

FRANCHISE ORDINANCE

ORDINANCE NO. _____

AN ORDINANCE GRANTING TO MID-OHIO ENERGY COOPERATIVE, INC., ITS SUCCESSORS AND ASSIGNS, THE RIGHT TO ACQUIRE, CONSTRUCT, MAINTAIN AND OPERATE IN THE STREETS, THOROUGHFARES, ALLEYS, BRIDGES AND PUBLIC PLACES OF THE CITY OF MARION, STATE OF OHIO AND ITS SUCCESSORS, LINES FOR THE DISTRIBUTION OF ELECTRIC POWER AND ENERGY TO PARTS OF THE CITY OF MARION AND THE INHABITANTS THEREOF FOR LIGHT, HEAT, POWER AND OTHER PURPOSES AND FOR THE TRANSMISSION OF THE SAME WITHIN, THROUGH OR ACROSS SAID CITY OF MARION, STATE OF OHIO, SUBJECT TO AND IN COMPLIANCE WITH THE CERTIFIED TERRITORIES FOR ELECTRIC SUPPLIERS ACT (OHIO REVISED CODE SECTIONS 4933.81 TO 4933.90).

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MARION, STATE OF OHIO:

SECTION 1. That Mid-Ohio Energy Cooperative, Inc. and its successors and assigns (hereinafter called "Grantee") are hereby granted the right, privilege, franchise and authority to acquire, construct, maintain and operate in, above, under, across and along the streets, thoroughfares, alleys, bridges, and public places (as the same now exist or may hereafter be laid out) of the City of Marion, State of Ohio, and its successors (hereinafter called "City"), lines for the distribution of electric energy, either by means of overhead or underground conductors, with all the necessary or desirable appurtenances to render public utility service in the City and to the inhabitants thereof by supplying electric power and energy to the City and to

the inhabitants thereof, and to persons or entities beyond the limits thereof, for light, heat, power or any other purposes or purpose for which electric power and energy is now or may hereafter be used, and the transmission of the same within, through or across the City; provided, however, that Grantee shall provide electric service hereunder only within: (1) the area or areas of the City either presently being provided electric service by Grantee, or which, at the date of this ordinance or any time thereafter, is included in the area or areas shown on maps filed with the Public Utilities Commission of Ohio which indicate the certified territory of the Grantee established pursuant to Sections 4933.81 to 4933.90 of the Revised Code of Ohio, and (2) any other area or areas annexed to the City after the date of this ordinance any portion of which is either being provided electric service by Grantee at the time of such annexation, or which, at the time of such annexation or at any time thereafter, is included within the Grantee's aforementioned certified territory.

SECTION 2. That in establishing and administering this franchise ordinance (and any other franchise ordinance granted by the City to any other grantee) in the area or areas described above (or in any other area or areas of the City) during the term of this franchise ordinance: (a) the City shall comply with and respect, and direct the Grantee and all other franchise grantees in the City to comply with and respect, the Certified Territories for Electric Suppliers Act (Ohio Revised Code Sections 4933.81 to 4933.90) and the exclusive certified territories established by the Public Utilities Commission of Ohio (PUCO) thereunder; and (b) it is not the intention of the City to establish competition for any component of retail electric service in any area or areas of the City, except for, in the case of the certified service territory of a for-profit electric supplier, any component of retail electric service that is a competitive retail electric service as defined under the Certified Territories for Electric Suppliers Act, and, in the case of the certified service territory of a not-for-profit electric supplier, any component of retail electric service that is a competitive retail electric service as a result of such not-for-profit electric supplier making the irrevocable filing with the PUCO to establish competition for such component of retail electric service under and in compliance with the Certified Territories for Electric Suppliers Act.

SECTION 3. That said lines and appurtenances shall be constructed so as to interfere as little as possible with the traveling public in its use of the streets, thoroughfares, alleys, bridges and public places of the City. The location of all poles and conduits shall be made under such reasonable supervision of the proper board or committee of the City government as permitted by law.

SECTION 4. That the rights, privileges and franchise hereby granted shall be in full force and effect for a period of Twenty-Five (25) years from the date of the passage of this ordinance, and shall automatically renew for additional periods of Twenty-Five (25) years, unless notice of termination is given by the City or the Grantee at least one (1) year prior to the end of the initial term or any renewal term.

That the rights, privileges and franchise hereby granted shall not be construed to be exclusive and the Council of the City hereby reserves the power to grant similar rights, privileges and franchises to any other person or persons, firm or firms, corporation or corporations, subject to and in compliance with Section 2 of this franchise ordinance.

SECTION 5. That said Grantee shall save the City harmless from any and all liability arising in any way from any negligence of Grantee in the erection, maintenance or operation of said lines for the distribution and transmission of electric power and energy.

