

96.810 Use of revenues -- Reduction of rates -- Equity of municipality.

- (1) The board shall devote all moneys derived from any source other than the issuance of bonds to or for the payment of all operating expenses; bond interest and retirement and sinking fund payments; the acquisition and improvement of the electric plant; contingencies; other obligations incurred in the operation and maintenance of the electric plant and the furnishing of electric service; the state, any county, any school district, any municipality, and any other special taxing district in which the board operates, of the same respective amounts as provided in KRS 96.820, or any other additional amounts which the board pursuant to its contract with the Tennessee Valley Authority or other governmental agencies collects as tax equivalents for any taxing jurisdiction if the board contracts with the Tennessee Valley Authority or any governmental agency for the purchase and resale of electrical energy, or if the board does not contract with the Tennessee Valley Authority or any other governmental agency for the purchase or resale of any electrical energy and if it has met all obligations imposed on it by KRS 96.550 to 96.900 it may at the end of any twelve (12) months ending June 30 transfer any surplus to the general fund of the municipality which authorized it; the redemption and purchase of electric plant bonds, in which case the bonds should be canceled; the creation and maintenance of a cash working fund; and the payment of an amount to the general funds of the municipality.
- (2) After the establishment of proper reserves, if any, and after complying with the above provisions of this section, any surplus of proceeds shall be devoted solely to the reduction of rates. The equity of the municipality contracting with the Tennessee Valley Authority or other governmental agency for the purchase and resale of electrical power or energy shall be the purchase price of the electric plant, less the face value of outstanding bonds, or, if there is no purchase price, the original cost of the plant as defined by the Federal Energy Regulatory Commission, less accrued depreciation, less the face value of the outstanding bonds. The payment of bonds or the acquisition or improvement of property from the receipts derived from electric service or any other operation of the board shall not be considered to increase the equity or investment of the municipality.

Effective: July 15, 2002

History: Amended 2002 Ky. Acts ch. 89, sec. 1, effective July 15, 2002. -- Amended 1996 Ky. Acts ch. 274, sec. 24, effective July 15, 1996. -- Created 1942 Ky. Acts ch. 18, sec. 24.