



TO: Mayor Linda Gorton
Honorable Members, Urban County Council

FROM: 
Chris Ford, Commissioner of General Services

DATE: March 2, 2023

SUBJECT: Utility Franchise Agreement Renewal
Blue Grass Energy Cooperative

Request:

Request Council authorization to renew the utility franchise agreement with Blue Grass Energy Cooperative Corporation for an additional 5 years, through April 11, 2028.

Purpose:

Blue Grass Energy was awarded a non-exclusive utility franchise in April 2013, for its electric distribution system in Fayette County. The franchise ordinance provided for an initial 5-year term with two additional renewal options of 5 years each. The first option to renew was exercised by LFUCG in 2018. Blue Grass Energy has requested that we exercise the second renewal option. The administration’s recommendation to renew the agreement was reached after reviewing the terms of the franchise and general compliance of the utility.

LFUCG and Blue Grass Energy have agreed to have a post-renewal limited financial audit performed by an outside auditor to determine franchise compliance. Blue Grass Energy will reimburse LFUCG for its costs associated with the audit.

Budgetary Implication:

There is no budgetary impact to LFUCG in the current or future fiscal years. The franchise agreement does require payment of associated franchise fees by the utility.

File Number: 0276-23

Commissioner: Chris Ford

