

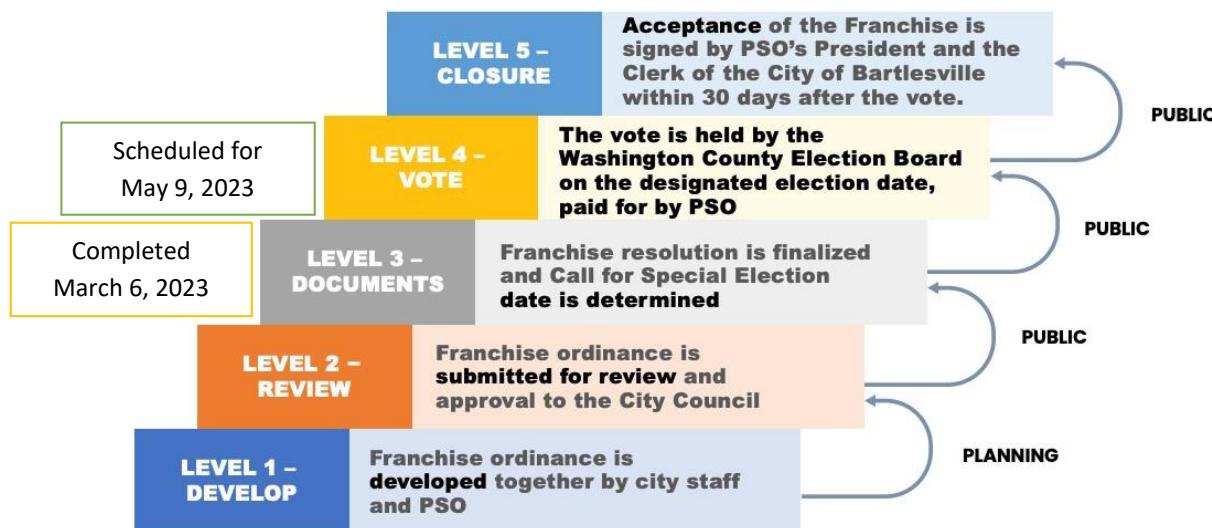


An AEP Company

The Franchise 411

What is the process for a franchise election?

There are several steps to complete with multiple stakeholders involved in a variety of ways.



What is a franchise?

A franchise with PSO is the ordinance agreement between PSO and the city that simply gives PSO permission to access the public right of ways, alleys, and streets to operate the electric grid. Article 18, §5(a) of the Oklahoma Constitution provides that no grant of a franchise by a municipal corporation will be valid unless approved by a majority vote of the qualified electors of the city.

What is the term of the franchise agreement?

- The proposed franchise with the city of Bartlesville is 25 years.

What are the general provisions of the franchise agreement?

- The ordinance with the city of Bartlesville recognizes the regulating authority of the Oklahoma Corporation Commission (OCC) for the operation of daily activities, which include tree trimming, maintenance of the grid and construction.
- Reasonable rates are authorized by orders of the OCC. PSO prices are based on the cost of service. PSO must prove costs are reasonable and investments are "used and useful to customers."
- Outlines the process if the city wants to purchase the electric system in the future.
- Relocation of facilities to accommodate city project such as road construction.
- Sale of power to the city, including water facilities, wastewater facilities and municipal buildings.

What is the financial impact of the franchise?

- A 2% franchise fee is collected and remitted to the City of Bartlesville for the access permitted to the streets and alleys. The fee level is the same as in the previous franchise. In 2022, the franchise fees totaled \$889,738.74.

How can Bartlesville citizens become more educated about this election?

- There will be a variety of communication pieces developed to help bring awareness to what a franchise is and does for the city of Bartlesville. This will include videos, social media messaging, email messaging and other valuable communication channels.

What happens if the franchise is not approved?

- It could mean PSO would need to get work permits for ordinary restoration or expansion work involving city streets, alleys or rights of way. This would significantly impact PSO's ability to serve customers quickly and efficiently. It would mean that Bartlesville would lose an important and significant source of public funding.

PROPOSITION

An ordinance granting to Public Service Company of Oklahoma (PSO) the right, privilege and non-exclusive franchise for twenty-five years to build, equip, maintain, extend, own and operate a system for the manufacture, transmission, distribution, sale, and control of electricity and communications circuits for itself and others in, under, over, across, through and along any and all of the present and future streets, alleys, avenues, ways and other public places and grounds within the limits of the City of Bartlesville, Washington County, Oklahoma; and granting to PSO the right to operate an electric business pursuant to reasonable rules and regulation by the Oklahoma Corporation Commission; with PSO agreeing to charge legal rates for the electric service; and, if possible, to sell and deliver to the City all electricity and services requested by it; providing for payment to the City by PSO of a monthly fee on gross receipts from the delivery and sale of electricity; and providing for the repeal of conflicting ordinances; and declaring an emergency.

Shall the proposed ordinance be approved?

 FOR THE PROPOSITION - YES

 AGAINST THE PROPOSITION - NO