

RESOLUTION NO. 158

**RESOLUTION OF THE BOARD OF MAYOR AND
ALDERMEN OF THE TOWN OF MOUNT CARMEL,
TENNESSEE, AUTHORIZING THE MAYOR TO EXECUTE A
CONTRACT WITH APPALACHIAN ELECTRIC POWER FOR
STREET LIGHTING**

WHEREAS, Appalachian Electric Power Company has proposed a new contract for the lighting of streets within the municipality; and

WHEREAS, Appalachian Electric Power Company recognizes the difficulty which the town will endure as a result of fee increases and therefore is willing to agree to a two (2) year freeze of rates at the proposed initial contracted level; and

WHEREAS, Mount Carmel Municipal Code section 1-401 et seq. allows the Mayor to negotiate such agreements and present same to the Board of Mayor and Aldermen for its approval; and

WHEREAS, The fiscal year 1998 budget provides for same;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Mayor and Aldermen of the Town of Mount Carmel, Tennessee, as follows:

Section 1. The Mayor is authorized to execute on behalf of the town the Street Lighting Agreement attached hereto as exhibits A and B.

Section 2. This Resolution shall take effect upon its passage the public welfare requiring it.

Duly passed and approved this 28 day of August, 1997.



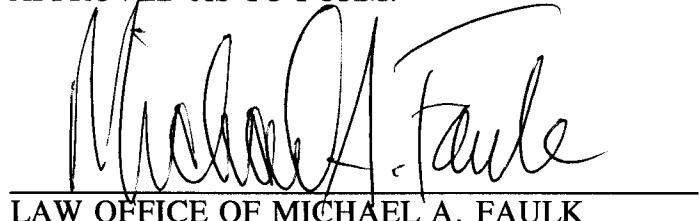
JAMES L. DEAN, Mayor

ATTEST:



NANCY F. CARTER, Recorder

APPROVED AS TO FORM:



MICHAEL A. FAULK
LAW OFFICE OF MICHAEL A. FAULK

AYES 4

NAYS 0

OTHER 0

American Electric Power
PO Box 111
Kingsport, TN 37662-0111
423 578-2200



July 29, 1997

Mr. Jim Dean, Mayor
Town of Mount Carmel
P. O. Box 1421
Mt. Carmel, TN 37645

Dear Mayor Dean :

I appreciate your time and consideration of the street lighting contract which American Electric Power has offered to provide street lighting for the Town of Mount Carmel. We recognize the difficulty which your town will endure as a result of the increase in fees to an appropriate level, therefore, we agree to a two year freeze of these rates at the initial contracted level in an attempt to buffer the economic impact of the new rates. We will keep you informed of the prevailing lighting rates during the first two years of the contract so you may prepare for their implementation on the second anniversary of the agreement. If you agree to these terms, I would appreciate you returning an executed copy of this letter to me or Steven Harnsberger along with the executed contract at your earliest convenience. Upon receipt of the new contract, we will begin the work of replacing the old mercury vapor fixtures on your system with high pressure sodium lights.

Sincerely,

A handwritten signature in black ink, appearing to read 'Isaac J. Webb'.

Isaac J. Webb
District Manager

ACCEPTED:

A handwritten signature in black ink, appearing to read 'Isaac J. Webb'.

Isaac J. Webb
District Manager
American Electric Power

ACCEPTED:

A handwritten signature in black ink, appearing to read 'Jim Dean'.

Jim Dean
Mayor
Town of Mount Carmel

STREET LIGHTING AGREEMENT

THIS AGREEMENT entered into this 28 day of August, 1997, by and between KINGSPORT POWER COMPANY D.B.A. AMERICAN ELECTRIC POWER, hereinafter called the "Company", and TOWN OF MT. CARMEL, hereinafter called the "Customer".

W I T N E S S E T H:

FOR AND IN CONSIDERATION of the mutual covenants and agreements hereinafter contained, the parties hereto agree with each other as follows:

(1) The Company agrees to provide and maintain a street lighting system for the Customer, consisting of the number and type of lamps as hereinafter provided, together with electric energy through a general system of overhead and underground distribution lines, sufficient to operate said lamps continuously from one-half hour after sunset until one-half hour before sunrise, every night and all night, approximately 4,000 hours per annum during the term of years hereinafter set forth. Said lamps shall be so maintained and operated that they will give the maximum amount of illumination obtainable under commercial conditions.

