

AN ACT relating to utility franchises.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔Section 1. KRS 96.010 is amended to read as follows:

- (1) At least eighteen (18) months before the expiration of any franchise acquired under or prior to the present Constitution, the legislative body of each city shall provide for the sale of a new franchise to the highest and best bidder on terms that are fair and reasonable to the city, to the purchaser of the franchise and to the patrons of the utility. The terms shall specify the quality of service to be rendered and, in cities of the first class, the price that shall be charged for the service. ***If a city so directs, a bidder shall not, either as a term of the bid or after acceptance of the bid by the city, seek to recover the franchise fee through the addition of a fee or surcharge to the bills of ratepayers. The Public Service Commission shall not allow recovery of the franchise fee by including it in a rate increase requested by the utility.***
- (2) If there is no public necessity for the kind of public utility in question and if the city desires to discontinue entirely the kind of service in question, or if, in the case of cities other than those of the first class, the city owns or desires to own and operate a municipal plant to render the required service, this section shall not apply.