

ADDENDUM

CITY OF MIDWEST CITY COUNCIL AGENDA

City Hall - Midwest City Council Chambers, 100 N. Midwest Boulevard

April 09, 2019 – 6:00 PM

D. DISCUSSION ITEMS.

6. Discussion and Consideration of an Ordinance granting to One Gas, Inc., acting by and through its Oklahoma Natural Gas Company Division, for a period of twenty-five (25) years from the approval and acceptance of this ordinance, a non-exclusive franchise for the purposes of transporting, distributing and selling gas; fixing compensation; providing for submission of ordinance to an election of the qualified voters of the City of Midwest City; providing for acceptance by Grantee; and repealing conflicting Ordinances. (City Attorney - H. Poole)

7. Discussion and consideration approving a Resolution of the City of Midwest City, Oklahoma, authorizing the calling and holding of a special election in the City of Midwest City, County of Oklahoma, State of Oklahoma, on Tuesday, the 11th day of June 2019, for the purpose of submitting to the qualified electors of the City of Midwest City, Oklahoma, the question for their approval or rejection of approving Ordinance No. _____ relating to the Oklahoma Natural Gas Company Franchise Agreement. (City Clerk - S. Hancock)



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TO: Mayor and City Council

FROM: Heather Poole, City Attorney

Date: April 9, 2019

Subject: Discussion and consideration of an Ordinance granting to One Gas, Inc., acting by and through its Oklahoma Natural Gas Company Division, for a period of twenty-five (25) years from the approval and acceptance of this ordinance, a non-exclusive franchise for the purposes of transporting, distributing and selling gas; fixing compensation; providing for submission of ordinance to an election of the qualified voters of the City of Midwest City; providing for acceptance by Grantee; and repealing conflicting Ordinances.

Background: City voters approved granting ONG a twenty five year non-exclusive franchise, to transport, distribute and sell gas effective July 14, 1994, which expires this year. Terms requested by the City, in addition to the terms set out in the prior franchise agreement, include:

1. Cross Indemnification regarding repairs caused to the other parties' property by employees, agents or subcontractors of the liable party. This extends the prior liability clause to incorporate subcontractors as entities the parties' liability extends to and prevents the City from having to pursue the subcontractors separately.
2. Providing for fees to be paid by ONG, for unbundled gas purchases that are being transported within City limits by ONG for suppliers other than ONG. These fees will be based on Volumetric Rates that will bring those purchases in line with the 3% franchise fee paid by all other gas customers. ONG will bear the responsibility to calculate and provide those fees to the City. This addresses an action by the Oklahoma Corporation Commission approving tariffs that partially unbundled natural gas sales and transportation in Oklahoma, allowing certain classes of natural gas customers to purchase gas from suppliers other than ONG and lease capacity in ONG's pipeline for gas delivery. Requiring ONG to assume responsibility to collect, monitor and remit the volumetric rate fee to the City, eliminates any need for the City to require separate licenses for third party distributors and track and collect the expected fees. Currently there are about 90 customers within Midwest City that qualify to purchase from third party natural gas vendors. The City of Midwest City is one of those customers. The anticipated revenue from those customers, excluding the City, is around \$1,550 a month. However, should the Oklahoma Corporation Commission requirements to purchase wholesale gas from distributors besides ONG change that number of qualifying customers could increase.
3. Providing for a waiver of the third party transport fees set out above for such third party transport purchases by the City, and an option for the City to approve a request for a waiver of those fees to be granted to public schools and institutions of higher education.
4. Providing for a franchise fees to be charged towards miscellaneous services related to the

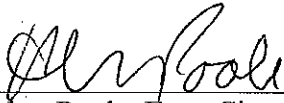
transportation and distribution of natural gas.

