ad (filed Aug. 19, 2024).

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COMMISSION
OF KENTUCKY

necessary conditions. 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 Covington'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.

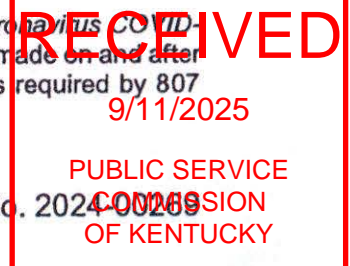
The Commission directs Owen Electric to the Commission's July 22, 2021 Order in Case No. 2020-00085⁴ regarding filings with the Commission.

IT IS THEREFORE ORDERED that:

1. Owen Electric is granted a CPCN that authorizes it to bid on ITB240802, a franchise offered by the city of Covington, Kentucky, for electric transmission and distribution service.

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

⁴ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).



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

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

7. This case is closed and removed from the Commission's docket.

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9/11/2025

PUBLIC SERVICE
COMMISSION
OF KENTUCKY

PUBLIC SERVICE COMMISSION

Cynthia Hutton
Chairman

*Signed
on behalf
of Circuit
w/ permission*

Vice Chairman
Mary Pat Regan
Commissioner

ENTERED
AUG 23 2024
KCS
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:

 for
Executive Director

RECEIVED
9/11/2025
PUBLIC SERVICE
COMMISSION
OF KENTUCKY
Case No. 2024-00269

*Honorable James M Crawford
Crawford & Baxter, P.S.C. Attorneys at Law
523 Highland Avenue
P. O. Box 353
Carrollton, KENTUCKY 41008

*Owen Electric Cooperative, Inc.
8205 Highway 127 North
P. O. Box 400
Owenton, KY 40359

*Mike Stafford
Owen Electric Cooperative, Inc.
P. O. Box 400
Owenton, KY 40359

*Shannon Chappell
Owen Electric Cooperative, Inc.
P. O. Box 400
Owenton, KY 40359

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OF KENTUCKY

EXHIBIT C

COMMISSIONERS' ORDINANCE NO. O-32-24

AN ORDINANCE CONFIRMING THE SALE AND AWARDING OF A NON-EXCLUSIVE FRANCHISE TO OWEN ELECTRIC COOPERATIVE, INC. FOR A TERM OF TWENTY(20) 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 COVINGTON, KENTUCKY, IN RETURN FOR WHICH FRANCHISEE SHALL PAY TO THE CITY A SUM EQUAL TO THREE PERCENT (3%) OF THE GROSS RECEIPTS DERIVED FROM OWEN ELECTRIC COOPERATIVE, INC.'S SALE OF ELECTRICITY TO ELECTRIC-CONSUMING ENTITIES INSIDE THE CITY OF COVINGTON'S CORPORATE LIMITS SEPARATE FROM AND EXCLUSIVE OF ANY LOCAL OR STATE TAX.

* * * *

WHEREAS, Ordinance No. o-10-24, adopted by the City of Covington Board of Commissioners, provided for the creation and sale of a non-exclusive franchise, for a term of twenty (20) 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, the City of Covington received a bid from Owen Electric Cooperative, Inc.

NOW, THEREFORE,
BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE CITY
OF COVINGTON, KENTON COUNTY, KENTUCKY:

Section 1

That an electric franchise created by Ordinance No. o-10-2024 be, and it hereby is, awarded to Owen Electric Cooperative, Inc. for four thousand dollars (\$4,000) plus

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three percent (3%) of its gross receipts, which shall be payable to the City of Covington, Kentucky, on a quarterly basis.

Section 2

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

Section 3

That the mayor of the City of Covington is hereby authorized to sign a Franchise Agreement to memorializes the sale by the City of Covington to Owen Electric Cooperative, Inc. of said franchise subject to the terms and conditions reflected in Ordinance No. 0-10-2024, Owen Electric Cooperative's bid and this Ordinance.

Section 4

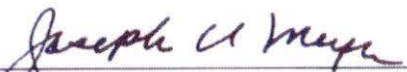
That the statements set forth in the Preamble to this Ordinance are hereby incorporated in this Ordinance by reference, the same as if set forth at length herein.

Section 5

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 6

This Ordinance shall take effect and be in full force when passed, published, and recorded according to law.



MAYOR

ATTEST:



CITY CLERK

Passed: September 24, 2024 (Second Reading)

October 8, 2024 (First Reading)

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COMMISSIONERS' ORDER NO. ORD-241-24

AN ORDER AUTHORIZING THE CITY OF COVINGTON TO ENTER INTO A FRANCHISE AGREEMENT WITH OWEN ELECTRIC COOPERATIVE, INC., GRANTING A TWENTY (20) YEAR, NON-EXCLUSIVE FRANCHISE.

* * * *

WHEREAS, by Ordinance No. O-10-24, the City of Covington created a twenty (20) year, non-exclusive franchise to acquire, lay, maintain, operate, enter upon, construct, install, use and repair, in the public right-of-way of Covington, a system or works for the generation, transmission and distribution of electrical energy from points either within or without the corporate limits of Covington; and

WHEREAS, the City of Covington offered at bid a non-exclusive electric franchise pursuant to Ordinance No. O-10-24; and

WHEREAS, Owen Electric Cooperative, Inc. (hereinafter "Owen Electric") has submitted a complete application for an electric franchise, in accordance with the terms and conditions reflected in Ordinance No. O-10-24; and

WHEREAS, the City of Covington has reviewed Owen Electric's application and its addendums (if any) and wishes to grant a non-exclusive electric franchise to Owen Electric by entering into a franchise agreement with that company.

NOW THEREFORE,

BE IT ORDERED BY THE BOARD OF COMMISSIONERS OF THE CITY OF COVINGTON, KENTUCKY:

Section 1

That the Mayor is hereby authorized to enter into a franchise agreement with Owen Electric Cooperative, Inc. for a twenty (20) year, non-exclusive franchise, the terms of which are subject to the provisions of Ordinance No. O-10-24 and all other relevant and applicable City regulations and policies.

Section 2

That this order shall take effect and be in full force when passed and recorded according to law.



MAYOR

ATTEST:



ACTING CITY CLERK

Passed: 10/22/2024

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