

CHAPTER 11

FRANCHISES

Article A. Gas

- Section 11.1 Franchise Granted to Louisiana Gas Service Company
- Section 11.2 Company to Use Reasonable Precaution
- Section 11.3 Municipality To Protect Full Legal Use of Company Property
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ARTICLE A

GAS

Section 11.1 Franchise Granted to Louisiana Gas Service Company

The board grants and there is hereby granted to Louisiana Gas Service Company, its successors and assigns, hereinafter called "company" in addition to the rights and privileges presently enjoyed by the company, a franchise, rights, and privilege, from date October, 1996, to supply gas throughout the municipality and to the inhabitants thereof, or to any person, firm, or corporation, in such manner and from such sources as the company deems best the right to acquire, construct, operate and maintain such plants, structures, transmission lines, distribution systems and equipment as may be useful or necessary for the generation, production, transportation, distribution and/or sale of gas throughout the municipality, and the right to erect, operate, and maintain distribution systems and any and all other appliances useful or necessary for the transportation and/or distribution and/or sale of gas on, over, along, upon, and across all of the present and/or future streets, roads, highways, alleys and public places of the municipality and the right to connect any such distribution system to any other distribution system for the purpose of transporting gas into, through or beyond the boundaries of the municipality.

Section 11.2 Company To Use Reasonable Precaution

This franchise is granted upon and subject to the following provisions:

- (a) In maintaining its properties the company shall not unnecessarily or unreasonably impair or obstruct the streets, roads, highways, alleys, sidewalks and public grounds, and the company 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.

(b) The company shall use reasonable precautions to avoid damage or injury to persons or property and shall hold and save harmless the municipality from all damages, losses or expense while exercising any of the rights herein granted.

Section 11.3 Municipality To Protect Full Legal Use of Company Property

The grantor shall make, adopt and enforce all ordinances necessary to protect the property and property rights of the company owned and operated under this franchise, and that the grantor will not in any way interfere with the full legal use by the company of the property which it now maintains or may hereafter maintain in the municipality.

Section 11.4 Franchise for Twenty Five (25) Years

This franchise shall be for a period of 25 years from October 1, 1996 and upon exercise by the company of any of the privileges granted by this franchise, it shall be irrevocable.

Article B

Other Franchises

(Reserved)

Editorial Note: L.R.S. 33:401 (11) provides to municipalities the authority to grant franchises for various utility services. A nonexclusive franchise for 60 years or less may be granted. Exclusive franchises for 25 years or less may be granted by municipalities having a population of less than 2,000 people, if approved by municipal elections.

The following Ordinance was offered by Jacob E. Green

Who moved its adoption.

ORDINANCE NO. 102

Eugene W. Cook -----

Against the adoption of the Ordinance:

Nays:

-

-

-

-

-

-

-

Present but not voting:

-

-

-

Absent:

-

-

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Whereupon the Mayor declared such Ordinance legally passed and adopted on this 26th day of September, 1966.

Approved

Glen W. Forbes
Mayor

Vera F. Forbes
Clerk

I, Vera F. Forbes, the undersigned Clerk of the Village of Folsom, Louisiana, do hereby certify that the foregoing is a true and correct copy of the original Ordinance adopted by the Mayor and Board of Alderman of the Village of Folsom, at a regular and lawful meeting held on the 26th day of September, 1966, with a quorum present and acting throughout, and that the same is now full force and effect.

This 26th day of September, 1966

month of October, 1996, the first payment to be due and payable on the fifteenth day of January, 1967, and subsequent payments to be due quarterly thereafter. It is distinctly understood and agreed that said two percent (2%) of said gross receipts shall not apply to or include any receipts from the sale of natural and/or artificial gas to the Municipality, or to Government or Municipal Agencies, or to any sale for industrial purposes or for resale within the corporate limits of the Municipality.

