

ORDINANCE NO. 783

AN ORDINANCE GRANTING TO LONE STAR GAS COMPANY, A DIVISION OF ENSERCH CORPORATION, A CORPORATION, ITS SUCCESSORS AND ASSIGNS, A FRANCHISE TO FURNISH AND SUPPLY GAS TO THE GENERAL PUBLIC IN THE CITY OF ADDISON, DALLAS COUNTY, TEXAS, FOR THE TRANSPORTING, DELIVERY, SALE AND DISTRIBUTION OF GAS IN, OUT OF, AND THROUGH SAID MUNICIPALITY FOR ALL PURPOSES; PROVIDING FOR THE PAYMENT OF A FEE OR CHARGE FOR THE USE OF THE STREETS, ALLEYS, AND PUBLIC WAYS; AND PROVIDING THAT IT SHALL BE IN LIEU OF OTHER FEES AND CHARGES, EXCEPTING AD VALOREM TAXES; AND REPEALING ALL PREVIOUS GAS FRANCHISE ORDINANCES.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ADDISON, TEXAS:

SECTION 1. That the City of Addison, Texas, hereinafter called "City", hereby grants to Lone Star Gas Company, a Division of ENSERCH CORPORATION, hereinafter called "Company," its successors and assigns, consent to use and occupy the present and future streets, alleys, highways, and public thoroughfares for the purpose of laying, maintaining, constructing, operating, and replacing therein and thereon pipelines and all other appurtenant equipment needed and necessary to deliver gas ("gas distributing system") in, out of, and through said City; and to sell gas to persons, firms, and corporations, within the City's corporate limits; said consent being granted for a term of twenty (20) years from and after the date of final passage and approval of this ordinance.

SECTION 2. Company shall lay, maintain, construct, operate, and replace its pipes, mains, laterals, and other equipment so as to interfere as little as possible with traffic, and shall promptly clean up and restore to an approximate original condition, at its cost, all thoroughfares, landscape and other surfaces which it may disturb. The location of all mains, pipes, laterals, and other appurtenant equipment on public property shall be fixed under the supervision of the City Council or an authorized committee or agent appointed by said City Council. The Company shall be responsible for promptly relocating such facilities in the event of a street widening or other construction necessitated by the City.

SECTION 3. When Company shall make or cause to be made excavations or shall place obstructions in any street, alley, or other public place, the public shall be protected by barriers and lights placed, erected, and maintained by Company;

and in the event of injury to any person or damage to any property by reason of the construction, operation, or maintenance of the gas distributing plant or system of Company, Company shall indemnify and keep harmless City from any and all liability in connection therewith. Company at its cost shall repair, clean up and restore to approximate original condition all streets and alleys disturbed during the construction and repair of its gas distributing system.

When placing barricades in the public streets, alleys, or other public places, Company shall comply with applicable city ordinances prescribing standards for barrication, except in the case of emergencies. Pursuant to Section 9 of this Franchise Ordinance, no fee shall be required of Company for a barricade permit or other permission to work in the streets, alleys, and public places.

SECTION 4. In addition to the rates charged for gas supplied, Company may make and enforce reasonable charges, rules and regulations for service rendered in the conduct of its business including a charge for services rendered in the inauguration of natural gas service, and may require, before furnishing service, the execution of a contract therefor. Company shall have the right to contract with each customer with reference to the installation of, and payment for, any and all of the gas piping from the connection thereof with the Company's main in the streets or alleys to and throughout the consumer's premises. Company shall own, operate and maintain all service lines, which are defined as the supply lines extending from the Company's main to the Customer's meter where gas is measured by Company. The consumer shall own, operate, and maintain all yard lines and house piping. Yard lines are defined as the underground supply lines extending from the point of connection with Company's customer meter to the point of connection with consumer's house piping. In planning future extensions or additions to the Company's gas distribution system within the city limits of Addison the Company shall endeavor to place all commercial and industrial meters in locations conducive to their being screened or landscaped by the property owner.

SECTION 5. Company shall not be required to extend mains on any street more than fifty (50) feet for any one consumer of gas.

