

ORDINANCE O-13-2015

AN ORDINANCE CONFIRMING THE SALE AND AWARDING A NON-EXCLUSIVE FRANCHISE TO DUKE ENERGY KENTUCKY FOR A TERM OF TEN (10) YEARS FOR A NATURAL GAS FRANCHISE AND FOR THE PLACEMENT OF FACILITIES FOR THE TRANSMISSION, DISTRIBUTION AND SALE OF NATURAL GAS ALONG AND UNDER PUBLIC RIGHT-OF-WAY WITHIN THE CITY OF FORT THOMAS, KENTUCKY.

WHEREAS, Ordinance No. O-05-2015, adopted by the Fort Thomas City Council, on May 18, 2015, provided for the creation and sale of a non-exclusive franchise, for a term of ten (10) years, to acquire, lay, maintain, operate, enter upon, construct, install, use and repair, in the public right-of-way of the City a system or works for the transmission and distribution of natural gas from points either within or without the corporate limits of this City, to this City and the inhabitants thereof, and from and through this City to persons, corporations and municipalities beyond the limits thereof, and for the sale of same for light, heat, power and other purposes; and

WHEREAS, said ordinance also established a sealed bid process which includes advertising the invitation for bids, and awarding the franchise to the successful bidder(s); and

WHEREAS, after publication of said advertisement on June 11, 2015, the City received a bid from Duke Energy Kentucky (“Duke”).

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF FORT THOMAS, KENTUCKY, AS FOLLOWS:

SECTION I

That a natural gas franchise created by Ordinance No. O-05-2015 be, and it hereby is, awarded to Duke, for the cost of advertising and sale of an natural gas franchise, plus annually a franchise payment of Thirty Eight Thousand, Four Hundred Dollars (\$38,400) for each year of the franchise paid to the City in equal monthly installments of Three Thousand, Two Hundred Dollars (\$3,200) on the first day of each month of the franchise agreement. The City reserves the right to increase the franchise fee at any time upon prior ninety (90) days written notice to Duke. Should the City exercise said right to increase the franchise fee, the City shall receive a monthly payment of up to five (5) percent of gross receipts per month from Duke’s sale of natural gas (which includes businesses, industrial facilities and dwellings) inside the City’s corporate limits beginning with the first billing cycle on or after the later of ninety (90) days after

the date of the written notice or the effective date of the franchise fee specified in the City's notice.

SECTION II

All prior ordinances, municipal orders, or policies or parts thereof in conflict herewith, are to the extent of such conflict, hereby repealed.

SECTION III

That the mayor of Fort Thomas is hereby authorized to sign the Franchise Agreement to memorialize the sale by Fort Thomas to Duke of said franchise subject to the terms and conditions reflected in Ordinance No. O-05-2015 and this Ordinance.

SECTION IV

That the statements set forth in the Preamble to this Ordinance are hereby incorporated in this Ordinance by reference, the same as if set forth at length herein.

SECTION V

That if any section, sentence, clause or phrase of this Ordinance is held to be unconstitutional or otherwise invalid, such infirmity shall not affect the validity of the remainder of the Ordinance.

SECTION VI

This Ordinance shall be in effect when read, passed & published according to law.

APPROVED:

Eric Haas, Mayor

1st Reading: July 20, 2015

Adopted: August 17, 2015

Publication: August 27, 2015

ATTEST:

Melissa K. Kelly, City Clerk