This contract shall remain in force and effect for a period of two years from the date hereof, and thereafter for similar periods, unless terminated by written notice given by one party to the other not more than twelve months nor less than six months prior to the expiration of the original term, or any extension thereof, PROVIDED, HOWEVER:

- (a) This contract is wholly and entirely conditioned
Upon the approval of the Treasury Department
Of the United States of America, the Department
Of Revenue of the State of Louisiana, and the
Louisiana Public Service Commission of the right
Of the Company to deduct from its gross revenues and
Charge as an operating expense any and all amounts
Which it may pay to the Municipality pursuant hereto,
And in the event of failure to obtain the approval of any
Such authority for such purpose, the Company shall have
The right to cancel this contract upon thirty (30) days' notice;
It being understood that in the event of the cancellation
By the Company on the grounds set out in this paragraph,
The Company shall not be entitled to any refund of any moneys
Theretoforesaid paid the Municipality pursuant hereto.

- (b) Should the Municipality levy any new taxes, of any nature
Whatsoever, subsequent to the date of this agreement, or
Increase the rates of any taxes in existence on the date
Of this agreement (except uniform advalorem taxes now
Authorized by Article 14 of the Constitution of the
State of Louisiana), then the payments herein provided
To be made by the Company to the Municipality will be
Reduced in an amount equal to the sum of such new and
Increased taxes, if any.

IN TESTIMONY WHEREOF, the said parties have hereunto subscribed their names, in the presence of the undersigned attesting witness, and have executed this instrument in several counterparts, each of which shall have full force and effect as an original instrument, this 26th day of September 1996 in Folsom, Parish of St. Tammany, State of Louisiana.

WITNESSES:

Village of Folsom

JOE LAIRD _____

T.M. WHITLEY

By: Glen W. Forbes
Mayor

Louisiana Gas Service Company
By: A.B. Patterson
President

ORDINANCE NO. 543

An ordinance granting unto the Village of Folsom, its successors and assigns, the non-exclusive franchise, right and privilege for a period of forty years from the date of the adoption hereof, to conduct and carry on in that part of St. Tammany Parish, more fully hereinafter described, and the inhabitants thereof, or to any person, firm or corporation, and to acquire, construct, operate, and maintain such systems, plants, wells, structures, water transmission and distribution systems and equipment as may be useful or necessary for the production, transportation, distribution and sale of water, and the right to lay, construct, re-construct, replace, extend, repair, operate and maintain mains, pipes, conductors, meters, connections and any and all other appliances useful or necessary for the transportation, distribution and sale of water, in over, under, along, upon and across all of the present and future streets, roads, highways, alleys and public places, of those portions of St. Tammany Parish, Louisiana, more fully hereinafter described, not within the limits of any incorporated city, town or village, and the right to evacuate therein for the purpose of laying, repairing, replacing, or removing such pipes, facilities, structures and appliances or any portion thereof.

SECTION ONE. BE IT ORDAINED, by the Policy Jury of the Parish of St. Tammany, Louisiana, in regular session duly convened, that the Parish of St. Tammany, Louisiana, hereinafter called the "Parish", grants and there is hereby granted to the Village of Folsom, its successors and assigns, herein after called the "Village," a non-exclusive franchise, right and privilege for a period of 40 years from the date of adoption hereof, to conduct and carry on in that portion of St. Tammany Parish, Louisiana, more fully described on Exhibit "A", attached hereto and made part hereof.

All for the business of transmitting, distributing and selling water within the boundaries herein described, and the inhabitants thereof, or to any person, firm or corporation, and to acquire or construct, operate and maintain such systems, plants, wells, structures, water transmission and distribution and sale of water within the boundaries herein described, and the right to lay, construct, reconstruct, replace, extend, repair, operate and maintain, mains, pipes, conductors, meters, connections, and any and all other appliances useful or necessary for the transportation, distribution and sale of water in, over, under, along, upon and across all of the present and future streets, roads, highways, alleys and public places of certain portions of the Parish of St. Tammany, Louisiana, not within the limits of any incorporated city, town or village, and the right to excavate therein for the purpose of laying, repairing, replacing and removing such pipes, facilities, structures and appliances, or any portion thereof, and the right to connect any such pipes or mains to any other mains or pipes for the purpose of supplying water through or beyond the boundaries of the Parish.