SECTION 6. Company shall be entitled to require from each and every consumer of gas, before gas service is commenced, a deposit of twice the amount of an estimated average monthly bill, which said deposit may be retained by Company until service is discontinued and all bills therefor have been paid. Company shall then return said deposit to the consumer,

together with six percent (6%) interest thereon from the date of said deposit up to the date of discontinuance of service. Company shall be entitled to apply said deposit, with accrued interest, to any indebtedness owed Company by the consumer making the deposit.

SECTION 7. The rights, privileges, and franchises granted by this ordinance are not to be considered exclusive, and City hereby expressly reserves the right to grant, at any time, like privileges, rights, and franchises as it may see fit to any other person or corporation for the purpose of furnishing gas for light, heat, and power to and for City and the inhabitants thereof.

SECTION 8. Company shall furnish reasonably adequate service to the public at reasonable rates and charges therefor; and Company shall maintain its property, equipment, and appliances in good order and condition.

SECTION 9. Company, its successors and assigns, agrees to pay and City agrees to accept, on or before the 1st day of April, 1983, and on or before the same day of each succeeding year during the life of this franchise, the last payment being made on the 1st day of April, 2002, a sum of money which shall be equivalent to four percent (4%) of the gross receipts received by Company from the sale of gas to its residential, commercial, and industrial consumers within the corporate limits of said City (expressly excluding, however, receipts derived from sales to governmental users and consumers in said City) for the preceding calendar year, which annual payment shall be for the rights and privileges herein granted to Company, including expressly, without limitation, the right to use the streets, alleys, and public ways of the City. Provided, however, for the payment to be made April 1, 1983, the tax shall be two percent (2%) on sales to residential and commercial customers only through May 31, 1982, and four percent (4%) thereafter on industrial sales as well. And it is also expressly agreed that the aforesaid annual payment shall be in lieu of any and all other and additional occupation taxes, easement, and franchise taxes or charges (whether levied as an ad valorem, special, or other character of tax or charge), in lieu of municipal license and inspection fees, street taxes, and street or alley rentals or charges, and all other and additional municipal taxes, charges, levies, fees, and rentals of whatsoever kind and character which City may now impose or hereafter levy and collect, excepting only the usual general or special ad valorem taxes which City is authorized to levy and impose upon real and personal property. Should City not have the legal power to agree that the payment of the foregoing sums of money shall be in lieu of taxes, licenses, fees, street or alley rentals or charges, easement or franchise taxes or charges aforesaid, then City agrees that it will apply so much

of said sums of money paid as may be necessary to satisfy Company's obligations, if any, to pay any such taxes, licenses, charges, fees, rentals, easement or franchise taxes or charges.

In order to determine the gross receipts received by Company from the sale of gas (expressly excluding the sale of gas to governmental consumers) within the corporate limits of City, Company agrees that on the same date that payments are made, as provided in the preceding paragraph of this Section 9, it will file with the City Clerk a sworn report showing the gross receipts received from the sale of gas to its residential, commercial, and industrial consumers within said corporate limits for the calendar year preceding the date of payment. City may, if it sees fit, have the books and records of Company examined by a representative of said City to ascertain the correctness of the sworn reports agreed to be filed herein.

Receipts from sales to governmental users or consumers shall not include receipts derived from the sale of gas to county or city governments, or branches and subdivisions thereof.

"Industrial users or consumers," as herein used, are those generally and commonly classified as such by Company.

The payment herein provided shall be for the period January 1 to December 31 of the respective year that the payment is made.

SECTION 10. When this franchise ordinance becomes effective all previous ordinances of said City granting franchises for gas distribution purposes which were held by Company shall be automatically cancelled and annulled and shall be of no further force and effect.

SECTION 11. Company shall file its written acceptance of this franchise ordinance within sixty (60) days after its final passage and approval by said City.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF ADDISON, TEXAS on this the 13 day of April, 1982.


MAYOR

ATTEST:


CITY SECRETARY

STATE OF TEXAS I
COUNTY OF DALLAS I
CITY OF ADDISON I

I, Jacque Sharp, City Secretary of the City of Addison, Dallas County, Texas, do hereby certify that the above and foregoing is a true and correct copy of an ordinance passed by the City Council of the City of Addison, Texas, at a Regular session, held on the 13 day of April, 1982, as it appears of record in the Minutes of said City, in Book _____, page _____.

WITNESS MY HAND AND SEAL OF SAID CITY, this the 29 day of April, A.D. 1982.

Jacque Sharp
City Secretary
City of Addison, Texas