

1 Introduced May 11, 2019, by Councilwoman
2 Harbison, seconded by Councilman Borchert,
3 (by request of Administration)

4 **Item No. 19-05-3278**

5
6 **ORDINANCE NO. 3946**

7
8 ORDINANCE OF THE MUNICIPALITY OF SLIDELL, LOUISIANA,
9 GRANTING TO ATMOS ENERGY CORPORATION (A TEXAS AND
10 VIRGINIA CORPORATION WITH ITS PRINCIPAL OFFICE IN THE
11 MUNICIPALITY OF DALLAS, DALLAS COUNTY, TEXAS) AND ITS
12 SUCCESSORS AND ASSIGNS THE FRANCHISE AND RIGHTS TO
13 CONDUCT IN SUCH MUNICIPALITY THE BUSINESS OF ACQUIRING,
14 MAINTAINING, CONSTRUCTING, LAYING, REPAIRING, REMOVING,
15 REPLACING, INSTALLING, OPERATING, AND DISPOSING OF A GAS
16 SYSTEM FOR THE SALE, TRANSPORTATION, AND DISTRIBUTION OF
17 NATURAL GAS WITHIN AND BEYOND THE MUNICIPAL BOUNDARIES
18 OF THE MUNICIPALITY AND TO THE RESIDENTS AND BUSINESSES
19 LOCATED THEREIN FOR LIGHT, HEAT, POWER, AND ANY OTHER
20 PURPOSES AND THE RIGHT TO USE THE PRESENT AND FUTURE
21 STREETS, ROADS, HIGHWAYS, ALLEYS, BRIDGES, PUBLIC WAYS, AND
22 IMMOVABLE PROPERTY IN SUCH MUNICIPALITY AND OWNED OR
23 CONTROLLED BY SUCH MUNICIPALITY FOR SUCH PURPOSES;
24 PRESCRIBING THE TERMS AND CONDITIONS TO WHICH SUCH
25 FRANCHISE AND RIGHTS ARE SUBJECT; AND PRESCRIBING THE
26 TERM OF SUCH FRANCHISE AND RIGHTS.

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28 BE IT ORDAINED by the Governing Body of the MUNICIPALITY OF SLIDELL,
29 LOUISIANA (hereinafter referred to as the "Municipality") that, subject to the terms and
30 conditions hereinafter set forth, ATMOS ENERGY CORPORATION, a Texas and Virginia
31 corporation with its principal office in the City of Dallas, Dallas County, Texas (hereinafter
32 referred to as "Atmos"), be, and hereby is, granted the non-exclusive franchise and rights
33 to conduct in the municipality the business of acquiring (by purchase, lease, or otherwise),
34 maintaining, constructing, laying, repairing, removing, replacing, installing, operating, and
35 disposing of (by sale, lease, or otherwise) a Gas System, hereinafter defined, for the sale,
36 transportation, and distribution of natural gas within and beyond the municipal boundaries
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4 of the municipality and to the residents and business located therein for light, heat, power,
5 and any other purpose during the term set forth below. Such franchise and rights shall
6 include, but not be limited to, the right to use the present and future streets, roads,
7 highways, alleys, bridges, public ways, and other immovable property owned by or under
8 the control of the municipality for purposes of maintaining, constructing, laying, repairing,
9 removing, replacing, installing, and operating any and all components of the Gas System,
10 together with access, at all times and from time to time, to such streets, roads, highways,
11 alleys, bridges, public ways, and other immovable property during the term hereof.
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18 **ARTICLE I**

19 **DEFINITIONS**

20 For purposes of this Ordinance, the following terms shall have the meanings set
21 forth below:
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23 Section 1.1. Gas System. The term "Gas System" shall mean any and all
24 pipelines, as hereinafter defined, regulators, meters, valves, compressors, anti-corrosion
25 items, facilities, structures, machinery, equipment, and appurtenances of any kind that
26 Atmos, in its sole discretion, may deem necessary or advisable for the exercise of the
27 franchise and rights granted to Atmos herein.
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33 Section 1.2. Pipelines. The term "pipelines" shall mean any and all above-ground
34 and below-ground pipes, including but not limited to, mains, distribution lines, secondary
35 lines, laterals, and other pipes, that have been, are being, or are intended to be used at
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4 any time in, or in connection with, the sale, transportation, or distribution of natural gas
5 within and beyond the Municipality limits.
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7 **ARTICLE II**

