

# TOWN OF JEROME, ARIZONA

POST OFFICE BOX 335, JEROME, ARIZONA 86331

FOUNDED 1876  
INCORPORATED 1899

ORDINANCE NO. 200

AN ORDINANCE GRANTING TO SOUTHERN UNION COMPANY, A CORPORATION, ACTING BY AND THROUGH SOUTHERN UNION GAS COMPANY, A DIVISION THEREOF, ITS LEGAL REPRESENTATIVES, SUCCESSORS, LESSEES AND ASSIGNS, CERTAIN POWERS, LICENSES, RIGHTS-OF-WAY, PRIVILEGES AND FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN IN THE TOWN OF JEROME, YAVAPAI COUNTY, ARIZONA, AS NOW OR HEREAFTER CONSTITUTED, WORKS, SYSTEMS AND PLANTS FOR THE HANDLING, PRODUCTION, MANUFACTURING, TRANSPORTING, STORING, SALE AND DISTRIBUTION OF GAS INTO, OUT OF AND THROUGH SAID MUNICIPALITY, AND FOR THE DISTRIBUTION AND SALE OF SUCH GAS TO SAID MUNICIPALITY, ITS INHABITANTS AND OTHERS, INCLUDING CUSTOMERS INSIDE, BEYOND AND OUTSIDE OF THE LIMITS OF SAID MUNICIPALITY; AND TO USE THE STREETS, AVENUES, EASEMENTS, RIGHTS-OF-WAY, ALLEYS, HIGHWAYS, SIDEWALKS, BRIDGES AND OTHER STRUCTURES AND PLACES AND PUBLIC GROUNDS IN SAID MUNICIPALITY FOR A PERIOD OF TWENTY-FIVE (25) YEARS; AND PRESCRIBING IN CONNECTION THEREWITH CERTAIN RIGHTS, DUTIES, TERMS AND CONDITIONS HEREIN MENTIONED; AND PROVIDING FOR THE PAYMENT TO SAID MUNICIPALITY OF A PERCENTAGE OF CERTAIN REVENUES OF GRANTEE FROM ITS OPERATIONS THEREIN; AND DECLARING AN EMERGENCY.

BE IT ORDAINED by the governing body of the Town of Jerome, as follows:

Section 1. That the Town of Jerome, a municipal corporation in Yavapai County, Arizona, herein called the "Municipality", hereby grants to and vests in Southern Union Company, a corporation, acting by and through Southern Union Gas Company, a division thereof, duly authorized to transact within this State a public service business as

a gas utility, herein called the "Company", a franchise with the right to operate a gas plant, system, pipelines and works in the Municipality, as now or hereafter constituted, and the authority, license, power and privilege to maintain, construct, build, equip, conduct or otherwise establish and operate in said Municipality, works or systems and plants to manufacture, use, sell, store, distribute, convey or otherwise establish, conduct, serve, supply or furnish the inhabitants of said Municipality and others, and to the Municipality whenever it may desire to contract therefor, gas for light, fuel, power, heat and any and all other useful purposes, and the Company hereby is granted passage, right-of-way, alleys, highways, sidewalks, bridges and other structures and places and public grounds of said Municipality, both above and beneath the surface of the same, as said streets, avenues, easements, rights-of-way, alleys, highways, sidewalks, bridges and other structures and places and public grounds now exist or may be hereafter extended, for every and any such service, use, effect and lawful purpose as herein mentioned.

Section 2. The Company is hereby authorized, licensed and empowered to do any and all things necessary and proper to be done and performed in executing the powers and utilizing the privileges herein mentioned and granted by this franchise, provided the same do not unreasonably conflict with water or other pipes, sewers or other pre-existing underground installations, and that all work done in said streets, avenues, easements, rights-of-way, alleys, highways, sidewalks, bridges or other grounds of said Municipality by the Company shall be done with the utmost diligence and the least

inconvenience to the public or individuals, and the Company shall, within a reasonable time, restore, such streets, avenues, easements, rights-of-way, alleys, highways, sidewalks, bridges and public grounds excavated by it to their original condition as nearly as practicable, subject to the reasonable approval of the Municipality. The Company shall remove or relocate its lines and facilities as and when required by the Municipality; said removal or relocation shall be made at the sole expense of the Company, except where entitlement to reimbursement shall be provided by contract or law. In the event of such entitlement, reimbursement shall be made strictly in accordance therewith. The Company shall save the Municipality, its officers and agents, harmless from any and all liabilities proximately caused by the Company's negligence in the erection, construction, installation or operation hereunder of the Company's facilities.

Section 3. The rates and charges to be charged by the Company for furnishing gas service hereunder and the rules and regulations to be made and enforced by the Company for the conduct of its business shall be those from time to time on file and effective with the Arizona Corporation Commission applicable to such service.

Section 4. The Company shall have the right and privilege of assigning this franchise and all rights and privileges granted herein, and whenever the word "Company" appears herein, it shall be construed as applying to its successors, lessees and assigns.