SECTION 6. That whenever said Grantee shall begin the erection of any lines or equipment it shall promptly and diligently prosecute the work to completion and leave the streets, thoroughfares, alleys, bridges, and public places where such work is done in as good condition of repair as before such work was commenced.

SECTION 7. That wherever in this ordinance, reference is made to the City or the Grantee, it shall be deemed to include the respective successors or assigns of either; and all rights, privileges and obligations herein contained by or on behalf of said City, or by or on behalf of said Grantee, shall be binding upon, and inure to the benefit of the respective successors and assigns of said City, or of said Grantee, whether so expressed or not.

SECTION 8. That the City and the inhabitants thereof served by Grantee under this ordinance shall become members of the Grantee and shall be served at the rates and pursuant to the other terms and conditions of service of general applicability to the members of the Grantee as such rates and other terms and conditions of service are established by the members and the Board of Trustees of the Grantee from time to time.

SECTION 9. That this ordinance shall be accepted by the Grantee within sixty (60) days from the date of the passage of the same.

Passed by the Council _____, 20__

Signed by the Council _____, 20__

COUNCIL OF THE CITY OF MARION, OHIO

Mayor

Attest: _____

Clerk of Council

President of Council

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0297

Ordinance No. 2006-53, Page One

Passed MAY 22 2006, 20

AN ORDINANCE GRANTING TO MID OHIO ENERGY COOPERATIVE, INC., ITS SUCCESSORS AND ASSIGNS A FRANCHISE FOR THE DISTRIBUTION OF ELECTRIC POWER AND ENERGY TO PARTS OF THE CITY OF MARION, OHIO WHICH ARE PRESENTLY WITHIN SAID COMPANY'S SERVICE AREA AND FOR THE TRANSMISSION OF ELECTRICITY WITHIN SAID CITY.

BE IT ORDAINED by the Council of the City of Marion, State of Ohio:

SECTION 1. That Mid Ohio Energy Cooperative, Inc., its successors and assigns (hereinafter called "Grantee") are hereby granted the right, privilege, franchise and authority to acquire, construct, maintain and operate in, above, under, across and along the streets, thoroughfares, alleys, bridges, and public places (as the same now exist or may hereafter be laid out) of the City of Marion, State of Ohio, and its successors (hereinafter called "City"), lines for the distribution of electric power and energy, either by means of overhead or underground conductors, with all the necessary or desirable appurtenances to render public utility service in the City and to the inhabitants thereof by supplying electric power and energy to the City and the inhabitants thereof, and to persons or corporations beyond the limits thereof, for light, heat, power or any other purposes or purpose for which electric power and energy is now or may hereafter be used, and the transmission of the same within, through or across the City, provided, however, that Grantee shall provide electric service hereunder only within: (1) the area or areas of the City either presently being provided electric service by Grantee, or at the date of this ordinance, included in the area shown on maps issued by the Public Utilities Commission of Ohio which indicate the certified territory of the Grantee established pursuant to Sections 4933.81 to 4933.90 of the Revised Code of Ohio, and (2) any other area or areas annexed to the City after the date of this ordinance any portion of which is either being provided electric service by Grantee at the time of such annexation, or which at the date of this ordinance is included within the Grantee's aforementioned certified territory.

SECTION 2. That said lines and appurtenances shall be constructed so as to interfere as little as possible with the traveling public in its use of the streets, thoroughfares, alleys, bridges and public places of the city. The location of all poles, or conduits, shall be made under such reasonable supervision of the proper board or committee of the City government, as is permitted by law. The location of all poles, or conduits, shall be in accordance with the approval of the City of Marion Engineer, as is permitted by law.

SECTION 3. That the rights, privileges and franchise hereby granted shall be in force and effect for a period of twenty-five (25) years from the date of the passage of this ordinance.

That the rights, privileges and franchise hereby granted shall not be construed to be exclusive and the Council of the City hereby reserves the power to grant similar rights, privileges and franchises to any other person or persons, firm or firms, corporation or corporations.

SECTION 4. That said Grantee shall save the City harmless from any and all liability arising in any way from the Grantee's negligence in the erection, maintenance or operation of said lines for the distribution or transmission of electric power and energy.

SECTION 5. That whenever said Grantee shall begin the erection of any lines or equipment it shall promptly and diligently prosecute the work to completion

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Ordinance No. 2006-53, Page TwoPassed MAY 22 2006, 20

and leave the streets, thoroughfares, alleys, bridges and public places where such work is done in as good condition of repair as before such work was commenced.

SECTION 6. That wherever in this ordinance, reference is made to the City or Grantee, it shall be deemed to include the respective successors or assigns of either; and all rights, privileges and obligations herein contained by or on behalf of said City or by or on behalf of said Grantee, shall be binding upon and inure to the benefit of the respective successors or assigns of said City or of said Grantee, whether so expressed or not.

