

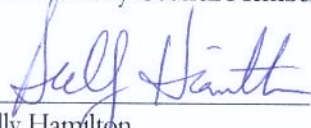


Lexington-Fayette Urban County Government
CHIEF ADMINISTRATIVE OFFICE

Jim Gray
Mayor

Sally Hamilton
CAO

TO: Mayor Jim Gray
Urban County Council Members

FROM: 
Sally Hamilton
Chief Administrative Officer

DATE: March 11, 2013

RE: Advertise for Electric and Gas Franchise Ordinance

The administration is recommending that the franchise ordinances for the electric and gas franchises be adopted by Council and offered for bid to the utilities. Under state law, utility franchises are required to be advertised for bid in order for the utility to use the local government's public rights-of-way to locate its facilities. The proposed ordinances are the result of extensive negotiations with the interested utilities. The proposed franchises are 5 years in duration and Lexington may extend them with identical terms for up to 2 additional 5 year periods. The franchise fee will automatically be set at 3%, but Lexington may raise the fee to a maximum of 5% at any time during the life of the franchise.

There will be a separate presentation on these franchises at the Council work session on March 19, 2013. Please contact David Barberie in the Department of Law should you have any questions.