

ORDINANCE NO. 109

AN ORDINANCE GRANTING ARKLA, A DIVISION OF NORAM ENERGY CORPORATION, THE RIGHT TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN FACILITIES FOR THE TRANSPORTATION, DISTRIBUTION AND SALE OF GAS IN THE MUNICIPALITY AND, FOR SUCH PURPOSES, TO USE AND EXCAVATE IN THE PUBLIC HIGHWAYS, STREETS, SIDEWALKS, ALLEYS, SQUARES, COMMONS, GROUNDS, AND OTHER PUBLICLY OWNED AREAS AND LEVYING A FRANCHISE (PRIVILEGE) TAX FOR THAT PURPOSE.

BE IT ORDAINED BY THE MAYOR AND TOWN COUNCIL OF THE TOWN OF SIBLEY, LOUISIANA:

Arkla, a division of NorAm Energy Corp., its successors and assigns, hereinafter called "Grantee", is hereby granted the right to construct, install, operate and maintain in this municipality, as now and hereafter constituted, pipelines and related facilities for the transportation, distribution and sale of gas and for such purposes to use, and excavate in, the public highways, bridges, streets, sidewalks, alleys, squares, commons, grounds and other publicly owned areas for a period of twenty five (25) years.

Grantee's facilities shall be installed and operated in a workman like manner, and this Municipality shall be held harmless from any damages caused by the negligence of Grantee's employees in the course of their employment. Grantee shall tunnel beneath paved streets, sidewalks and alleys wherever practical in laying and replacing mains. Grantee shall refill its excavations and restore sidewalks and pavements promptly, and if this is not done within a reasonable time then it may be done by the Municipality at Grantee's expense. Grantee's lines shall be laid so as not to interfere with the present sewer and/or water system, and if a new sewer and/or water line crosses Grantee's pipeline at the same level, then this Municipality may, if Grantee has not done so after reasonable notice, raise or lower Grantee's line at Grantee's expense but only under Grantee's supervision. However, if any relocation of Grantee's pipelines and/or related facilities is required as a result of any project of the United States federal government or any project financed in whole or in part by the United States federal government, then the Municipality shall pay Grantee the costs and expenses incurred by Grantee in relocating Grantee's pipelines and/or related facilities up to but not greater than the total finances provided in connection with any such project by the United States federal government.

This Municipality may inspect Grantee's construction work at any time, or have said work inspected by a qualified engineer.

The point of delivery of gas to the consumer shall be at the inlet to the consumer's meter, and service pipe and facilities necessary to safely receive and utilize the gas at and beyond that point of delivery shall be furnished and maintained by the consumer, except that Grantee shall furnish and connect the gas meter. Title to all equipment installed by Grantee shall remain in Grantee, and Grantee shall have the unqualified right to use, extend, repair, replace, change, abandon or remove facilities installed under the authority of this grant or any other facilities as it may determine to be necessary or desirable from time to time in the conduct of its business. Grantee will not be obligated to commence, extend or continue any particular gas service by means of facilities installed under the authority of this grant or any other facilities except as Grantee may determine the prudent management and use of its present and future gas supply and facilities to permit and in accordance with Grantee's applicable rates, rules, regulations, policies and procedures, including curtailment procedures, as the same may exist and be changed from time to time. Grantee may promulgate and enforce reasonable rules, regulations and requirements governing the sale, delivery, receipt and use of gas furnished by Grantee and the commencement and discontinuance of gas service.

Grantee's rates currently effective in this Municipality for gas service shall continue in effect until raised or lowered in the manner provided by law.

In consideration of this grant, beginning on the date Grantee files its written acceptance of this ordinance and thereafter for as long as this ordinance remains in effect in accordance with its terms, Grantee shall pay to the Town of Sibley, 2% of Grantee's gross receipts from gas sales to residential and commercial customers located inside the city limits. If the total amount of all such taxes, fees, levies or charges for which Grantee is liable exceeds the two (2) percent gross proceeds of revenues, the amount in excess of such two (2) percent (plus the expenses of the Grantee in billing, collecting and remitting such amounts) shall be passed on by Grantee to the domestic and commercial customers in the municipality as an additional charge to be applied to the monthly bill of each such customer, said charge to be identified as "City Tax" in a separate line item on the face of the bill. Amounts due hereunder shall be computed quarterly for the periods ending March 31, June 30, September 30 and December 31, and payments shall be made within thirty (30) days after the expiration of the quarter with respect to which the payment is due.

This franchise ordinance will not be effective unless it is accepted by Grantee by written notice delivered or mailed to the Mayor within 90 days after the date of its passage and publication as required by law.

Upon its timely acceptance this ordinance shall continue in effect for a period of 25 years from the date of its passage and approval as indicated below.

The provisions hereof are intended to be separate and severable, and the holding of any portion hereof to be invalid shall not affect the other portions.

PASSED AND APPROVED THIS 9<sup>th</sup> day of April, 1998

ATTEST: Sherry Boyd  
Clerk

Lang Merritt  
Mayor