5. Providing for a reopener of the franchise agreement if a change in legislation, rule, regulation or regulatory order occurs that significantly restructures the natural gas utility industry in such a way that the City would see an increase in at least \$100,000 compensation from ONG based on these changes.
6. Allowing for the franchise fee to increase, at five year increments, by .05%, until the final five years, at which time it will increase by .1% to reach the maximum 3.25% franchise fee rate under the proposed franchise agreement.

City franchises are governed by State law and City Charter. Passage by Council will allow the proposed Ordinance to be set for consideration by City voters on June 11, 2019 prior to the 1994 franchise agreement's expiration. Should the Ordinance not be passed by the voters of the City prior to the current Franchise Agreement's expiration, ONG payments would revert to the statutory requirement incorporated into the City's code, as two (2) percent of gross receipts from residential and commercial sales of gas within the city limits.

City staff recommends approval of the Ordinance and its proposed terms for the Franchise Agreement with ONG.

Respectfully,



Heather Poole, Esq., City Attorney

ORDINANCE NO. 2564

AN ORDINANCE GRANTING TO OKLAHOMA NATURAL GAS COMPANY, A DIVISION OF ONEOK INC., ITS SUCCESSORS AND ASSIGNS, FOR A PERIOD OF TWENTY-FIVE YEARS FROM APPROVAL AND ACCEPTANCE OF THIS ORDINANCE, A NON-EXCLUSIVE FRANCHISE AND RIGHT TO ENTER THE PUBLIC WAYS TO INSTALL, OPERATE AND MAINTAIN A DISTRIBUTION SYSTEM ALONG, ACROSS, OVER AND UNDER THE PUBLIC WAYS FOR THE TRANSPORTATION, DISTRIBUTION AND SALE OF GAS TO CONSUMERS AND THE PUBLIC GENERALLY IN THE CITY OF MIDWEST CITY; DEFINING THE WORDS AND PHRASES THEREIN; PROVIDING FOR ASSIGNMENT, SALE AND LEASE OF THE FRANCHISE; PROVIDING FOR USE AND REPAIR OF THE PUBLIC WAYS; PROVIDING FOR REGULATION OF SERVICE; ESTABLISHING DEPTH OF PIPELINES; ESTABLISHING RIGHTS AND DUTIES IN THE MOVEMENT AND ALTERATION OF PIPELINES; PROVIDING FOR INDEMNIFICATION OF THE CITY OF MIDWEST CITY; PROVIDING FOR GRANTEE'S RULES AND REGULATIONS; PROVIDING FOR MAINTENANCE AND INSPECTION OF GRANTEE'S RECORDS; REQUIRING GRANTEE TO PAY A FRANCHISE FEE; PROVIDING FOR ACCEPTANCE OF FRANCHISE BY GRANTEE AND OPERATIVE DATE THEREOF; AND PROVIDING FOR SEVERABILITY AND REPEAL OF ORDINANCES IN CONFLICT.

BE IT ORDAINED BY THE PEOPLE OF THE CITY OF MIDWEST CITY, OKLAHOMA:

SECTION 1. DEFINITIONS.

As used in this Ordinance, the following words and phrases shall have the following meanings:

A. "Consumer" shall mean any individual person, corporation, company, partnership, firm, unincorporated association, trust, municipality or public corporation served by the Grantee through any use of the public ways.

B. "Distribution system" shall mean a system of works, pipes, pipelines, apparatus, machinery, structures, appliances and appurtenances as are reasonably necessary for the transportation, distribution or sale of gas to consumers.

C. "Franchise" shall mean the rights and privileges granted by Grantor to Grantee under Section 2A of this Ordinance.

D. "Grantee" shall mean the Oklahoma Natural Gas Company, a division of ONEOK Inc., a corporation, its successors and assigns.

E. "Grantor" shall mean the City of Midwest City, Oklahoma, a municipal corporation.

F. "Gross receipts" shall mean cash, cash equivalents, or other consideration actually received by Grantee from a Consumer.

G. "Install, operate and maintain" shall mean to acquire, erect, construct, install, extend, repair, remove, relocate, replace, or otherwise operate and maintain.

