

AN ORDINANCE GRANTING TO LONE STAR GAS COMPANY, A CORPORATION, ITS SUCCESSORS AND ASSIGNS, A FRANCHISE TO FURNISH AND SUPPLY GAS TO THE GENERAL PUBLIC IN THE CITY OF DE LEON, COMANCHE COUNTY, TEXAS, AND THE ENVIRONS THEREOF; 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.

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BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF DE LEON, TEXAS:

SECTION 1. That the City of De Leon, Texas, hereinafter called "City," hereby grants to Lone Star Gas Company, hereinafter called "Company," its successors and assigns, consent to use and occupy the present and future streets, alleys, highways, public places, public thoroughfares and grounds of City for the purpose of laying, maintaining, constructing, operating and replacing therein and thereon pipelines and all other appurtenant equipment needed and necessary to deliver and sell gas to persons, firms and corporations, including all the general public, within the City's corporate limits and the environs thereof, said consent being granted for a term of twenty-five (25) years from and after the date of the 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 and other surfaces which it may disturb. The location of all mains, pipes, laterals and other appurtenant equipment shall be fixed under the supervision of the City Commission or an authorized committee or agent appointed by said Commission.

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 shall repair, clean up and restore to an approximate original condition all streets and alleys disturbed during the construction and repair of its gas distributing system.

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 from the Company's main to the consumer's curb line when mains are located in the streets and to the consumer's property line when mains are located in the alley. 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 service lines to the point of connection with consumer's house piping.

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 March, 1971, and on or before the same day of each succeeding year during the life of this franchise, up to and including the year 1995, a sum of money which shall be equivalent to two percent (2%) of the gross receipts received by Company from the sale of gas to its domestic and commercial consumers within the corporate limits of said City (expressly excluding, however, receipts derived from sales to industrial and 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 said City.

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 impose or hereafter be authorized to 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 sales of gas to industrial and 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 domestic and commercial 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 include all those receipts derived from the sale of gas to federal, state, county or city governments or branches and subdivisions thereof, school districts or other similar districts, it being the intention to include within the term "governmental users and consumers" all tax-supported institutions owned or operated directly or indirectly by said governments and branches or subdivisions thereof, such as schools, colleges, hospitals, eleemosynary institutions, army or training camps, airports, courthouse, city hall and other institutions of like or similar kind and character.

"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. This franchise ordinance shall be considered effective from and after the date of its final passage and approval by the City Commission and Mayor of the City of De Leon, Texas, and acceptance by Company, and shall cancel, supersede, nullify, take the place and be in lieu of that certain franchise ordinance passed and approved on December 17, 1945, recorded in Book 5, page 857 of the Minutes of the City Commission, being styled:

AN ORDINANCE GRANTING TO THE SOUTHWEST NATURAL GAS COMPANY, ITS SUCCESSORS AND ASSIGNS, THE RIGHT, PRIVILEGE AND FRANCHISE TO CONSTRUCT, MAINTAIN, INSTALL AND OPERATE AND CONTINUE THE OPERATION THEREOF, IN THE PRESENT AND ALL FUTURE STREETS, ALLEYS AND PUBLIC PLACES IN THE CITY OF DE LEON, TEXAS, A SYSTEM OF GAS MAINS, SUPPLY PIPES, AND LATERALS, WITH ALL NECESSARY OR DESIRABLE APPURTENANCES FOR THE PURPOSES OF SUPPLYING NATURAL GAS TO SAID CITY OF DE LEON, TEXAS, THE INHABITANTS THEREOF, AND PERSONS AND CORPORATIONS THEREIN AND PERSONS AND CORPORATIONS BEYOND THE LIMITS THEREOF, FOR LIGHT, HEAT, POWER AND OTHER PURPOSES AND FOR THE PURPOSE OF CONTINUING THE FURNISHING AND DISTRIBUTING OF NATURAL GAS IN SAID CITY FOR SAID PURPOSES AND PRESCRIBING THE TERMS AND CONDITIONS OF SAID GRANT AND FRANCHISE AND ITS TIME AND THE CONSIDERATION THEREFOR.

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 on first reading on this the 24 day of September, A.D. 1970.

FINALLY PASSED AND APPROVED on second reading on this the 5 day of December, A.D. 1970 ..

ATTEST:

Eula Weaver
Secretary

W. S. Stewart
Mayor

City of De Leon, Texas

STATE OF TEXAS

COUNTY OF COMANCHE

I, Eula Weaver, Secretary of the City of De Leon, Comanche County, Texas, hereby certify that the above and foregoing is a true and correct copy of an ordinance passed by the City Commission on first reading on the 24 day of November, 1970, and was finally passed and approved by the City Commission on second and final reading on the 8 day of December, 1970, all as appears of record in the Minutes of said City Commission in Book 5, Page 880.

WITNESS MY HAND AND SEAL OF SAID CITY, this the 9 day of December, A.D. 1970.

Eula Weaver
Secretary

City of De Leon, Texas