

ORDINANCE NO. \_\_\_\_\_ - 2013

AN ORDINANCE AMENDING ORDINANCE NO. 34-2013 AND ORDINANCE NO 35-2013 AND THE FRANCHISE AGREEMENTS WITH KENTUCKY UTILITIES COMPANY, INC.; BLUE GRASS ENERGY COOPERATIVE CORPORATION; CLARK ENERGY COOPERATIVE, INC.; COLUMBIA GAS OF KENTUCKY, INC; AND DELTA NATURAL GAS COMPANY, INC., TO INCREASE THE FRANCHISE FEES FOR EACH UTILITY FROM THREE PERCENT (3%) TO FOUR PERCENT (4%) OF GROSS REVENUES EFFECTIVE JULY 1, 2013.

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WHEREAS, the current franchise fees for the respective electric and natural gas franchises with Kentucky Utilities Company, Inc. (Resolution No. 153-2013); Blue Grass Energy Cooperative Corporation (Resolution No. 154-2013); Clark Energy Cooperative, Inc. (Resolution No. 152-2013); Columbia Gas of Kentucky, Inc. (Resolution No. 151-2013); and Delta Natural Gas Company, Inc. (Resolution No. 150-2013), have all been established at three percent (3%) of each franchisees' gross revenues as defined in their respective franchise agreements and ordinances; and

WHEREAS, pursuant to the terms and provisions of Lexington-Fayette Urban County Government Ordinance No. 34-2013 and Ordinance No. 35-2013, and the respective franchise agreements the Lexington-Fayette Urban County Government, through the Urban County Council, has the right to impose upon each franchisee a franchise fee in an amount not to exceed five percent (5%) of its gross revenues; and

WHEREAS, the Mayor's proposed Budget for FY2014 presumes that the franchise fees imposed on all electric and natural gas franchises will be increased to four percent (4%) effective July 1, 2013; and

WHEREAS, the Urban County Council agrees with the proposal to increase the franchise fees.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT:

Section 1 - That the above recitals are incorporated herein as if fully stated.

Section 2 - That pursuant to the provisions of Ordinance No. 34-2013 and Ordinance No. 35-2013, and the respective franchise agreements with Kentucky Utilities Company, Inc.; Blue Grass Energy Cooperative Corporation; Clark Energy Cooperative, Inc.; Columbia Gas of Kentucky, Inc; and Delta Natural Gas Company, Inc.; the ordinances and franchise agreements be and hereby are amended, and the franchise fee for each utility is increased from three percent (3%) to four percent (4%) of its gross

revenues as defined in that utility's ordinance and franchise agreement, effective as of July 1, 2013.

Section 3 – That the remainder of the Ordinance No. 34-2013 and Ordinance No. 35-2013 shall be unchanged and the franchise fees established by this Ordinance shall remain in effect until such time as this Ordinance is further amended by the Urban County Council.

Section 4 – That the Mayor is hereby authorized to execute any necessary amendments to the franchise agreements or any other related documents in order to implement the increase to the franchise fees.

Section 5 - That this Ordinance shall become effective on the date of its passage.

PASSED URBAN COUNTY COUNCIL:

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MAYOR

ATTEST:

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CLERK OF URBAN COUNTY COUNCIL