Section 5. The Company, its successors, lessees and assigns, for and in consideration of the granting of this franchise and as rental for the occupation and use or easement over, upon and beneath

the streets, avenues, easements, rights-of-way, highways, alleys, sidewalks, bridges and public grounds in said Municipality shall pay to the Municipality, commencing with the first full billing period after the effective date of this franchise and continuing each year during all the time this provision shall remain in force and effect, a total aggregate sum of two percent (2%) of the gross receipts of the Company, its successors, lessees and assigns, during such year, for gas sold within the corporate limits of the Municipality, subject to the limitations hereinafter stated; such gross receipts to consist of the total amount collected from users and consumers on account of gas sold and consumed within the corporate limits of the Municipality under the Company's rates in existence at the time, excepting therefrom however, the gross receipts for gas sold to industrial consumers under special contract, and the gross receipts for gas sold to the Municipality for its own use. The Company shall make such payments semi-annually on or before the last day of January and July in each such year while this provision shall remain in full force and effect. For the purpose of determining such revenue, the books of the Company shall at all times be subject to inspection by duly authorized municipal officials. Said payments shall be in lieu of any and all other franchise, license, privilege, instrument, occupation, excise or revenue taxes and all other exactions or charges (except general ad valorem property taxes, special assessments for local improvements, and except municipal privilege, sales or use taxes authorized by law and collected by the Company from users and consumers of gas within the corporate limits of the Municipality) upon the business, revenue,

property, gas lines, installations, gas systems, conduits, storage tanks, pipes, fixtures or other appurtenances of the Company and all other property or equipment of the Company, or any part thereof, in said Municipality during the term of this franchise; provided that anything to the contrary herein notwithstanding said payment shall continue only so long as said Company is not prohibited from making the same by any lawful authority having jurisdiction in the premises, and so long as the municipality does not charge, levy or collect, or attempt to charge, levy or collect other franchise, license, privilege, occupation, excise or revenue taxes or other exactions or charges hereinabove mentioned, and if any lawful authority having jurisdiction in the premises hereafter prohibits said payment, or the Municipality does levy, charge or collect or attempt to levy, charge or collect such other franchise, license, privilege, occupation, excise or revenue taxes, or other exactions or charges, the obligation to make such payments hereinabove provided for shall forthwith cease.

Section 6. This franchise shall be accepted by the Company in writing, which acceptance shall be filed with the Municipality within sixty (60) days after the passage of this ordinance, and when so accepted, this ordinance shall be a contract duly executed by and between the Municipality and the Company.

Section 7. If any section, paragraph, subdivision, clause, phrase or provision hereof shall be adjudged invalid or unconstitutional, the same shall not affect the validity hereof as a whole, or any part or provision other than the part so decided to be invalid or unconstitutional.


Section 8. This franchise shall continue in full force and effect for a period of twenty-five (25) years from the date of passage of this ordinance.

Section 9. All plant, system, pipelines, works, and all other physical property installed by the Company in accordance with the terms of this franchise shall be and remain the property of the Company, and upon expiration of this franchise or any extension or renewal thereof, the Company is hereby granted the right to enter upon the streets, avenues, easements, rights-of-way, alleys, highways, sidewalks, bridges and other structures and places and public grounds of said Municipality for the purpose of removing any and all such plant, system, pipelines, works and other property of the Company, at any time within six months after termination of this franchise or any such extension or renewal thereof.

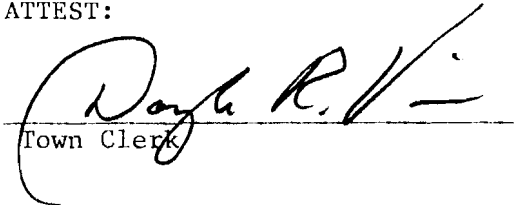
Section 10. The immediate operation of this ordinance is necessary for the preservation of the public peace, health and safety of the Town of Jerome, Yavapai County, Arizona, and an emergency is hereby declared to exist and this ordinance shall be in full force and effect from and after its adoption by the Common Council of the Town of Jerome and its approval by the Mayor thereof.

PASSED AND ADOPTED by the Common Council of the Town of Jerome, this 10<sup>TH</sup> day of SEPTEMBER, 1985.

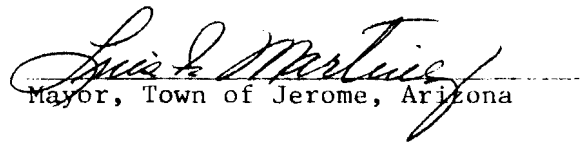
APPROVED:

  
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Mayor  
Town of Jerome, Arizona

ATTEST:

  
Town Clerk

APPROVED by the Mayor of the Town of Jerome, Arizona, this  
13<sup>TH</sup> day of SEPTEMBER, 1985.

  
Mayor, Town of Jerome, Arizona