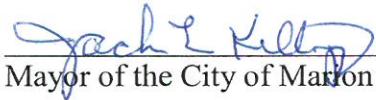
SECTION 7. That this ordinance shall be accepted by the Grantee within sixty (60) days from the date of the passage of the same.

SECTION 8. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.



President of Council

Approved: MAY 23 2006



Mayor of the City of Marion

Attest:



Clerk of City Council

Service franchise agreements FAQ

What are territorial boundaries, and why are they important?

Territorial boundaries were created by the state legislature in 1978 to ensure that all Ohio residents can get electric service from a certified supplier. The state service territory law levels the playing field for not-for-profit cooperatives, which were founded because investor-owned utilities deemed rural areas to be unprofitable, and so they chose not to serve them.

How do territorial boundaries keep costs in check for all Ohio consumers?

Clear territorial boundaries eliminate duplication of service and infrastructure, such as poles and wires. That keeps rates lower for everyone, regardless of who the electric service provider is.

How are safety and emergency services affected by territorial boundaries?

Clear territorial boundaries ensure safety for emergency first responders. For example, if a car crashes into a power pole, a home is on fire, or a severe storm brings down power lines, first responders will know quickly and easily which utility to call to get the electricity shut off and keep people safe.

Why would the City of Marion benefit from establishing a service franchise agreement with Mid-Ohio Energy Cooperative?

Cooperatives are locally controlled and locally operated by local employees. That means we are an integral part of this community, the benefits of which are:

- Accessibility to cooperative management
- Quickly dispatched local service trucks, which leads to shorter power outages
- Highly reliable service – Mid-Ohio Energy Cooperative members had power flowing 99.9% of the time in 2017
- Co-op members receive capital credits/patronage capital – that's money taken in by the co-op that exceeded revenue, so it's sent back to members to be reinvested in our community.
- Higher satisfaction with Mid-Ohio Energy Cooperative— in 2018, members rated us 86 in the American Customer Satisfaction Index. For comparison, the utility industry average was 75 for municipal utilities and 75 for investor-owned utilities.

Why should the law's integrity be preserved?

Mid-Ohio Energy Cooperative wants to continue to plan the long-term investments necessary to provide reliable electricity in our service area, and we're simply asking for the integrity of the law to be preserved.

Cooperative members cannot choose their power supplier – why is that a good thing?

When it comes to energy deregulation, competition is not always a good thing.

- We operate at cost and are locally owned and democratically controlled, which means we do not raise rates to turn profits and return dividends to shareholders who might not live in the area or receive service from the utility. Instead, we return excess revenue to members in the form of capital credits.
- Buckeye Power, Mid-Ohio Energy Cooperative's power supplier, is a not-for-profit generation and transmission cooperative. That means Buckeye Power returns capital credits to us, which we return to our members, in our community.
- Buckeye Power makes long-term investments in order to provide stably priced and reliable power to its member cooperatives through market-cycle ups and downs. Owning our power and having long-term stability prevents whopping electric bills after a weather phenomenon like 2014's polar vortex, when demand skyrocketed and took power prices with it.
- Buckeye Power invests in Ohio power plants, including Cardinal Generating Station, one of the cleanest coal-fired power plants in the nation.

What resources are available to Mid-Ohio Energy that make it an excellent community partner?

We are part of a larger statewide and national network of electric cooperatives that allows for sharing resources. We have many of the same resources as a large investor-owned utility, including:

- Representation at the state and national legislatures;
- Economic development initiatives; and
- Energy efficiency incentives that help consumer-members save energy and money – and all of these activities are voluntary. Cooperatives in Ohio are not mandated to offer rebates or incentives by the state legislature; we do so because it's the right thing to do, and our members democratically control the policies of the cooperative.