SECTION TWO. BE IT FURTHER ORDAINED, etc., that this non-exclusive franchise is granted upon and subject to the following provisions.

(1) No work shall be undertaken by the Village on any State Highway without the written consent of the State Highway Engineer in accordance with the provisions of Act No. 95 of 1921.

(2) In maintaining its properties the Village shall not necessarily or unreasonably

impair or obstruct the streets, roads, highways, alleys, sidewalks, and public grounds, and the Village 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.

(3) The Village shall use reasonable precautions to avoid damage or injury to persons or property and shall hold and save harmless the Parish from all damages, losses, or expense caused by the negligence of the Village, its agents or employees, with exercising any of the rights herein granted.

SECTION THREE. BE IT FURTHER ORDAINED, etc., that the Parish shall make, adopt and enforce all ordinances necessary to protect the property and property rights of the Village owned and operated under this franchise and the Parish will not in any way interfere with the full legal use by the Village of the property which it now maintains or may hereafter maintain in the Parish.

SECTION FOUR. BE IT FURTHER ORDAINED, etc., that this Ordinance, the public health and welfare and public necessity requiring it, shall take effect from and after its adoption.

SECTION FIVE. BE IT FURTHER ORDAINED, etc., that this franchise shall be for a period of 40 years from date hereof and upon exercise by the Village of any of the privileges granted by this franchise, it shall be irrevocable.

This 19th day of October, 1972.

PRESIDENT

JANIS B. STEIN, SECRETARY

Introduce Sept 9, 1991 by Councilman Darrell Magee, seconded Item No _____ by Councilman Marshell Brumfield

ORDINANCE NO. 11.5

An ordinance granting franchise right and privilege to Louisiana Gas Service company (“Company”), its successors and assigns, for a period of 7 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 FOLSOM, 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 the 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 lawfully exist, and repealing all ordinances in conflict herewith.

BE IT ORDAINED by the governing body of Folsom, Louisiana “(Municipality)”, In regular session duly and legally convened:

SECTION 1. That Louisiana Gas Service Company, a division of Citizens Utilities Company, a Delaware corporation, hereinafter designated as the “Company”, 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 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, for 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.

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.

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 7 years from and after date the ordinance becomes effective.

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

(a) The Company agrees to pay to the Municipality 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.

(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 combinations to matter which already has gone through some artificial process and who are billed on or the equivalent of any rate schedules filed with the Louisiana Public Service Commission or any rate schedule filed with the Louisiana Public Service Commission having application to industrial use.

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 no 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 payment 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 and valorem taxed that is, any uniform taxes based on property values).

(b) Should the Company, with 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 to increase its fee on the gross receipts as provided herein to such higher percentage provided for 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 to the Municipality for facilities owned and operated by the Municipality, all at cost 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 14th day of October1991.

Darrell Magee
Councilman, District

Bernie Willie, Mayor

Merty Fitzmorris
Clerk

Accepted
November 5, 1991

LOUISIANA GAS SERVICE COMPANY

By: Emile T. Kaleg
Senior Vice President

STATE OF LOUISIANA

PARISH OF ST. TAMMANY

I, Merty G. Fit Morris, Clerk of the Folsom City Council, and custodian of its official records, do hereby certify that the above and foregoing is a true and correct copy of Ordinance Number 11.5, adopted by the governing body of Folsom on the 14th day of October 1991, which Ordinance grants to Louisiana Gas Service Company, a franchise for the manufacture, transportation, distribution and/or sale of natural and/or official gas in said Municipality.

IN WITNESS WHEREOF, I hereto affix my official signature and the seal of the Municipality on this 14th day of October, 1991.

Merty Fitzmorris
Clerk of the Folsom
City Council

Introduced September 9, 1991
By Councilman Darrell Magee,
Seconded by Councilman Marshall Brumfield

RESOLUTION _____

BE IT RESOLVED that the Municipality of Folsom, Louisiana, enter into an agreement with Louisiana Gas Service Company, for the rendition of natural and/or artificial gas to the Municipality under the terms and conditions set forth in that proposed agreement styled FOLSOM GAS SERVICE AGREEMENT and filed herewith and made a part of these proceedings and that the Mayor be authorized and empowered to execute same on behalf of the Municipality .

