

**WHEREAS**, the Government and Columbia agree that the Amended Agreement, should be extended through June 30, 2003, to ensure the appropriate implementation of the Public Right-of-way Ordinance and the inclusion of any appropriate additional issues in the long term gas franchise ordinance.

**NOW, THEREFORE**, in consideration of the foregoing and mutually agreed upon promises, conditions and covenants hereinafter set forth, the Government and Columbia agree as follows:

1. The franchise and privilege sold, granted and conveyed to Columbia pursuant to the Amended Agreement, shall continue in full force and effect though June 30, 2003 or until such time as the Council approves the application for one or more franchises submitted pursuant to any subsequent gas franchise ordinance advertised for bid by the Government, whichever first occurs.

2. That paragraph 1 of the Amended Agreement is amended to include the following language: "Chapter 17C of the Code of Ordinances, Lexington-Fayette Urban County Government (the "Code"), is hereby incorporated herein by reference as if fully set forth herein, and Columbia agrees that it shall abide by the provisions of that Chapter".

3. That paragraph 4 of the Amended Agreement is amended to include the following language: "Columbia also agrees that pursuant to Section 17C-22 of the Code, it shall pay the Government an additional franchise fee in the amount of \$40,380.00 per annum, which is expected to accurately reflect the anticipated level of annual permitting for Columbia. This amount is to be separately paid to the Government at the same time and under the same terms as its other franchise fees, except for the amount of \$3,000.00,

which is immediately due and payable to the Government, and which represents the amount paid for obtaining an Annual General Permit pursuant to Chapter 17C of the Code, and this additional amount may be calculated as an appropriate percentage of gross revenues as defined in the Amended Agreement at the option of Columbia. This additional franchise fee amount is subject to change for the future term of this Agreement based upon an audit of the actual level of permitting of Columbia or a change in the amount of the respective permitting fees found in Section 17C-22 of the Code. In the event of such a change, Columbia shall be provided at least sixty (60) days advance written notice."

4. In all other respects, except as specifically modified herein, the terms of the Amended Agreement shall remain in full force and effect.

**IN TESTIMONY WHEREOF**, the Lexington-Fayette Urban County Government has caused its name to be affixed hereto by the Mayor and Columbia Gas of Kentucky, Inc., has caused its name to be affixed hereto by Joseph W. Kelly, its properly authorized officer.

**LEXINGTON-FAYETTE URBAN COUNTY  
GOVERNMENT**

ATTEST:

  
LIZ DAMELL, COUNCIL CLERK

BY:   
PAM MILLER, MAYOR

**COLUMBIA GAS OF KENTUCKY, INC.**

BY:   
JOSEPH W. KELLY  
VICE PRESIDENT

STATE OF KENTUCKY            )  
  )  
COUNTY OF FAYETTE         )

The foregoing Agreement was subscribed, sworn to and acknowledged before me by Joseph W. Kelly, as Vice President of Columbia Gas of Kentucky, Inc., on this the 23<sup>rd</sup> day of December, 2002.

My commission expires: 5-15-2006

Evelyn L. Whinn  
NOTARY PUBLIC  
KENTUCKY, STATE-AT-LARGE

DJB/agr021

LEXINGTON FAYETTE URBAN COUNTY GOVERNMENT FRANCHISE  
CALCULATION OF REQUIRED INCREASE

Franchise Fees Paid in 2002	\$1,503,436
Divide by applicable rate	<u>2%</u>
Gross Receipts	\$75,171,800
Divide increase into result	<u>43,380</u>
Required additional tax rate	0.06%