

P.S.C. No. 16, Original Sheet No. 90

FF
Franchise Fee Rider

In all territory served.

Available as an option for collection of revenues within governmental jurisdictions which impose on Company franchise fees, permitting fees, local taxes or other charges by ordinance, franchise, or other governmental directive and not otherwise collected in the charges of Company's base rate schedules.

Base Year - the twelve month period ending November 30.
Collection Year - the full calendar year following the Base Year.
Base Year Amount -

- 1) a percentage of revenues, as determined in the franchise agreement, for the Base Year; and
- 2) license fees, permit fees, or other costs specifically borne by Company for the purpose of maintaining the franchise as incurred in the Base Year and applicable specifically to Company by ordinance or franchise for operation and maintenance of its facilities in the franchise area, including but not limited to costs incurred by Company as a result of governmental regulation or directives requiring construction or installation of facilities beyond that normally provided by Company in accordance with applicable Rules and Regulations approved by and under the direction of the Kentucky Public Service Commission; and
- 3) any adjustment for over or under collection of revenues associated with the amounts in 1) or 2).

The franchise percentage will be calculated by dividing the Base Year amount by the total revenues in the Base Year for the franchise area. The franchise percentage will be monitored during the Collection Year and adjusted to recover the Base Year Amount in the Collection Year as closely as possible.

- 1) The franchise charge will be applied exclusively to the base rate and all riders of bills of customers receiving service within the franchising governmental jurisdiction, before taxes.
- 2) The franchise charge will appear as a separate line item on the Customer's bill and show the unit of government requiring the franchise.
- 3) Payment of the collected franchise charges will be made to the governmental franchising body as agreed to in the franchise agreement.

As agreed to in the franchise agreement. In the event such franchise agreement should lapse but payment of franchise fees, other local taxes, or permitting fees paid by Company by ordinance, franchise, or other governmental directive should continue, collection shall continue under this tariff.

Service will be furnished in accordance with the provisions of the franchise agreement, as those provisions do not conflict with the Terms and Conditions applicable to Company, approved by and under the direction of the Kentucky Public Service Commission.

Date of Issue: January 7, 2013

Date Effective: October 16, 2003

Issued By: Lonnie E. Bellar, Vice President, State Regulation and Rates, Lexington, Kentucky

Issued by Authority of an Order of the KPSC in Case No. 2009-00548 dated July 30, 2010

**KENTUCKY
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of the franchise system. If the franchisor is a foreign company, the franchisor shall provide a copy of the franchise agreement to the Service Commission of the relevant jurisdiction.

Bunt Kirtley

1/1/2013

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

CANCELLED
JAN 04 2013
KENTUCKY PUBLIC
SERVICE COMMISSION