ADOPTED this 14th day of October 1991.

Bernie Willie
Mayor

Merty Fitzmorris
Clerk

STATE OF LOUISIANA

PARISH OF ST. TAMMANY

I, Merty G. Fitzmorris, Clerk of the Folsom City Council of Folsom, Louisiana, do hereby certify that the above and foregoing is a true and correct copy of a resolution adopted by its governing body on the 14th day of October 1991.

Merty Fitzmorris
Clerk

FOLSOM GAS SERVICE AGREEMENT

This agreement made, in duplicate, this 14th day of October 1991, by and between LOUISIANA GAS SERVICE COMPANY, a division of Citizens Utilities Company, a Delaware corporation, hereinafter called the "Company", and the MUNICIPALITY OF FOLSOM, LOUISIANA, hereinafter called the "Municipality".

In consideration of the mutual agreements herein contained, the parties hereto agree that the Municipality shall purchase all of its natural and/or artificial gas requirements from the Company during the term of this agreement, which term, the parties hereto further agree shall be for a period of seven (7) years from the effective date of the Company's gas franchise from the Municipality under Ordinance No. 11.5. This agreement shall automatically be renewed for additional one (1) year terms unless

cancelled by either party in writing not less than sixty (60) days prior to the expiration of the initial term or any succeeding term; provided, however, that this agreement and all renewals thereof will terminate as of the expiration of the Company's gas franchise from the Municipality under Ordinance No. 11.5.

Gas service used for normal municipal operating purposes, such as, Police Department, City Hall, Fire Station, etc., excluding any commercial operation other than water utilities and sewer utilities in which the Municipality may become engaged, shall be provided on the following basis:

Billing for such gas service will be made in accordance with applicable gas rate Schedules, approved by the Louisiana Public Service Commission, as they now Exist, or as they may be subsequently amended or superseded by the Louisiana Public Service Commission or any other regulatory authority having jurisdiction, Plus the proportionate part of any new tax or increased rate of tax, or governmental Imposition (except state, parish, city and special district ad valorem taxes and any Income taxes) levied or assessed against the Company or upon its gas business, as the Result of any new or amended laws.

Bills shall be rendered during each calendar month and shall be due and payable Within twenty (20) days after the same shall have been delivered.

These rates shall apply to the aforescribed service as presently rendered and to such like services as may be mutually agreed upon in the future. Gas service for any other commercial operations shall be provided under the applicable rate schedule therefore, as approved by the Louisiana Public Service Commission or any other regulatory authority having jurisdiction.

Since the rate at which the Company agrees to furnish the service herein called for is based upon the cost and expense to the Company, including license or franchise tax, it is agreed that, in case any additional or special license or franchise tax, that is, a tax for doing business, or direct tax on gas energy is hereafter, during the life of this contract, imposed upon said Company by the Municipality, then the rate herein provided for to be paid the Company for service hereunder shall be automatically increased so that the Company will be paid an additional amount which will equal the amount of said increases, unless the payments made to the Municipality by the Company under its gas franchise from the Municipality have been reduced by the amount of such additional license or franchise tax. It is distinctly understood that the license or franchise tax herein referred to does not mean the ad valorem or property use tax levied by the Municipality upon all property, but has reference solely to any license or franchise or energy tax which affects this Company.

The parties recognize that the provisions hereof are subject to the supervision and review of the legally constituted authorities having jurisdiction over such matters that the provisions hereof may be subject to adjustment or revision by such legally constituted authorities, and that such adjustment shall in no way impair or affect any other rights and

obligations of the parties, including, without limitation, the franchise rights and obligations of the Company.

The parties further agree that neither this agreement or anything contained herein shall detract from or in any way modify or affect the validity of the Company's gas franchise from the Municipality.

The Municipality agrees to appropriate each year during the existence of this agreement in the annual budget of receipts and expenditures a sum sufficient to pay all amounts due hereunder.