H. "Public ways" shall mean any street, alley, avenue, boulevard, lane, park, parkway, sidewalk, driveway, utility easement, right of way, and any other public ways, places, areas, or grounds within the corporate limits of the City of Midwest City as now constituted or as may be added or extended hereafter.

SECTION 2. GRANT OF FRANCHISE

A. The Grantor hereby grants to Grantee for the term of twenty-five (25) years from the effective date of this Ordinance

1
2 and the filing of a written acceptance by the Grantee, the right to
3 enter upon the public ways to install, operate and maintain a
4 distribution system along, across, over and under the public ways
5 for the privilege of transporting, distributing and selling gas to
6 consumers and the public generally within the corporate limits of
7 the City of Midwest City.

8
9 B. This Ordinance shall have the effect of and shall be a
10 contract between Grantor and Grantee and shall be the measure of
11 the rights and liabilities of Grantor as well as Grantee.

12
13 C. The franchise granted by this Ordinance is not exclusive
14 and nothing herein shall be construed to divest the Grantor of its
15 control and regulation of the public ways.

16 SECTION 3. FRANCHISE ASSIGNMENT, SALE OR LEASE

17
18 A. Grantee shall not have the right to assign, sell, lease,
19 or otherwise transfer in any manner whatsoever either the rights
20 and privileges granted under this Ordinance or the distribution
21 system installed, operated and maintained hereunder, except as
22 hereinafter provided. Any assignment, sale, lease, or other
23 transfer by the Grantee of the franchise granted herein or the
24 distribution system installed, operated and maintained hereunder
25 shall be a breach of this franchise by the Grantee, ineffective and
26 void unless:

27 (1) The proposed assignment, sale, lease or trans-
28 fer shall be in writing; and

29 (2) The prospective assignee, buyer, lessee or
30 other transferee shall agree in writing to
31 accept and become responsible for full per-
32 formance of all conditions, covenants, obliga-
33 tions, and liabilities contained in this Or-
34 dinance; and

35 (3) Such writing shall be submitted to the City
36 Clerk in writing and approved by the City
37 Council of the City of Midwest City.

38 This Section 3A shall not apply to any lease or other arrangement
39 which is in compliance with the provisions of Section 3B hereof.
40 This Section 3A shall not apply to any use of any portion of
41 Grantee's distribution system for the transportation, distribution
42 or sale to any consumer purchasing, receiving and using natural gas
43 outside the corporate limits of the City of Midwest City.

44
45 B. After the operative date of this Ordinance, Grantee shall
46 have the right to enter into or continue to operate pursuant to any
47 lease of capacity in any portion of its distribution system or to
48 enter into or continue any arrangement by which natural gas owned
49 by any party other than Grantee shall be transported, distributed
50 or sold through any portion of Grantee's distribution system for
51 delivery to any consumer within the corporate limits of the City of
52 Midwest City.

53 SECTION 4. USE AND REPAIR OF THE PUBLIC WAYS

54
55 A. Grantee's distribution system shall be erected, placed,
56 laid or otherwise installed, operated and maintained in such a
57 manner as will, consistent with reasonable necessity, least in-
58 terfere with other public uses of the public ways.

59
60 B. Before Grantee shall excavate or disturb the surface of
61 any public way, except in the case of emergency, at least forty-
62 eight (48) hours notice shall be given to the City Engineer or
63 other proper authority designated in writing by the Grantor. After
64 such excavation or disturbance the Grantee shall, with due
65 diligence and dispatch place the public ways in a condition in
66 compliance with the Grantor's reasonable standards and specifica-
67 tions.

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3 C. Upon Grantee's failure to commence or complete any con-
4 struction, maintenance or restoration work required by this Or-
5 dinance with due diligence and dispatch, the Grantor may cause such
6 work to be done after written notice to Grantee, given so as to
7 afford Grantee an opportunity to commence and complete such work
8 within a reasonable time. The cost of such construction, mainte-
9 nance or restoration incurred by Grantor upon Grantee's failure
10 shall then be charged and collected from the Grantee.

