

ORDINANCE NO. 007-06

AN ORDINANCE AMENDING EXISTING FRANCHISE ORDINANCE BETWEEN THE CITY OF DELEON AND TXU ELECTRIC DELIVERY COMPANY, A TEXAS CORPORATION, ITS SUCCESSORS AND ASSIGNS, TO PROVIDE FOR A DIFFERENT PAYMENT SCHEDULE; PROVIDING AN EXTENSION OF THE FRANCHISE TERM; PROVIDING FOR TXU ELECTRIC DELIVERY ACCEPTANCE; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, TXU Electric Delivery Company, successor in interest to Oncor Electric Delivery Company (hereinafter called "Company") is engaged in the business of providing electric utility service within the City of DeLeon, Texas (hereinafter called "City") and is using the public rights-of-ways within the City for that purpose under the terms of a franchise ordinance heretofore duly passed by the governing body of the City and duly accepted by Company; and

WHEREAS, pursuant to Agreement to Resolve Outstanding Franchise Issues dated January 27, 2006, the City has requested and Company has agreed to amend said franchise ordinance to provide for a different payment schedule and an extension of the term;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DELEON, TEXAS: that

SECTION 1: The franchise, as amended, between the City and Company is amended as follows:

- A. A final annual payment was made on or before March 15, 2006, based on each kilowatt hour of electricity delivered by Company during the twelve-month period ending December 31, 2005, to each retail customer whose consuming facility's point of delivery is located within the City's municipal boundaries. This payment was for the rights and privileges granted under the franchise for the twelve month period January 1, 2006 – December 31, 2006.

Effective June 15, 2006 the annual prospective payment schedule is hereby changed to a quarterly prospective schedule as follows:

Payment Due Date	Basis Period	Privilege Period (Following Year)
June 15	Jan. 1 – Mar. 31	Jan. 1 – Mar. 31
September 15	Apr. 1 – June 30	Apr. 1 – June 30
December 15	July 1 – Sept. 30	July 1 – Sept. 30
March 15	Oct. 1 – Dec. 31	Oct. 1 – Dec. 31

The first quarterly payment will be due and payable on or before June 15, 2006, based on the period beginning January 1, 2006 and ending March 31, 2006 for the rights and privileges granted under the franchise during the period beginning January 1, 2007 and ending March 31, 2007. Subsequent payments will be made on a

quarterly basis as provided in the above schedule. The final payment under this Franchise will be made on or before March 15, 2016, based on the period beginning October 1, 2015 and ending December 31, 2015, for the rights and privileges beginning October 1, 2016 and ending December 31, 2016.

After the final payment date of March 15, 2016, Company may continue to make additional quarterly payments in accordance with the above schedule. City acknowledges that such continued payments will correspond to privilege periods that extend beyond the term of this franchise and that such continued payments will be recognized in any subsequent franchise agreement as full payment for the relevant quarterly periods; and

B. The term of the franchise is hereby extended for an additional five years to expire on December 31, 2016.

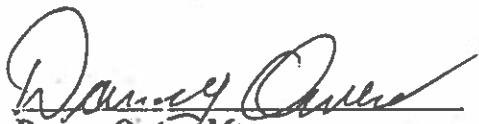
SECTION 2: In all respects, except as specifically and expressly amended by this ordinance, the franchise heretofore duly passed by the governing body of the City and duly accepted by Company shall remain in full force and effect according to its terms until said franchise ordinance terminates as provided herein.

SECTION 3: This ordinance shall take effect upon its final passage and Company's acceptance. Company shall, within sixty (60) days from the passage of this ordinance, file its written acceptance of this ordinance with the Office of the City Secretary.

SECTION 4. It is hereby officially found and determined that the meeting at which this Ordinance is passed is open to the public as required by law and that public notice of the time, place and purpose of said meeting was given as required.

PASSED AND APPROVED on this 8th day of June, 2006.

PASSED, APPROVED AND ADOPTED on this 22nd day of June, 2006.



Danny Owen, Mayor

ATTEST:



Karen Wikerson, City Secretary