The Municipality agrees to appropriate each year during the existence of this agreement in the annual budget of receipts and expenditures a sum sufficient to pay all amounts due hereunder.

This agreement shall supersede all previous gas service agreements between the parties, and the Municipality recognizes that there can be no waiver of, addition to or modification of any of the terms hereof except by the President or an authorized Vice President of the Company, in writing.

NOTWITHSTANDING the foregoing terms and conditions hereof, the parties hereto expressly agree that this contract is wholly and entirely conditioned upon the approval of the Treasury Department of the United States of America, the Department of Revenue of the State of Louisiana, and the Louisiana Public Service Commission of the right of the Company to deduct from its gross revenues and charge as an operating expense any and all amounts which it may pay to the Municipality pursuant hereto, and in the event of failure to obtain the approval of any such authority for such purpose, the Company shall have the right to cancel this contract upon thirty (30) days notice; it being understood that in the event of the cancellation by the Company on the grounds set out in this paragraph, the Company shall not be entitled to any refund of any moneys theretofore paid to the Municipality pursuant hereto.

IN WITNESS WHEREOF, the Company has caused this agreement to be signed on its behalf by its Vice President, and the Municipality has caused the same to be signed by its Mayor and attested by the Clerk, and the corporation seal of the Municipality hereto affixed the day and year first above written.

WITNESSES:

Laurie M. Curry

Rosanna LeClencq

LOUISIANA GAS SERVICE COMPANY

By: Emile Kaleg

Senior Vice President

MUNICIPALITY OF FOLSOM

By: Bernie Willie, Mayor

ATTEST:

Merty Fitzmorris
Clerk

(SEAL)

CORPORATION ACKNOWLEDGMENT

STATE OF LOUISIANA

PARISH OF ST. TAMMANY

On this 14th day of October, 1991, before me appeared Bernie Willie to me personally known, who being by me duly sworn, did say that he is the Mayor of Folsom, Louisiana, and that said instrument was signed on behalf of said corporation by authority of its governing body and said Mayor acknowledged said instrument to be the free act and deed of said corporation.

S.J. Liberto, Jr.
Notary Public

CORPORATION ACKNOWLEDGEMENT

STATE OF LOUISIANA

PARISH OF JEFFERSON

ON THIS 5TH day of November, 1991, before me appeared Emile T. Kaler, Jr., to me personally known, who being by me duly sworn, did say that he is the Senior Vice President of LOUISIANA GAS SERVICE COMPANY; that said instrument was signed on behalf of said corporation by authority of its Board of Directors and said instrument was acknowledged to be the free act and deed of said corporation.

M.F. Orden Jr.
Notary Public

INTRODUCED
BY:

Alderman Calvin Burris
Alderwoman Joe Ellen
McIntyre

ORDINANCE NO. 88-006

An ordinance amending Chapter 11 Article B of the Code of Ordinances of the Village of Folsom, Louisiana said Ordinance to read as follows:

An ordinance granting Washington-St. Tammany Electric Cooperative, Incorporated, its successors and assigns, the right to erect, maintain, extend and operate a system of works, poles, wires, underground conduits, cables and all necessary apparatus and appurtenances under, across, along and over certain streets, alleys and other public areas in the Village of Folsom, State of Louisiana, for the purpose of generating electricity and/or for the sale and distribution of same to and said Village and to the public for a period of thirty years from and after the date this ordinance becomes effective within the limits and areas hereinafter set forth.

BE IT ORDAINED, by the Village Council of the Village of Folsom, Louisiana, (hereinafter sometimes called "Grantor"), in legal session convened, that:

SECTION 1: Washington-St. Tammany Electric Cooperative, Incorporated

(sometimes hereinafter called “Grantee”), a non-profit membership corporation organized under the laws of the State of Louisiana, its successors and assigns, be and it is hereby granted the right, power and authority for a period of thirty years from and after the date of this ordinance becomes effective, to erect, maintain, and to operate a system of works, poles, wires, underground conduits, cables and all necessary apparatus and appurtenances within the following described property annexed by the Village of Folsom, or as such corporate limits may be extended:

Those areas presently served by Washington-St. Tammany Electric Cooperative, Incorporated and area which are hereafter annexed which are serviced by Washington St. Tammany Electric Cooperative, Inc. at the date of annexation.