7 D. Grantor reserves the right to make and enforce reasonable
8 regulations concerning the construction, operation and maintenance
9 of Grantee's distribution system located along, across, over, or
10 under the public ways and to reasonably designate where the
11 distribution system's works and pipelines shall be placed. Grantee
12 shall comply with all of Grantor's applicable ordinances, as well
13 as all other state and federal statutes, rules and regulations.

11 SECTION 5. REGULATION OF SERVICE

12 A. The distribution system of the Grantee shall at all times
13 be installed, operated and maintained in such condition as will
14 enable the Grantee to furnish adequate and continuous service as
15 required by the orders, rules and regulations of the Corporation
16 Commission of Oklahoma or other regulatory authority having
17 jurisdiction.

15 B. In the event that the Corporation Commission of Oklahoma
16 or other state regulatory authority should be deprived of the
17 authority to regulate Grantee, then Grantor shall have the au-
18 thority to set rates, terms and conditions of service for trans-
19 portation, distribution or sale of natural gas by Grantee within
20 the corporation limits of the City of Midwest City.

19 SECTION 6. DEPTH OF PIPELINE

20 After the operative date of this franchise, Grantee's main or
21 lateral lines installed or repaired in public ways shall be in-
22 stalled or replaced at depths which comply with all applicable
23 state and federal rules and regulations establishing minimum safety
24 standards for the design, construction, maintenance and operation
25 of pipelines. Depth shall be measured from the lower of existing
26 grade or proposed future grade as set forth on plans or other
27 specifications existing at the time such lines are installed or
28 replaced.

25 SECTION 7. DUTY TO MOVE OR ALTER LINES

26 A. Grantor reserves the right to lay or permit to be laid
27 cables, electric conduits, water, sewer, gas or other pipelines and
28 to do or permit to be done any underground work deemed necessary
29 and proper by the Grantor, along, across, over or under the public
30 ways. In permitting such work to be done the Grantor shall not be
31 liable to the Grantee for any damages so occasioned nor shall the
32 Grantor in doing such work be liable to the Grantee for any damages
33 not willfully and unnecessarily occasioned.

30 B. Whenever by reason of establishing a grade or changes in
31 the grade of any street or in the location or manner of construc-
32 tion of any public way, cables, electric conduits, water, sewer,
33 gas or other underground structures, it shall be deemed necessary
34 by the Grantor to alter, change, adapt or conform the distribution
35 system of the Grantee, such alterations or changes shall be made
36 within a reasonable time by the Grantee, as ordered in writing by
the Grantor, without claim for reimbursement or compensation for
damages against Grantor.

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2 C. If Grantor shall require the Grantee to adapt or conform
3 its distribution system, or in any way to alter, relocate or change
4 its property to enable any other person, firm corporation or entity
5 (whether public or private), other than the Grantor, to use the
6 public ways, the Grantee shall be reimbursed by the person, firm,
7 corporation or entity desiring or occasioning such change for any
8 and all loss, cost or expense occasioned thereby.

9 D. "Person," "firm," "corporation," and "entity" as used in
10 the preceding Section 7C shall not include regular departments of
11 the Grantor, or any trust or authority formed by or for the benefit
12 of Grantor for public utility purposes, but shall include any other
13 agency or authority of the City of Midwest City, whether acting in
14 a governmental or non-governmental capacity, including, but not
15 limited to, any urban renewal authority, or any other agency or
16 authority, which as a part of its program clears whole tracts of
17 land within the city limits and relocates citizens for the purpose
18 of urban development or similar aims.

