

THIS ORDINANCE was filed with the State Corporation Commission on the 20th day of June, 1985.

ORDINANCE NO. 85-1

AN ORDINANCE granting to The Gas Service Company, a corporation operating a gas distribution system in the City of Galena, State of Kansas, its successors and assigns, a franchise to operate a natural gas distribution plant and system in said City and vicinity, and repealing Ordinance No. 790.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF GALENA, KANSAS:

SECTION 1. That there is hereby granted to The Gas Service Company, a corporation operating a gas distribution system in the City of Galena, herein called the Grantee, its successors and assigns, the right, privilege and franchise for a period of twenty (20) years from the effective date hereof, to construct, maintain and operate in the present and future streets, alleys, bridges and public places in said City, its gas distribution system as now located, together with the right, privilege and franchise to acquire, construct, maintain and operate therein and thereon such additions and extensions thereto as may be necessary or desirable, all for the purpose of supplying natural gas for all purposes to the inhabitants of said City and consumers in the vicinity thereof.

SECTION 2. All rates established and charges made by Grantee for gas distributed and sold hereunder shall be subject to valid and lawful orders of the State Corporation Commission of the State of Kansas or other competent authority having jurisdiction in the premises and the sale of gas to consumers shall be governed by the present operating rules, regulations and customs of Grantee and such rules and regulations as may hereafter be prescribed and approved.

SECTION 3. That in consideration of and as compensation for the right, privilege and franchise hereby granted, the Grantee, its successors and assigns, shall furnish gas at such pressure and of such quality as shall

be designated by lawful orders of the State Corporation Commission of said State, if such gas is reasonably procurable; shall furnish to each consumer a recognized standard meter or other instrument for measurement of gas sold or computation of consumer's bills and keep same in repair at its cost; shall lay or install all mains, pipes and services so as not to obstruct or interfere with any water pipes, drains, sewers or other structures already installed; shall, in working in connection with such mains, pipes and services, avoid, so far as may be practicable, interfering with the use of any street, alley or public thoroughfare, and where Grantee disturbs the surface of a street, alley or public thoroughfare, it shall at its own expense and in a manner satisfactory to the duly authorized representatives of the City, replace such pavement or surface in substantially as good condition as before said work was commenced.

SECTION 4. Whenever because of public necessity or welfare the City engages in any public improvement construction project on any property owned by the City or dedicated wholly for public use and a portion of Grantee's plant system interferes with or obstructs such public improvement project, Grantee shall, as soon as reasonably possible after written request from the City, alter, reset, or relocate at its own expense such portions of Grantee's plant system located on such property for which the sole legal basis for occupancy is this franchise ordinance; provided, however, that where the City acquires additional property or right-of-way over Grantee's existing plant system, and thereafter requires Grantee to alter, reset or relocate its system, such alteration, resetting or relocation shall be at the expense of the City.

SECTION 5. As a further consideration for the rights, privilege and franchise hereby granted and in lieu of all occupation, license or other revenue taxes, the Grantee shall not later than the first day of each calendar month in each year, make a report to the governing body of the City of Galena of its gross receipts from the sale of gas for all purposes within said City for the one (1) month period ending on the 1st day of the month next

preceding that on which the report is due; and at the time of making such reports, pay into the City Treasury a sum equal to Three (3 %) percent of said gross receipts from the sale of gas for domestic purposes, and One (1 %) percent of its gross receipts from the sale of gas for industrial purposes, which shall have accrued subsequent to the effective date of this franchise. Industrial sales shall be considered as those made under special contracts providing for stand-by fuel and interruption of service at any time demands of domestic consumers may so require.

SECTION 6. That none of the privileges granted by this Ordinance shall take effect or be in force until after the expiration of sixty days from the date of its final passage and until Grantee, its successors and assigns, shall file within said sixty days with the City Clerk of said City, a written Acceptance of the provisions hereof; and after the expiration of sixty days if no Acceptance as hereinbefore provided has been filed, then this Ordinance shall ipso facto cease and become null and void.

SECTION 7. That Ordinance No. 790 is hereby repealed.

SECTION 8. Should the State Corporation Commission take any action with respect to this franchise ordinance, which would or may preclude The Gas Service Company from recovering from its customers any cost provided for hereunder, the parties hereto shall renegotiate this ordinance in accordance with the Corporation Commission's ruling.

SECTION 9. That this Ordinance is made under and in conformity with the laws of the State of Kansas and shall take effect and be in force as therein provided.

PASSED THIS 18th day of June, 1985.

ATTEST:

John D. Stephenson
MAYOR

Cheryl Haines
CITY CLERK