Grantee shall not in the exercise of its franchise or rights granted hereunder construct electric distribution lines or transmission lines which cross or closely parallel electric lines of another franchise supplier of electricity in contravention of any State Statute or of any regulatory body having jurisdiction thereof. This franchise is granted to Washington-St. Tammany Electric Cooperative, Incorporated for the purpose of generating electricity and/or for the sale and distribution of the same to the Village and to the public for lighting, heating, power and other purposes to which electricity may be put, and for the said purposes, to enter on, below or under areas under the control or the jurisdiction of the said Village within only the limits and areas above set forth.

SECTION II: The Grantee, its successors and assigns, shall be at all times maintain electric light and power transmission and distribution systems in good condition, using all reasonable safety appliances in the operation thereof and the Grantee shall have the right to adopt and make effective from time to time the reasonable rules and regulations providing for the conditions of service to its customers.

SECTION III: The Grantee, its successors and assigns, shall be obligated to extend it electric distribution system from time to time in accordance with its standards and practices to the end that the Village of Folsom and the inhabitants within the limits and areas above set forth shall be given reasonable adequate service commensurate with demand thereof.

SECTION IV: The Grantee, its successors and assigns, shall supply adequate service of electric current to the Village of Folsom and the inhabitants thereof within the limits and areas above set forth, at fair and reasonable rates in conformity with prevailing electric conditions, subject to the exercise of Grantor’s charge power, and any other governmental authority in whom such power may be vested, to regulate, and change rates for such electric current.

SECTION V: As a condition of and consideration for the granting of this franchise, the Grantee, its successors and assigns, shall pay to the Village of Folsom, yearly, and within 30 days after the end of each year, a sum of money equal to 4% of the gross receipts of Grantee from the sale of electric energy to customers within the corporate limits, within

only the limits and areas above set forth, during the preceding year, provided, however, should the Village of Folsom ever impose an excise license of privilege tax on the receipts from the sale of electric energy within the corporate limits of the Village of Folsom, then the payments herein provided to be made to the Village of Folsom by Washington St.-Tammany Electric Cooperative, Incorporated, or its successors or assigns will be reduced by an amount equal to the sum of such new tax, it being the intent that the said payment of the percentage of the gross receipt shall be in lieu of excise license or privilege tax on such receipts from the sale of electric energy as aforesaid.

SECTION VI: The Guarantee's franchise rights to connect additional customers shall terminate should the Village of Folsom itself generate and/or distribute electricity, and the Village shall then have the right to purchase any electrical facilities of Grantee within the Village limits, except electrical transmission facilities, at a price representing the actual cost to Grantee of those facilities purchased; provided, however, that should the Village of Folsom, having undertaken generation and/or distribution of electricity as above set forth, thereafter abandon, in whole or in part, such generation and/or distribution, then Grantee shall have the exclusive option to repurchase all such electrical facilities previously sold to the Village of Folsom for generation and/or distribution at a price representing the actual cost of the Village of Folsom of such facilities; the option herein granted shall lapse and be of no force or effect if not exercised by Grantee within ninety days of the receipt of it of written notice of the Village of Folsom's intention to abandon generation and/or transmission as above set forth; the option herein granted may be exercised within such ninety day period by Grantee's delivering to the Village of Folsom, through its Mayor, written notice of Grantee's intention to exercise the option.

SECTION VII: This Franchise shall be non-exclusive

SECTION VIII: Written acceptance of this ordinance shall be filed by the Grantee with the Clerk of the Folsom Village Council within fifteen (15) days after its passage; it shall become effective thirty (30) days after the date of its passage and shall run and extend for a period of thirty years from its effective date.