11 SECTION 8. INDEMNIFICATION OF GRANTOR

12 The Grantee shall indemnify, become responsible for and for-
13 ever save harmless the Grantor from any and all damages, judgments,
14 reasonable costs and expenses, including attorney fees, which the
15 Grantor may suffer or incur, or which may be legally obtained
16 against the Grantor, for or by reason of the negligent use, repair
17 or occupation of any public way within the corporate limits of the
18 City of Midwest City by the Grantee pursuant to the terms of this
19 Ordinance or resulting from the negligent exercise of the Grantee
20 of any of its privileges or by reason of its carrying on its
21 business in said City; provided, however, that in the event of such
22 claim or claims being prosecuted against the Grantor, the Grantee
23 shall have the right to defend against the same, and to settle or
24 discharge same in such manner as it may see fit, and the Grantor
25 shall give prompt written notice to the Grantee of the presentation
26 or prosecution of such claims.

20 SECTION 9. GRANTEE'S RULES AND REGULATIONS

21 The Grantee shall have the right to make and enforce such
22 reasonable rules and regulations as it may deem necessary for the
23 extension of its facilities, the sale of its gas and the prudent
24 conduct of its business, provided that such rules and regulations
25 shall neither be in conflict with the laws of the State of Okla-
26 homa, with the orders, rules or regulations of the Corporation
27 Commission of Oklahoma or other regulatory authority having jur-
28 isdiction, nor with the ordinances and regulations of the Grantor
29 insofar as they are consistent with the jurisdiction of the Cor-
30 poration Commission of Oklahoma or such other regulatory authority.

27 SECTION 10. MAINTENANCE AND INSPECTION OF RECORDS

28 A. Grantee shall at all times make and keep full and com-
29 plete plats, maps and other records showing the location and size
30 of all elements comprising Grantee's distribution system within the
31 corporate limits of the City of Midwest City.

31 B. Grantee agrees to maintain an office in the City of
32 Midwest City in which to keep all books, papers and records kept in
33 the ordinary course of business and pertaining to the gas business
34 carried on by it in the City of Midwest City, for the purpose of
35 affording Grantor the opportunity to enforce the terms of this
36 Ordinance and particularly to collect its franchise fee.

34 C. Grantee shall permit Grantor to inspect and audit during
35 regular business hours the relevant books, records, plats and maps
36 kept by Grantee pursuant to this Section.

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2 SECTION 11. CONSIDERATION FOR FRANCHISE:
3 FRANCHISE FEE

4 A. In consideration for the rights and privileges enjoyed
5 under the franchise, Grantee agrees to pay Grantor, as a franchise
6 fee, a sum equal to three percent (3%) of Grantee's gross receipts
7 from the transportation, distribution, or sale of gas for domestic,
8 commercial or industrial consumption within the corporate limits of
9 the City of Midwest City. Such fee so levied shall be in lieu of
10 all other franchise, license or occupation taxes or fees, which may
11 be levied or attempted to be levied by Grantor.

12 B. Grantee's franchise fee shall be payable monthly on or
13 before the 25th day of each month, on its gross receipts of the
14 preceding calendar month.

15 SECTION 12. ACCEPTANCE AND EFFECTIVE DATE

16 The Grantee shall file a written acceptance of this Ordinance
17 with the City Auditor of said City of Midwest City, within ten (10)
18 days after the official canvass of the votes and declaration by the
19 City Council of the results thereof. This Ordinance shall become
20 operative on July 14, 1994.

21 SECTION 13. SEVERABILITY

22 If any one or more of the sections, sentences, clauses or
23 parts of this franchise, chapter or section shall for any reason be
24 held invalid, the invalidity of such section, clause or part shall
25 not affect or prejudice in any way the applicability and validity
26 of any other provision of this franchise. It is hereby declared to
27 be the intention of the City Council of the City of Midwest City
28 that the section (s) of the franchise would have been adopted had
29 such unconstitutional, illegal, or invalid sentence, clause,
30 section or part not been included.