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9 **TERM**

10 **Section 2.1. Term.** The term of the franchise and rights hereby granted to Atmos
11 shall be for a period of twenty (20) years, commencing on the later of (i) thirty (30) days
12 after the date of publication of this Ordinance in accordance with law or (ii) the expiration of
13 the franchise held by Atmos immediately preceding this franchise.
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19 **ARTICLE III**

20 **GRANT OF SPECIFIC RIGHTS TO ATMOS ENERGY**

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22 In addition to the franchise and rights granted herein to Atmos, the municipality
23 acknowledges that Atmos has, and hereby grants to Atmos, the following rights and
24 powers:
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27 **Section 3.1. Reconnection Charges.** In addition to any and all other proper charges,
28 Atmos may charge and collect from any consumer whose service has been discontinued
29 by Atmos a reasonable reconnection fee or similar charge for recommencing service to
30 such consumer.
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33 **Section 3.2. Adoption of Rules.** From time to time during the term hereof, Atmos
34 may, subject to any and all valid and applicable statutes, ordinances, rules, and
35 regulations of any federal or state governmental authority or agency, make and enforce
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4 reasonable rules pertaining to Atmos' business and operations, including, but not limited
5 to, requiring payment on or before a specified day each month for all services furnished
6 during the preceding month with the right to disconnect and discontinue service to
7 delinquents.
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10 Section 3.3. Removal of Gas System. Atmos may remove all or any portion of the
11 Gas System upon the expiration or termination of the franchise and rights granted hereby.
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13 Section 3.4. Right of Use. Atmos is hereby specifically granted a right of use on all
14 present and future streets, roads, highways, alleys, bridges, public ways, and other
15 immovable property owned by or under the control of the Municipality for purposes of
16 maintaining, constructing, laying, repairing, replacing, installing, and operating any and all
17 components of the Gas System, together with access, at all times and from time to time, to
18 such streets, roads, highways, alleys, bridges, public ways, and other immovable property
19 during the term hereof.
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28 **ARTICLE IV**

29 **OBLIGATIONS OF ATMOS**

30 Section 4.1 Franchise Fee.

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32 (a) As consideration for the grant of the franchise and rights herein and for the use
33 by Atmos of the streets, roads, highways, alleys, bridges, public ways, and
34 other immovable property owned or controlled by the Municipality, Atmos shall
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4 pay to the Municipality, within thirty (30) days after the end of each calendar
5 quarter, a franchise fee equal to four percent (4%) of Atmos' gross receipts
6 derived from the sale, transportation, and distribution by Atmos of natural gas at
7 retail to residential and commercial consumers located within the Municipality
8 limits during the preceding calendar quarter.
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12 (b) The franchise fee, together with any and all charges of the Municipality for
13 water, sewage, and garbage services provided by the Municipality to Atmos,
14 any and all sales taxes collected by Atmos, and any and all ad valorem taxes
15 assessed by the Municipality against Atmos' property, shall constitute the only
16 amounts for which Atmos shall be obligated to pay to the Municipality and shall
17 be in lieu of any and all other costs, levies, assessments, fees, or other
18 amounts, of any kind whatsoever, that the Municipality, currently or in the
19 future, may charge Atmos or assess against Atmos' property.
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25 Section 4.2. No Obstruction of Public Property. Atmos shall not unnecessarily or
26 for any unreasonable period of time obstruct or interfere with the public use of any of the
27 streets, roads, highways, alleys, bridges, public ways, or other immovable property owned
28 or controlled by the Municipality.
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32 Section 4.3. Repair of Damages. Atmos shall repair any and all damages caused
33 solely by Atmos to any streets, roads, highways, alleys, bridges, public ways, or other
34 immovable property owned or controlled by the Municipality and shall restore, as nearly as
35 practicable, such property to substantially its condition immediately prior to the incident
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4 causing such damage. Atmos shall commence such repairs immediately upon completion
5 of the work or activity in which Atmos was involved at the time the damage occurred and
6 shall complete such repairs as promptly as possible.
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9 Section 4.4. Conduct of Work and Activities. Atmos shall use reasonable care in
10 conducting its work and activities in order to prevent injury to any person and unnecessary
11 damage to any immovable or personal property.
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14 Section 4.5. Extension of Gas System. Atmos shall, at its sole expense, extend its
15 Gas System in order to serve additional consumers in accordance with the Standard
16 Terms and Conditions for Natural Gas Service as now approved or as may hereafter be
17 approved by the Louisiana Public Service Commission.
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20 Section 4.6. Service to New Areas. If during the term of this franchise the
21 boundaries of the Municipality are expanded, the Municipality will promptly notify Atmos in
22 writing of any geographic areas annexed by the Municipality during the term hereof
23 (“Annexation Notice”). Any such Annexation Notice shall be sent to Atmos by certified
24 mail, return receipt requested, and shall contain the effective date of the annexation, maps
25 showing the annexed area and such other information as Atmos may reasonably require in
26 ascertaining whether there exist any customers of Atmos receiving natural gas service in
27 said annexed area. To the extent there are such Atmos customers therein, then the gross
28 revenues of Atmos derived from the sale and distribution of natural gas to such customers
29 shall become subject to the franchise fee provisions hereof effective on the first day of
30 Atmos’ billing cycle immediately following Atmos’ receipt of the Annexation Notice. The
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4 failure by the Municipality to advise Atmos in writing through proper Annexation Notice of
5 any geographic areas which are annexed by the Municipality shall relieve Atmos from any
6 obligation to remit any franchise fees to Municipality based upon gross revenues derived
7 by Atmos from the sale and distribution of natural gas to customers within the annexed
8 area until Municipality delivers an Annexation Notice to Atmos in accordance with the
9 terms hereof.
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14 **ARTICLE V**