SECTION IX: This franchise is granted upon the condition that Grantee shall not install any electrical transmission or distribution lines so that such lines cross or parallel any electrical or transmission or distribution lines now or hereafter in existence in contravention of any State Statute or regulatory order of any regulatory body having jurisdiction thereof.

ADOPTED this 11th day of July, 1988

ATTESTED:

Washington-St.Tammany
Electric Cooperative, Inc.

Patricia L. Jones

VILLAGE OF FOLSOM

ATTESTED:

Merty Fitzmorris

Bernie Willie

CERTIFICATE

STATE OF LOUISIANA

PARISH OF ST. TAMMANY

VILLAGE OF FOLSOM

I, Merty Fitzmorris, am the duly qualified Clerk of the Village of Folsom Council, and I further certify that the above and foregoing constitutes a true and correct and exact copy of the ordinance adopted by the Village of Folsom Council on the 11th day of July, 1988. Given under my hand officially this 11th day of July, 1988.

Merty Fitzmorris

Introduced Oct. 12, 1998 by
Councilman Brumfield, seconded
Item No. ----- By Councilman Sambola

ORDINANCE NO. 11.6

An ordinance granting franchise right and privilege to Louisiana Gas Service Company (“Company”), its successors and assigns, for a period of twenty-five (25) 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 FOLSOM, 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, 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 the 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 lawfully exist, and repealing all ordinances in conflict herewith.

BE IT ORDAINED by the Governing body of Folsom, Louisiana (“Municipality”), in regular session duly and legally convened:

SECTION 1. That Louisiana Gas Service Company, a division of Citizens Utilities Company, a Delaware corporation, hereinafter designated as the “Company”, 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 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 (pipes) 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 mad necessary in the Company’s gas lines in connection with 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.

SECTION 4. That the Company, its successors and assigns, shall have the right 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 25 years from and after date the ordinance becomes effective.

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

(a) The Company agrees to pay the Municipality 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.

(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 combinations to matter which already has gone through some artificial process and who are billed on or the equivalent of any rate schedules filed with the Louisiana Public Service Commission or any rate schedules amending or superseding those rate schedules or any rate schedules filed with the Louisiana Public Service Commission having application to industrial use.

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, 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 to increase its fee on the gross receipts as provided herein to such higher percentage provided for 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 corporation 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 of 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 9th day of November, 1998

Councilman, District-----

Darrell Magee
Mayor
Joyce Core
Clerk

ACCEPTED:

November 24, 1998

LOUISIANA GAS SERVICE COMPANY

By: Ricky A. Bruhl
Vice President

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STATE OF LOUISIANA

PARISH OF ST. TAMMANY

I Joyce Core, Clerk of the Folsom City Council, and custodian of its official records, do hereby certify that the above and foregoing is a true and correct copy of Ordinance Number 11.6, adopted by the governing body of Folsom on the 9th day of November 1998

Which Ordinance grants to Louisiana Gas Service Company, a franchise for the manufacture, transportation, distribution and/or sale of natural and/or artificial gas in said Municipality.

IN WITNESS WHEREOF, I hereto affix my official signature and the seal of the Municipality on this 9th day of November, 1998.

Joyce Core
Clerk of the Folsom City Council

Introduced Oct. 12, 1998, by
Councilman Brumfield
Seconded by Councilman Sambola

RESOLUTION -----

BE IT RESOLVED, that the Municipality of Folsom, Louisiana, enter into an agreement with the Louisiana Gas Service Company, for the rendition of natural and/or artificial gas to the Municipality under the terms and conditions set forth in that proposed agreement styled FOLSOM GAS SERVICE AGREEMENT and filed herewith and made a part of these proceedings and the Mayor be authorized and empowered to execute same on behalf of the Municipality.

Adopted this 9th day of November, 1998.

Darrell Magee
Mayor

Joyce Core
Clerk

STATE OF LOUISIANA

PARISH OF ST. TAMMANY

I Joyce Core, Clerk of the Folsom City Council of Folsom, Louisiana, do hereby certify that the above and foregoing is a true and correct copy of a resolution adopted by its governing body on the 9th day of November, 1998.

Joyce Core
Clerk