31 SECTION 14. REPEALER

32 All ordinances in conflict herewith are hereby repealed.

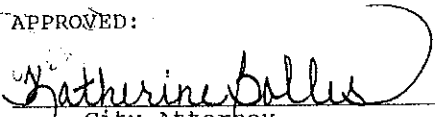
33 PASSED and approved this 8th day of March, 1994.

34
35 
36 _____
Mayor

ATTEST:

37 
38 _____
39 ACTING City Clerk

APPROVED:

30 
31 _____
32 City Attorney

ORDINANCE NO. -19

AN ORDINANCE GRANTING TO ONE GAS, INC., ACTING BY AND THROUGH ITS OKLAHOMA NATURAL GAS COMPANY DIVISION, AND ITS SUCCESSORS AND ASSIGNS, FOR A PERIOD OF TWENTY-FIVE (25) YEARS FROM APPROVAL AND ACCEPTANCE OF THIS ORDINANCE, A NON-EXCLUSIVE FRANCHISE AND RIGHT TO ENTER THE PUBLIC WAYS TO INSTALL, OPERATE AND MAINTAIN A DISTRIBUTION SYSTEM WITHIN, ALONG, ACROSS, OVER AND UNDER THE PUBLIC WAYS OF THE CITY OF MIDWEST CITY, OKLAHOMA FOR THE TRANSPORTATION, DISTRIBUTION AND/OR SALE OF GAS TO CONSUMERS AND THE PUBLIC GENERALLY IN THE CITY; DEFINING THE WORDS AND PHRASES THEREIN; PROVIDING FOR ASSIGNMENT, SALE OR LEASE OF THE FRANCHISE; PROVIDING FOR USE AND REPAIR OF THE PUBLIC WAYS; PROVIDING FOR REGULATION OF SERVICE; ESTABLISHING DEPTH OF PIPELINES; ESTABLISHING RIGHTS AND DUTIES IN THE MOVEMENT AND ALTERATION OF PIPELINES; PROVIDING FOR INDEMNIFICATION; PROVIDING FOR GRANTEE'S RULES AND REGULATIONS; PROVIDING FOR INSPECTION OF GRANTEE'S RECORDS; REQUIRING GRANTEE TO PAY A FRANCHISE FEE; PROVIDING FOR CONDITIONS OF THE FRANCHISE; PROVIDING FOR CONSTRUCTION OF THIS ORDINANCE UPON THE INVALIDITY OF ANY PART THEREOF; PROVIDING FOR A REOPENER OF THE FRANCHISE UNDER CERTAIN CONDITIONS; PROVIDING FOR THE SUBMISSION OF THIS ORDINANCE TO AN ELECTION OF THE QUALIFIED VOTERS OF THE CITY; PROVIDING FOR ACCEPTANCE OF THIS FRANCHISE BY GRANTEE AND BOTH AN EFFECTIVE AND AN OPERATIVE DATE THEREOF; REPEALING ALL OTHER ORDINANCES DIRECTLY IN CONFLICT HEREWITH; AND PROVIDING FOR SEVERABILITY.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MIDWEST CITY, OKLAHOMA:

SECTION 1. DEFINITIONS

As used in this Ordinance, the following words and phrases shall have the following meanings:

- A. "Calculated Value" shall mean the total Transport Gas measured in Dekatherms (Dth), delivered to a Transport Gas Consumer for a billing period, multiplied by the Settlement Price to arrive at the value of the Transport Gas transported by Grantee for that Transport Gas Consumer.
- B. "Consumer" shall mean any individual person, corporation, company, partnership, firm, unincorporated association, trust, municipality, or public or private entity located within the municipal corporate limits of the City and serviced by the Grantee through any use of the Public Ways.