15 **GENERAL PROVISIONS**

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17 **Section 5.1. Force Majeure.** Notwithstanding anything expressly or impliedly to the
18 contrary contained herein, in the event Atmos is prevented, wholly or partially, from
19 complying with any obligation or undertaking contained herein by reason of any event of
20 force majeure, then, while so prevented, compliance with such obligations or undertakings
21 shall be suspended. The term "force majeure," as used herein, shall mean any cause not
22 reasonably within Atmos' control and includes, but is not limited to, acts of God, strikes,
23 lock-outs, wars, terrorism, riots, orders or decrees of any lawfully constituted federal, state,
24 or local body, contagions or contaminations hazardous to human life or health, fires,
25 storms, floods, wash-outs, explosions, breakages or accidents to machinery or lines of
26 pipe, inability to obtain or the delay in obtaining rights-of-way, materials, supplies, or labor
27 permits, temporary failures of gas supply, or necessary repair, maintenance, or
28 replacement of facilities used in the performance of the obligations contained in this
29 Ordinance.
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4 Section 5.2. Amendments. This Ordinance and the franchise and rights granted
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6 herein may be amended only by written agreement of the Municipality and Atmos to such
7 amendment.
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9 Section 5.3. Repeal of Conflicting Ordinances. All other ordinances of the
10 Municipality or portions thereof that are in conflict or inconsistent with any of the terms or
11 provisions of this Ordinance are hereby repealed to the extent of such conflict or
12 inconsistency.
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14 inconsistency.

15 Section 5.4. Severability. In the event any part of this Ordinance is determined to
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17 be invalid or illegal for any reason whatsoever, such invalidity or illegality shall not affect
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19 the validity or legality of this Ordinance as a whole or of any parts hereof.

20 Section 5.5. Binding Effect. This Ordinance shall extend to, be binding upon, and
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22 inure to the benefit of, the parties hereto and their respective successors and assigns.
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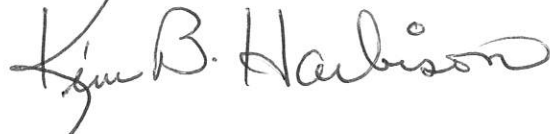
24 Section 5.6. Section and Other Headings. The section and other headings
25 contained in this Ordinance are for reference purposes only and shall not affect in any way
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27 the meaning or interpretation of this Ordinance.
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4 The foregoing ordinance was offered and introduced on the 11th day of May,
5 2019 by Councilwoman Harbison, who moved for its adoption and which motion was
6 seconded by Councilman Borchert, by request of Administration. The ordinance having
7 been so offered was submitted to a vote as a whole and adopted by the Governing Body of
8 Slidell, Louisiana by the following vote:

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10 Yeas: 8 Nays: 1 Absent: 0
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13 The foregoing ordinance was then declared adopted and was approved and
14 signed by the Governing Body on the 11th day of June, 2019 and ordered published.
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19 Kim Harbison
20 President of the Council
21 Councilwoman, District F

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24 Greg Cromer
25 Mayor

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28 Thomas P. Reeves
29 Council Administrator

DELIVERED	6/14/19
9:45 am	to the Mayor
RECEIVED	6/25/19
2:40 pm	from the Mayor

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4 ACCEPTED:

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6 ATMOS ENERGY CORPORATION

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9 By: 
10 Jennifer Ries
11 President (Louisiana Division)

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14 Date: 8/13/19

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17 Mailing Address and Phone Number of Municipality:

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