What is the **COOPERATIVE** *difference?*

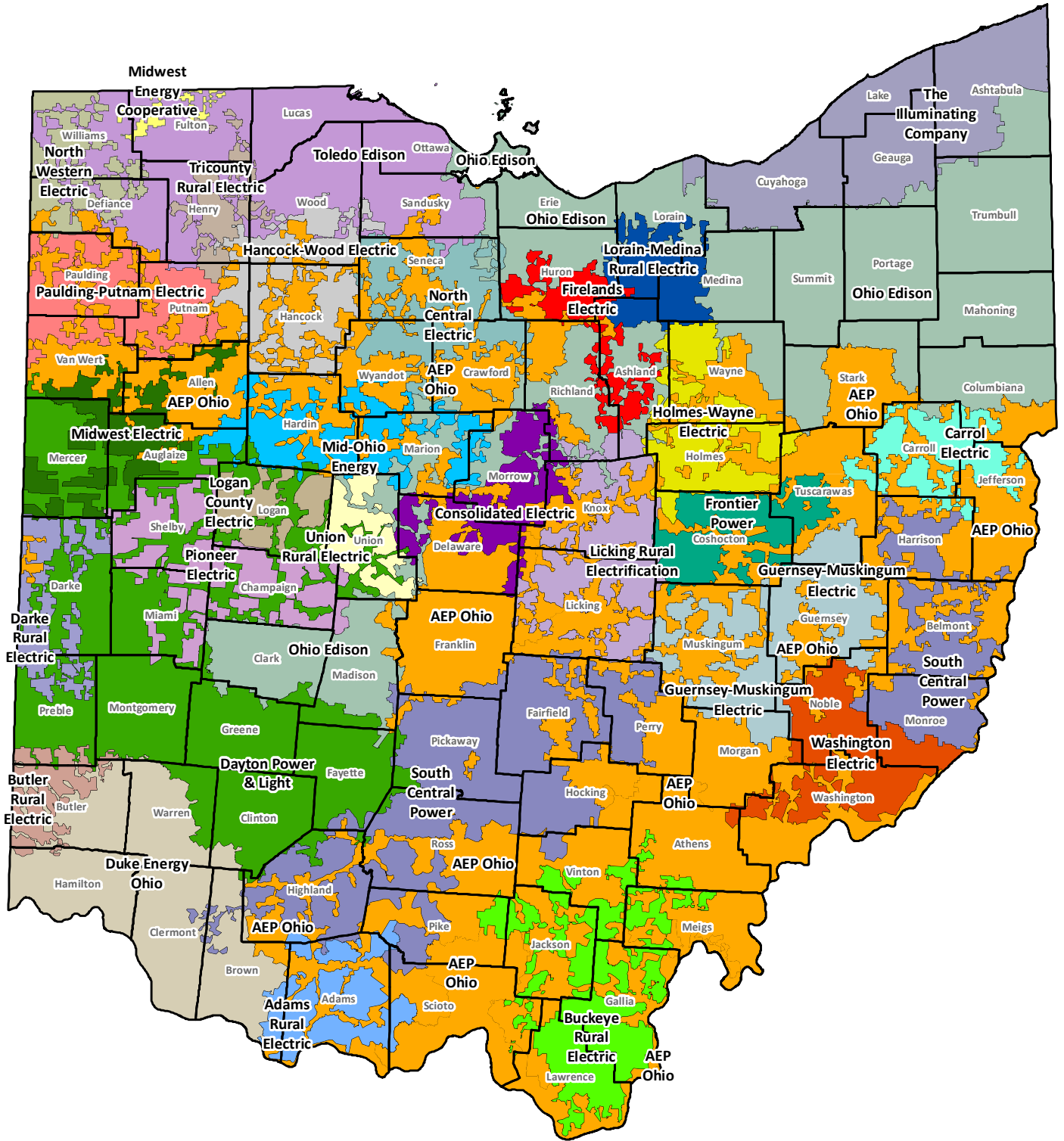
- **Local ownership** and democratic control by the co-op's members, who are also its consumers
- **Community investment by community members** – co-op employees live and work here, too
- **Individualized assistance** for members' energy efficiency needs
- **Refunding of capital credits to members** – their share of ownership in their co-op
- **Long-term rate stability**, thanks to long-term power-supply investments
- **Founded by members, for members** – and improving the quality of life in the communities we serve remains our number-one focus

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**MID-OHIO ENERGY
COOPERATIVE, INC.**
A Touchstone Energy[®]
Cooperative 



AEP Ohio	Darke Rural Electric	Hancock-Wood Electric	Midwest Electric	Pioneer Electric
Adams Rural Electric	Dayton Power & Light	Holmes-Wayne Electric	Midwest Energy Cooperative	South Central Power
Buckeye Rural Electric	Duke Energy Ohio	Licking Rural Electrification	North Central Electric	Toledo Edison
Butler Rural Electric	Firelands Electric	Logan County Electric	North Western Electric	Tricounty Rural Electric
Carrol Electric	Frontier Power	Lorain-Medina Rural Electric	Ohio Edison	Union Rural Electric
Consolidated Electric	Guernsey-Muskingum Electric	Mid-Ohio Energy	Paulding-Putnam Electric	Washington Electric

Data maintained by the PUCO. Electric service areas, or certified territories, are geographic regions within which an electric distribution utility (EDU) has the obligation and exclusive right to provide electric service. EDUs do not include municipalities that maintain their own electric system.

Substation
Mid-Ohio Energy

RIDGEDALE(16)

Mid-Ohio Energy
(light blue)

HARVEY(16)
Substation
Mid-Ohio Energy

White Space Service Territory
of AEP and Ohio Edison

MARION

City Limits
Mix of all 3 Power Companies

SubStation
Mid-Ohio Energy

UNCAPHER(13)

GREEN CAMP