- C. “Dekatherm” or “Dth” shall mean a measurement of natural gas equal to 1,000,000 British Thermal Units (“Btu”), or 1 MMBtu, on a dry basis. Btu shall be computed on a temperature base of 60 degrees Fahrenheit and a pressure base of 14.73 PSIA.
- D. “Distributed” or “Distribution” shall mean all sales, distribution, or transportation of natural gas to any Consumer or user located within the municipal corporate limits of the City by the Grantee or by others through Grantee’s Distribution System.
- E. “Distribution System” shall mean a system of works, pipes, pipelines, apparatus, machinery, structures, appliances and appurtenances as are reasonably necessary for the transportation, distribution or sale of gas to Consumers.
- F. “Franchise” shall mean the rights and privileges granted by Grantor to Grantee under Subsection A of Section 2 of this Ordinance.
- G. “Franchise Fee” or “Franchise Fees” shall mean the sum of fees to be paid to the City by Grantee under Section 11 of this Ordinance, at Paragraph A(1), as consideration for the use of the Public Ways and shall be inclusive or in lieu of any permit fees, lane closure fees and similar fees or charges for construction, installation, maintenance or restoration work on the Distribution System within the Public Ways.
- H. “Grantee” shall mean ONE Gas, Inc., a corporation acting by and through its Oklahoma Natural Gas Company division, and its successors and assigns.
- I. “Grantor” shall mean the City of Midwest City, Oklahoma, a municipal corporation, hereinafter also referred to as the “City”.
- J. “Gross Receipts” shall mean any and all compensation derived by Grantee directly from the Distribution of natural gas to a Consumer for any use, including residential, industrial and commercial purposes, and shall include without limitation revenues from any operation or use of any or all of the Distribution System by Grantee or others. Gross Receipts shall not include revenues received by Grantee from Consumers as franchise fee reimbursement nor Volumetric Rate Fees collected by Grantee and remitted to Grantor in accordance with Paragraph 11.A(2). However, Gross Receipts shall include revenues from incidental charges or miscellaneous fees not directly generated by the Distribution of natural gas to Consumers, such as, by way of example, connection and disconnection fees, reconnection fees, customer project contributions, returned check charges, delayed or late payment charges, temporary service charges, and other such charges.
- K. “Install, operate and maintain” shall mean to acquire, erect, construct, install, extend, repair, remove, relocate, replace, or otherwise operate and maintain.

- L. “Public Ways” shall mean any street, alley, avenue, boulevard, lane, park, parkway, sidewalk, driveway, public right of way, and any other public ways, places, areas, or grounds within the municipal corporate limits of the City as now constituted or as may be added or extended hereafter.
- M. “Settlement Price” shall mean the settlement prices for natural gas futures contracts traded on the New York Mercantile Exchange (NYMEX), or any successor exchange or index, on the 15th day of each month as published daily in *The Wall Street Journal* (WSJ) on the following business day (or the next day in which a Settlement Price is published) for each month of the twelve-month period immediately following.
- N. “Transportation Tariff Arrangement” shall mean any arrangement between Grantee and a Consumer pursuant to which natural gas owned by any party other than the Grantee shall be transported, distributed or sold through any portion of Grantee’s Distribution System and under one of Grantee’s tariffs or special contract for delivery to the Consumer.
- O. “Transport Gas” shall mean all natural gas transported by Grantee pursuant to a Transportation Tariff Arrangement or by other agreement, but not sold by Grantee through Grantee’s Distribution System to any Consumer or user located within the municipal corporate limits of the City.
- P. “Transport Gas Consumer” shall mean a Consumer which uses Transport Gas.
- Q. “Volumetric Rate” shall mean Three Percent (3%) of the Calculated Value of Transport Gas as determined by Grantee in accordance with the provisions of this definition. The Volumetric Rate Calculation Form incorporated herein as Exhibit “A” shall be used for the calculation of the Volumetric Rate; provided, that the Grantor enacts an ordinance as described in Paragraph 3.B(1) below, the three percent (3%) multiplier labeled “3% Bundled Franchise Fee Rate” set forth on “Exhibit A” shall increase incrementally beginning July 1, 2024 in the same manner as set out in Paragraph 11.A(1)(a) through (d), inclusive, of this Ordinance. The calculation shall be completed by Grantee and filed with the City Clerk of the City upon Grantee’s acceptance of this franchise and annually by each July following acceptance. The calculation filed upon Grantee’s acceptance of this franchise shall be effective from the date of such filing through and including December 31 of the next succeeding calendar year. The calculation filed by Grantee on July 31 in years following the year of acceptance of this franchise shall be effective on January 1 of the next succeeding calendar year through and including December 31 of such calendar year. The calculation shall be subject to review by the City for mathematical correctness and the City shall notify Grantee in writing within forty-five (45) calendar days after submission if the City deems such calculation to be incorrect. The volumetric rate calculation shall be based on the average of the average Settlement Prices for the twelve-month period beginning in July of the immediately preceding year and ending in June immediately preceding the July 31 calculation. The average Settlement Prices for