The Customer agrees to accept the service herein specified during the term hereof and to pay therefore at the rates shown below, effective July 1, 1997.

<u>NO. OF LAMPS*</u>	<u>SIZE IN LUMENS</u>	<u>DESCRIPTION</u>	<u>MONTHLY COST</u>
214	7000	Mercury Overhead Existing Wood Pole	\$ 7.62
37	7000	Mercury Overhead Dedicated Wood Pole	\$12.69
131	9500.	High Pressure Sodium Overhead Existing Wood Pole	\$ 5.65
39	9500	High Pressure Sodium Overhead Dedicated Wood Pole	\$10.71
0	9500	High Pressure Sodium Post Top With Contribution-In-Aid of Construction	\$ 6.79
22	9500	High Pressure Sodium Post Top	\$11.53
18	16000	High Pressure Sodium Overhead Existing Wood Pole	\$ 6.60
13	16000	High Pressure Sodium Overhead Dedicated Wood Pole	\$11.66

*Number was determined by field inventory completed February 10, 1997, adjusted for lights added February 14, 1997.

(2) The Company agrees to install such additional lamps of respective sizes and types above specified as the Customer may, from time to time, require upon receipt of a written notice from a duly authorized representative of the Customer. Payment for the service of such additional lamps shall be at the rate herein specified, provided, however, that one additional lamp of the high pressure sodium type listed above shall be installed for each one span extension of the existing overhead secondary distribution facilities of the Company. Whenever additional lamps are so ordered, the minimum number of lamps to be furnished throughout the remainder of the period covered by this Agreement shall be increased accordingly. Temporary lamps, if ordered, shall be furnished under a special agreement.

It is further agreed that the minimum number of lamps provided and maintained by the Company throughout the term of this agreement shall not be less than the number of lamps agreed upon at the commencement of the term, and the Company agrees to replace the mercury fixtures with 9500 lumen high pressure sodium fixtures.

The Company reserves the right to renegotiate this agreement when the Customer requests a significant (10%) increase during twelve months in the number of lamps specified in this Agreement.

(3) Bills are due upon receipt and payable at the main office of the Company within twenty (20) days of the mailing date.

(4) All material furnished by the Company shall remain the property of the Company and may be removed at the termination of this Agreement, if the Company so desires.

(5) The Company will use reasonable diligence in keeping each and every lamp herein specified in operation during the time provided. The Company shall be allowed one (1) working day after notice of an outage in which to again light such lamp or lamps except in case of extreme emergency (such as damage to facilities by snow or windstorms or automobile accident, etc.) where re-lighting shall be done as soon as possible.

(6) If the Customer shall default in the payment of any bills as hereinbefore provided, the Company may at its option, after having given ten (10) days' written notice of its intention to do so, discontinue the service herein specified and continue to withhold the supply of electric energy for street lighting until such time as the Customer has made payment for all bills in which it is in arrears. Any such suspension of service by the Company shall not terminate this Agreement unless Company so elects. Otherwise, upon payment by the Customer of the amount it is in arrears, the Agreement shall remain in full force and effect for the period herein specified.

(7) The Customer, as a further consideration for the promises and agreements made by the Company herein set forth, hereby grants to the said Company the privilege of the use of the streets, alleys and public places of said Customer for the purpose of placing its poles and equipment for providing this service.

(8) The Customer agrees that during the life of this Agreement it will provide in its annual budgets and estimates and levy of taxes sufficient funds to pay the Company any amounts due for service under said Agreement.

(9) All and singular the terms and conditions of this Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective successors and/or assigns.

(10) This Agreement cancels and supersedes all previous Agreements relating to the supply of the service described herein.

(11) This Agreement shall extend for a period of ten (10) years from the date thereof. Rates during the term of this Agreement will change in accordance with revisions in cost of installation of new lamps as calculated for all street lighting customers of Kingsport Power Company D.B.A. American Electric Power as of July 1 of any year.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in duplicate by their duly authorized officers the day and year first above written.

ATTEST:

KINGSPORT POWER COMPANY D.B.A.
AMERICAN ELECTRIC POWER

By: _____

ATTEST:

TOWN OF MT. CARMEL

By: _____

James S. - Mayor

Nancy Carter