

## FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT made and entered into this 15<sup>th</sup> day of September, 2025, by and between the **CITY OF INDEPENDENCE**, a municipal corporation and political subdivision of the Commonwealth of Kentucky (hereinafter "Independence"), **OWEN ELECTRIC COOPERATIVE, INC.**, a corporation created and existing under and by virtue of the laws of the Commonwealth of Kentucky, (hereinafter "Owen Electric").

### WITNESSETH:

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**WHEREAS**, by Ordinance No. 2025-O-09 adopted June 10, 2025, Independence 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 Independence, a system or works for the transmission, distribution and sale of electricity from points either within or without the corporate limits of Independence, to Independence and the inhabitants thereof, and from and through Independence 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. 2025-O-09 authorized the advertising for bids on said franchise, and Owen Electric submitted a timely bid to acquire said franchise; and

**WHEREAS**, by Ordinance No. 2025-O-12, Independence accepted the bid of Owen Electric to acquire said franchise; and

**WHEREAS**, Independence and Owen Electric have entered into this Franchise Agreement to memorialize the sale by Independence to Owen Electric of said franchise subject to the terms and conditions reflected in Ordinance No 2025-O-09 and Ordinance No. 2025-O-12 (collectively, the "Ordinances").

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

1. Ordinance No. 2025-O-09, 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. 2025-O-12, 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. Independence has granted unto Owen Electric 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 Independence, a system or works for the sale, transmission and distribution of electricity within or without the corporate boundaries of Independence subject to the provisions of the Ordinances.
5. The franchise memorialized in this Franchise Agreement shall commence January 1, 2026, and shall expire as provided in the terms and provisions of Ordinance No. 2025-O-09.
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 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.

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IN WITNESS WHEREOF, Independence 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.

[Signatures on following page]

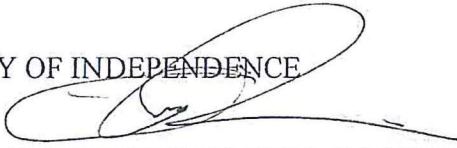
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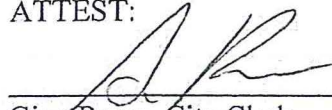
CITY OF INDEPENDENCE

BY:



Christopher J. Reinersman, Mayor

ATTEST:



Gina Rawe, City Clerk

OWEN ELECTRIC COOPERATIVE, INC.

BY:



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Exhibit List

- A Ordinance No. 2025-O-09
- B Bid
- C Ordinance No. 2025-O-12

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City of Independence, Ky.  
**MUNICIPAL ORDER NO. 2025-MO-06**

**A MUNICIPAL ORDER PROVIDING NOTICE TO DUKE ENERGY KENTUCKY AND OWEN ELECTRIC COOPERATIVE, INC., AS REQUIRED TO MAINTAIN THE CURRENT 3.4 PERCENT RATE FOR BOTH GAS AND ELECTRIC SERVICES WITH DUKE ENERGY KENTUCKY INC. AND OWEN ELECTRIC COOPERATIVE, INC.,**

**SECTION I**

That the Independence City Council on September 14, 2015, imposed a ten (10) year franchise fee on electrical services and gas services provided by Duke Energy Kentucky Inc. and Owen Electric Cooperative, Inc., between three (3) and five (5) percent.

That the Independence City Council in 2018 set the rate at 3.4 percent.

That the Independence City Council is renewing the franchises and passed Ordinances 2025-O-09 and 2025-O-08 establishing a new franchise for which both Duke Energy Kentucky and Owen Electric Cooperative, Inc. successfully and properly bid.

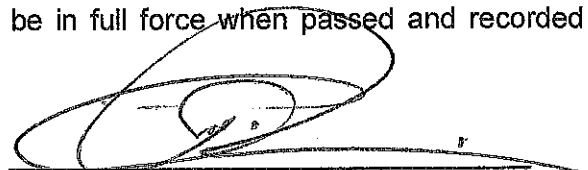
Therefore, the City of Independence is giving notice to both Duke Energy Kentucky Inc. and Owen Electric Cooperative, Inc., that the rate for the newly renewed franchise shall remain at 3.4 percent for both gas and electrical services.

**SECTION II**

That should any section or part of any section or any provision of this Municipal Order be declared invalid by a Court of competent authority, for any reason, such declaration shall not invalidate, or adversely affect, the remainder of this Municipal Order.

**SECTION III**

This Municipal Order shall take effect and be in full force when passed and recorded according to law.



Christopher J. Reinersman, Mayor

Approved and ratified by Council on August 4, 2025 by roll call vote:

AYES 6  
NAYES 0

ATTEST:



Gina Rawe, City Clerk

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**ORDINANCE NO. 2025-O-12**

**ORDINANCE CONFIRMING THE SALE AND AWARDING A NON-EXCLUSIVE FRANCHISE TO OWEN ELECTRIC COOPERATIVE INC. 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 INDEPENDENCE, KENTUCKY**

**WHEREAS**, Ordinance No. 2025-O-09, adopted by the Independence City Council, on June 2, 2025, 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 July 21, 2025, the City received a bid from Owen Electric Cooperative Inc. ("Owen").

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

**Section 1.** That an electric franchise created by Ordinance No. 2025-O-09 be, and it hereby is, awarded to Owen, for the cost of advertising and attorney's fees, plus a monthly payment of three point four (3.4) percent of gross receipts per month from Owen's sale of electricity (which includes businesses, industrial facilities and dwellings) inside the City's corporate limits. The City reserves the right to increase the franchise fee at any time upon prior ninety (90) days written notice to Owen. Should the City exercise said right to increase the franchise fee, the City shall receive a monthly payment of up to five (5) percent of gross receipts per month from Owen's sale of electricity (which includes businesses, industrial facilities and dwellings) inside the City's corporate limits beginning with the first billing cycle 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.

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**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 Independence is hereby authorized to sign the Franchise Agreement which to memorializes the sale by Independence to Owen of said franchise subject to the terms and conditions reflected in Ordinance No. 2025-O-09 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.** That this Ordinance shall be effective on the date of its passage.



Christopher J. Reinersman, Mayor

ATTEST:

  
Gina Rawe, City Clerk

First Reading: August 4, 2025

Second Reading: September 8, 2025

Ayes: 5

Nays: 0

Publication Date: 9/17/2025

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