Item No. 87-04-1163

ORDINANCE NO. 2104

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An ordinance granting franchise right and privilege to Louisiana Gas Service Company ("Company"), its successors and assigns, for a period of 30 years to supply, in such manner and from such sources as Company deems best, natural and/or artificial gas throughout and to the MUNICIPALITY OF SLIDELL, LOUISIANA ("Municipality") and the inhabitants thereof or any person, firm or corporation thereof or therein and to acquire or construct, operate and maintain such plants, structures, distribution systems and equipment as may be useful or necessary for the manufacture, transportation, distribution and/or sale of natural and/or artificial gas in and throughout the Municipality, and to lay, operate and maintain mains, pipes, conductors, meters, connections and any and all other appliances useful or necessary for the transportation and/or distribution and/or sale of natural and/or artificial gas, in, over, under, along, upon and across all of the present and/or future streets, roads, highways, alleys and public places of the Municipality and to excavate therein for the purpose of laying, repairing, replacing or removing such pipes and appliances, or any portion thereof, and to connect any such main(s) or pipe(s) to any other main(s) or pipe(s) for the purpose of transporting natural and/or artificial gas into, through or beyond the boundaries of the Municipality, and providing for payment by Company, its successors and assigns, of a sum equal to 2% of the gross receipts of Company from the sale and delivery of natural and/or artificial gas for residential and commercial purposes billed on residential and commercial rates within the limits of Municipality as same may now or hereafter exist, and repealing all ordinances in conflict herewith.

BE IT ORDAINED by the governing authority of Slidell, Louisiana ("Municipality"), in regular session duly and legally convened:

SECTION 1. That Louisiana Gas Service Company, hereinafter designated as the "Company" (a Louisiana corporation), domiciled and doing business in the State of Louisiana, its successors and assigns, be and the said Company is hereby granted the right, privilege and franchise to supply in such manner and from such sources as Company deems best, natural and/or artificial gas throughout and to the Municipality and the inhabitants thereof or any person, firm or corporation thereof or therein, and to

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acquire, or construct, operate and maintain such plants, structures, distribution systems and equipment as may be useful or necessary for the manufacture, transportation, distribution and/ or sale or natural and/or artificial gas in and throughout the Municipality, and to lay, operate and maintain mains, pipes, conductors, meters, connections and any and all other appliances useful or necessary for the transportation and/or distribution and/or sale of natural and/or artificial gas in, over, under, along, upon and across all of the present and/or future streets, roads, highways, alleys and public places of the Municipality, and to excavate therein for the purpose of laying, repairing, replacing or removing such pipes and appliances, or any portion thereof, and to connect any such main(s) or pipes(s) to any other main(s) or pipe(s) for the purpose of transporting natural and/or artificial gas into, through or beyond the boundaries of the Municipality.

SECTION 2. That the Company, its successors and assigns, shall at all times maintain its natural and/or artificial gas systems in a safe and good condition and shall comply with all necessary and reasonable safety regulations in the operation thereof, and shall protect and save harmless the Municipality from all claims and damages due to its negligence, or its failure to comply with any obligations of this franchise.

SECTION 3. That all changes made necessary in the Company's gas lines in connection with the improvements of streets, roads, bridges, alleys or other public places shall be made by the Company, its successors or assigns, who shall likewise repair all damage to the streets, roads, bridges, alleys or other public places caused by the construction or maintenance of said gas lines.

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SECTION 4. That the Company, its successors and assigns, shall have the right to formulate and publish rules and regulations under which service will be furnished subject to the approval of the legally constituted authorities having jurisdiction over such matters; which regulations may provide for the payment, on or before a specified day each month, for all service furnished for the preceding month, with right to disconnect and discontinue service to all delinquents.

SECTION 5. That this franchise and the rights, authorities and privileges herein granted are not exclusive and are granted for a period of 30 years from and after date the ordinance becomes effective.

SECTION 6. In consideration of the grant of this franchise:

- during the effective period of this franchise, a sum of money equal to two percent (2%) of the gross receipts of the Company from the sale and delivery of natural and/or artificial gas at retail for residential and commercial purposes to customers within the limits of the Municipality, billed on rates approved by the Louisiana Public Service Commission. It is understood and agreed that no payment shall be due to the Municipality by the Company on receipts from the following classifications of sales:
 - (1) Sales of natural and/or artificial gas for resale.
 - (2) Sales of natural and/or artificial gas to the Municipality and to other public authorities, including, but not limited to, the United States of America, the State of Louisiana and its political subdivisions, including parishes and other municipalities, and all divisions and agencies of any of the foregoing.

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(3) Sales of natural and/or artificial gas to industrial customers who are identified as those who engage in the business of working raw materials into wares suitable for use or which gives new shapes, qualities or some artificial process.

The period for which such gross receipts shall be computed will commence when this ordinance becomes effective, and the amount shall be paid quarterly, the quarterly periods being fixed on a calendar year basis, and the payments on a quarterly basis shall be made not later than thirty (30) days after the end of each quarter, that is, on or before April 30, July 30, October 30 and January 30 of each year, and on the payment date the Company shall furnish to the Municipality a statement showing the total amount of gross receipts of the Company for the preceding quarterly period to which payment of two percent (2%) is applicable. The payments herein provided to be made by the Company to the Municipality will be reduced in an amount equal to the sum of any new or increased taxes of any nature whatsoever levied by the Municipality and payable by the Company, subsequent to the date of this ordinance (except uniform ad valorem taxes, that is, any uniform taxes based on property values).

(b) Should the Company, while this franchise is in effect, renew a franchise, permit or privilege from any municipality, parish, or other political subdivision in this state for supply, sale or delivery of natural and/or artificial gas under which the Company agrees to pay a greater percentage upon the gross receipts than is provided for in this franchise, then the Company agrees, upon a majority vote of the authorized membership of the Slidell City Council, Company agrees to increase its fee on the gross receipts as provided herein to the higher percentage provided in such other municipality's, parish's or other political subdivision's franchise, permit or privilege granted to the Company.

 (c) The Company shall be obligated during the term of this franchise to furnish natural and/or artificial gas requirements of the Municipality for facilities owned and operated by the Municipality, all at costs to the Municipality, as agreed upon by the Municipality and the Company under contracts to be entered into hereafter, provided, however, that the validity of this franchise shall not in any way be contingent upon the existence or validity of any such contracts.

SECTION 7. That all of the franchise rights and obligations created hereunder shall be applicable to natural and/or artificial gas service by the Company within the corporate limits of the Municipality as same may now and/or thereafter lawfully exist. The Municipality shall provide to the Company in writing a legal description of said corporate limits as of the effective date of this franchise and shall immediately provide to the Company in writing all changes therein. All obligations of the Company under Section 6 of this franchise shall be based upon the last designation of the corporate limits made by the Municipality to the Company pursuant to this Section.

SECTION 8. That all ordinances or parts of ordinances contrary to or in conflict with the provisions of this ordinance be and the same are hereby repealed, and this ordinance shall take effect from and after its promulgation and its acceptance in writing by the Company for itself, its successors and assigns.

ADOPTED this 12th day of May , 1987.

Lionel J. Washington Councilman, District A

President of the Council

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Salvatore A. Caruso Mayor

Barbara Manteris Penton Clerk of the Council

ACCEPTED this day of

, 1987.

LOUISIANA GAS SERVICE CO.

BY:

DELIVERED

5-15-87 11 30 p.m. to the Mayor

ECUVED

5-15-87 grows the Mayor