City of Independence, Ky. MUNICIPAL ORDER NO. 2018-MO-02

A MUNICPAL ORDER PROVIDING NOTICE TO DUKE ENERGY KENTUCKY AND OWEN ELECTRIC ENERGY COMPANY KENTUCKY AS REQUIRED PURSUANT TO INDEPENDENCE ORDINANCES 2015-O-22, 2015-O-23, AND 2015-O-24.

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 and Owen Electric Energy Company, between three (3) and five (5) percent. Further, Ordinances 2015-O-22, 2015-O-23, and 2015-O-24 requires the City to give ninety (90) days written notice to both Duke Energy Kentucky and Owen Electric Energy Company, for any rate changes.

Therefore, the City of Independence is giving notice to both Duke Energy Kentucky and Owen Electric Energy Kentucky, per Ordinances 2015-O-22, 2015-O-23, and 2015-O-24 that the rate shall be set 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.

Christopher J. Reinersman, Mayor

Approved and ratified by Council on May 7th, 2018 by roll call vote:

AYES: <u>5</u> NAYES: <u>0</u> ABSTAIN: <u>1</u>

ATTEST:

Gina Gabbard, City Clerk





Ms. Gwen Pinson Executive Director Kentucky Public Service Commission P.O. Box 615 Frankfort, Kentucky 40602

June 4, 2018

Dear Ms. Pinson:

Pursuant to the requirements of the Commission's September 24, 2015 Order in Case No. 2015-00322, Owen Electric Cooperative, Inc. ("OEC") notified the Commission by letter dated May 24, 2018, that the city of Independence ("City") is increasing its franchise fee from 3 percent to 3.4 percent effective July 1, 2018. In its May 24, 2018 letter to the Commission, OEC noted that the July 1, 2018 effective date violated the 90-day notice requirement included in the original franchise agreement. On May 30, 2018, the City notified OEC by electronic mail that the effective date of the new franchise fee would be moved from July 1, 2018, to September 1, 2018, to comply with the notice requirements stated in the franchise agreement. A copy of the City's May 30, 2018 electronic mail is attached hereto.

ery ruly yours, Jack Scott Lawless, CPA Enclosure



Scott Lawless

From:	Gina Gabbard
Sent:	Wednesday, May 30, 2018 1:52 PM
То:	Scott Lawless
Subject:	Increase in Franchise Fee - Independence, KY

*** Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email! *** Scott,

Per our conversation the other day regarding the passed ordinance to increase our franchise fee for Owen Electric to 3.4%.

I understand that it will take time to implement the change into the system and the effective date of change for the increase in franchise fee will be September 1, 2018.

Please let me know if you need anything else regarding this matter.

Thank you, Gina Gabbard, City Clerk City of Independence 5409 Madison Pike Independence Kentucky 41051 Direct: Main: 859.356-5302 Fax:

