

STATE OF LOUISIANA
CITY OF WEST MONROE

ORDINANCE NO. _____

MOTION BY: _____

SECONDED BY: _____

AN ORDINANCE TO AMEND SECTION 3-2001 TO SECTION 3-2006 , OF THE CODE OF ORDINANCES, CITY OF WEST MONROE, LOUISIANA, RELATING TO THE GRANT OF A FRANCHISE TO ATMOS ENERGY CORPORATION TO PROVIDE FOR GAS SERVICE THROUGHOUT THE CITY; TO DECLARE THE SECTIONS AND PROVISIONS SEVERABLE; TO PROVIDE FOR AN EFFECTIVE DATE; AND TO OTHERWISE PROVIDE WITH RESPECT THERETO.

WHEREAS, upon the request of Atmos Energy Corporation (hereinafter “Atmos”), a Texas and Virginia corporation with its principal office in the City of Dallas, Dallas County, Texas, and pursuant to the home rule charter of the City of West Monroe and other constitutional and statutory authority, and in order to protect the health, safety, and welfare of the public, the City of West Monroe, Louisiana, (the “City”) has been requested to grant and/or renew to Atmos, its successors and assigns, a franchise, right, and privilege for a period of ten (10) years subject to certain terms and provisions; and

WHEREAS, the City believes that the grant and/or renewal of such a franchise is of benefit to the City and its inhabitants;

NOW, THEREFORE,

SECTION 1. BE IT ORDAINED by the Mayor and Board of Aldermen of the City of West Monroe, Louisiana, in regular and legal session convened, that Section 3-2001 to 3-2006 are hereby amended, all as follows:

“Sec. 3-1001. Franchise granted.

Subject to the terms and conditions hereinafter set forth in this chapter, Atmos Energy Corporation, a Texas and Virginia corporation with its principal office in the City of Dallas, Dallas County, Texas (hereinafter referred to as “Atmos”), be, and hereby is, granted the non-exclusive franchise and rights to conduct in the City the business of acquiring (by purchase, lease, or otherwise), maintaining, constructing, laying, repairing, removing, replacing, installing, operating, and disposing of (by sale, lease, or otherwise) a Gas System, hereinafter defined, for the sale, transportation, and distribution of natural gas within and beyond the municipal boundaries of the City and to the residents and business located therein for light, heat, power, and any other purpose during the term set forth below. Such franchise and rights shall include, but not be limited to, the right to use the present and future streets, roads, highways, alleys, bridges, public ways, and other immovable property owned by or under the control of the City, though subject to the uniform construction standards established from time to time by the City, for purposes of maintaining, constructing, laying, repairing, removing, replacing, installing, and operating any and all components of the Gas System, together with access, at all times and from time to time, to such streets, roads, highways, alleys, bridges, public ways, and other immovable property during the term provided in Section 3-1003.

Sec. 3-1002. Definitions.

For purposes of this Ordinance, the following terms shall have the meanings set forth below:

A. Gas System. The term “Gas System” shall mean any and all pipelines, as hereinafter defined, regulators, meters, valves, compressors, anti-corrosion items, facilities, structures, machinery, equipment, and appurtenances of any kind that Atmos, in its sole discretion, may deem necessary or advisable for the exercise of the franchise and rights granted to Atmos in this chapter.

B. Pipelines. The term “pipelines” shall mean any and all above-ground and below-ground pipes, including but not limited to, mains, distribution lines, secondary lines, laterals, and other pipes, that have been, are being, or are intended to be used at any time in, or in connection with, the sale, transportation, or distribution of natural gas within and beyond the City limits.

Sec. 3-1003. Term.

The term of the franchise and rights hereby granted to Atmos shall be for a period of ten (10) years, commencing on May 15, 2022.

Sec. 3-1004. Grant of Specific Rights.

In addition to the franchise and rights granted herein to Atmos, the City acknowledges that Atmos has and will exercise, and the City does not object to that exercise, of the following rights and powers:

A. Reconnection Charges. In addition to any and all other proper charges, Atmos charging and collecting from any consumer whose service has been discontinued by Atmos a reasonable reconnection fee or similar charge for recommencing service to such consumer.

B. Adoption of Rules. From time to time during the term hereof, and subject to any and all valid and applicable statutes, ordinances, rules, and regulations of any federal or state governmental authority or agency, Atmos making and enforcing reasonable rules pertaining to Atmos’ business and operations, including, but not limited to, requiring payment on or before a specified day each month for all services furnished during the preceding month with the right to disconnect and discontinue service to delinquents.

C. Removal of Gas System. Atmos may remove all or any portion of the Gas System upon the expiration or termination of the franchise and rights granted hereby.

D. Right of Use. Atmos is hereby specifically granted a right of use on all present and future streets, roads, highways, alleys, bridges, public ways, and other immovable property owned by or under the control of the City for purposes of maintaining, constructing, laying, repairing, replacing, installing, and operating any and all components of the Gas System, though subject to the uniform construction standards established from time to time by the City, together with access, at all times and from time to time, to such streets, roads, highways, alleys, bridges, public ways, and other immovable property during the term provided in Section 3-1003.

Sec. 3-1005. Franchise and other obligations of Atmos.

A. Franchise Fee.

(a) As consideration for the grant of the franchise and rights herein and for the use by Atmos of the streets, roads, highways, alleys, bridges, public ways, and other immovable property owned or controlled by the City, Atmos shall pay to the City, within thirty (30) days after the end of each calendar quarter, a franchise fee equal to two percent (2%) of Atmos’ gross receipts derived from the sale, transportation, and distribution by Atmos of natural gas at retail to residential and commercial consumers located within the City limits during the preceding calendar quarter.

(b) Should the City levy any new taxes, of any nature whatsoever, subsequent to the date of this franchise, or increase the rates of any taxes in existence on the date of this franchise (other than uniform ad valorem taxes now authorized by Article VII, Section 18 of the Constitution of the State of Louisiana or other taxes that are generally applicable to all businesses in the City), then the payments herein provided to be made by Atmos to the City will be reduced in an amount equal to the sum of such new and increased taxes, if any.

(c) The City shall have the right, upon reasonable notice, to review the available data and calculations upon which the franchise fee calculations are based; provided that as to any period to be reviewed, such notice must be received within three (3) years from the expiration of the period during which the City receives the franchise fee payments applicable to the period to be reviewed.

B. No Obstruction of Public Property. Atmos shall not unnecessarily or for any unreasonable period of time obstruct or interfere with the public use of any of the streets, roads, highways, alleys, bridges, public ways, or other immovable property owned or controlled by the City, nor unnecessarily damage or impair those streets, roads controlled by the City.

C. Repair of Damages. Atmos shall at its own expense repair any and all damages caused by Atmos to any streets, roads, highways, alleys, bridges, public ways, or other immovable property owned or controlled by the City and shall restore, as nearly as practicable, such property to substantially its condition immediately prior to the incident causing such damage, all in accordance with the appropriate state construction and other code standards. Atmos shall commence such repairs immediately upon completion of the work or activity in which Atmos was involved at the time the damage occurred and shall complete such repairs as promptly as possible. Atmos shall not unnecessarily or unreasonably damage, impair or obstruct the streets, roads, highways, alleys, sidewalks, and public grounds, and the Atmos shall at its own expense, without unreasonable delay, make all necessary repairs to remedy any damage or remove any obstruction caused by its operations hereunder, all in accordance with the appropriate state construction and other code standards. Atmos shall obtain all necessary permits or approvals for construction, maintenance, and operations; provided, however, that this provision shall not apply to any requirements for such permits or approvals that are adopted or amended subsequent to the date of this enactment and that, as so adopted or amended, have a material effect on Atmos' rights or obligations pursuant to this franchise or on Atmos' cost of providing service pursuant to this Franchise, and further provided that Atmos shall not be required to pay any fee or charge to the City in connection with any such permit or approval.

D. Conduct of Work and Activities. Atmos shall use reasonable care and precautions in conducting its work and activities in order to avoid and prevent damage or injury to persons or property, and shall hold, save harmless, and indemnify the City from all damages, losses, and/or expense, including cost of defense, attributable to the negligence or fault of Atmos, its agents or employees, while exercising any of the rights and privileges granted in this chapter.

E. Extension of Gas System. Atmos shall, at its sole expense, extend its Gas System in order to serve additional consumers in accordance with the Standard Terms and Conditions for Natural Gas Service as now approved or as may hereafter be approved by the Louisiana Public Service Commission.

F. Service to New Areas. If during the term of this franchise the boundaries of the City are expanded, the City will promptly notify Atmos in writing of any geographic areas annexed by the City during the term hereof ("Annexation Notice"). Any such Annexation Notice shall be sent to Atmos by certified mail, return receipt requested, and shall contain the effective date of the annexation, maps showing the annexed area and such other information readily available to City as Atmos may reasonably require in ascertaining whether there exist any customers of Atmos receiving natural gas service in such annexed area. To the extent there are such Atmos customers therein, then the gross revenues of Atmos derived from the sale and distribution of

natural gas to such customers shall become subject to the franchise fee provisions hereof effective on the first day of Atmos' billing cycle immediately following Atmos' receipt of the Annexation Notice. The failure by the City to advise Atmos in writing through proper Annexation Notice of any geographic areas which are annexed by the City shall relieve Atmos from any obligation to remit any franchise fees to City based upon gross revenues derived by Atmos from the sale and distribution of natural gas to customers within the annexed area until City delivers an Annexation Notice to Atmos in accordance with the terms and provisions above.

G. Access to information. Upon request, Atmos will make available at Atmos' offices (i) current maps for specific areas showing all of Atmos Gas System components (ii) construction manuals that show the typical structural configurations used by Atmos; provided, however, that the provision of such information by Atmos shall not relieve the City of any obligations that it may have pursuant to title 40, section 1749.11 et seq. or any related or successor statutes; and provided that such information shall be provided by Atmos without any warranty as to its accuracy. This provision shall not obligate Atmos to provide copies of any maps not previously prepared and currently in the possession of Atmos.

Sec. 3-1006. General provisions.

A. Force Majeure. Notwithstanding anything expressly or impliedly to the contrary contained in this chapter, in the event Atmos is prevented, wholly or partially, from complying with any obligation or undertaking contained herein by reason of any event of force majeure, then, while so prevented, compliance with such obligations or undertakings shall be suspended. The term "force majeure," as used herein, shall mean any cause not reasonably within Atmos' control and includes, but is not limited to, acts of God, strikes, lock-outs, wars, terrorism, riots, orders or decrees of any lawfully constituted federal, state, or local body, contagions or contaminations hazardous to human life or health, fires, storms, floods, wash-outs, explosions, breakages or accidents to machinery or lines of pipe, inability to obtain or the delay in obtaining rights-of-way, materials, supplies, or labor permits, temporary failures of gas supply, or necessary repair, maintenance, or replacement of facilities used in the performance of the obligations contained in this chapter.

B. Amendments. The provisions of this chapter, the ordinance by which they are adopted, and the franchise and rights granted herein may be amended only by written agreement of the City and Atmos to such amendment.

C. Repeal of Conflicting Ordinances. All other ordinances of the City or portions thereof that are in conflict or inconsistent with any of the terms or provisions of this Chapter or the ordinance by which they are adopted are hereby repealed to the extent of such conflict or inconsistency.

D. Binding Effect. The provisions of this chapter shall extend to, be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

E. Section and Other Headings. The section and other headings contained in this chapter are for reference purposes only and shall not affect in any way the meaning or interpretation of the provisions of this chapter."

SECTION 2. BE IT FURTHER ORDAINED, by the Mayor and the Board of Aldermen of the City of West Monroe, Louisiana, in regular and legal session convened, that if any provisions or sections of this ordinance are held invalid, such invalidity should not affect the other provisions or sections of this ordinance which can be given in effect without the invalid provisions or sections, and to this end the provisions and sections of this ordinance are hereby declared severable.

SECTION 3. BE IT FURTHER ORDAINED by the Mayor and Board of Aldermen of the City of West Monroe, Louisiana, in regular and legal session convened, that for good cause and in the best interests of the City of West Monroe and its residents, this amendment shall be effective May 15, 2022.

The above Ordinance was read and considered by Sections at a public meeting of the Mayor and Board of Aldermen, in regular and legal session convened, voted on by yea or nay vote, passed and adopted the 10th day of May, 2022, the final vote being as follows:

YEA: _____

NAY: _____

NOT VOTING: _____

ABSENT: _____

ATTEST:

APPROVED THIS 10TH DAY OF
MAY, 2012

RONALD S. OLVEY, CITY CLERK
CITY OF WEST MONROE
STATE OF LOUISIANA

STACI ALBRITTON MITCHELL, MAYOR
CITY OF WEST MONROE
STATE OF LOUISIANA

ACCEPTED:

ATMOS ENERGY CORPORATION

By: _____
Oric Walker
President (Louisiana Division)

Date: _____