each month during said twelve-month period shall be calculated by adding the Settlement Prices for such month and the previous eleven (11) months as published and dividing by twelve. The average Settlement Prices for each of the twelve months shall then be summed and divided by twelve to determine the average of the average Settlement Prices and then multiplied by three percent (3%) to obtain the Volumetric Rate; provided the three percent (3%) multiplier used to obtain the Volumetric Rate shall increase incrementally beginning July 1, 2024 in the same manner as set out in Paragraph 11.A(1)(a) through (d), inclusive, of this Ordinance; provided, in the event the then-current average of the average Settlement Prices as calculated above and entered on the Volumetric Rate Calculation Form, attached as Exhibit “A” (see line designated on Exhibit “A” as “settlement price average”), exceeds the Index price for ONEOK Gas Transportation, L.L.C., that is listed in the issue of Platt’s “Inside FERC’s Gas Market Report” published on the first business day of the respective month (“Platt’s Index price”), then the Platt’s Index price shall be used to calculate the Volumetric Rate for that delivery month in lieu of the average of the average Settlement Prices entered on the Volumetric Rate Calculation Form (Exhibit “A”) (*i.e.*, for that respective delivery month, the Volumetric Rate shall be determined by taking the Platt’s Index price and multiplying that price by 3% or the then applicable increased percentage determined in the same manner set out in Paragraph 11.A(1)(a) through (d), inclusive of this Ordinance).

- R. “Volumetric Rate Fee” or “Volumetric Rate Fees” shall mean the fee or fees based on the Volumetric Rate to be collected and remitted to the City by Grantee as required by Paragraph 11.A(2) of this franchise.

SECTION 2. GRANT OF FRANCHISE

- A. The Grantor hereby grants to Grantee for the term of twenty-five (25) years from the passage and voter approval of this Ordinance and the filing of a written acceptance by the Grantee, the right to enter upon the Public Ways to install, operate and maintain a Distribution System along, across, over and under the Public Ways for the privilege of transporting, distributing and/or selling gas to consumers and the public generally within the municipal corporate limits of the City.
- B. The Ordinance shall have the effect of and shall be a contract between Grantor and Grantee and shall be the measure of the rights and liabilities of Grantor as well as Grantee.
- C. The franchise granted by this Ordinance is not exclusive and nothing herein shall be construed to divest the Grantor of its control and regulation of the Public Ways.

SECTION 3. FRANCHISE ASSIGNMENT, SALE OR LEASE

- A. Grantee shall not have the right to assign, sell, lease, or otherwise transfer in any manner whatsoever to any third party not affiliated with Grantee the rights and privileges granted under this Ordinance except as hereinafter provided. Any assignment, sale, lease, or other transfer by the Grantee of the franchise granted herein to any third party not affiliated with Grantee shall be ineffective and void unless:
- (1) The proposed assignment, sale, lease or transfer shall be in writing;
 - (2) The prospective assignee, buyer, lessee or other transferee shall agree in writing to accept and become responsible for full performance of all conditions, covenants, obligations, and liabilities contained in this Ordinance; and
 - (3) Such writing shall be submitted to the City Clerk of the City.

This Subsection shall not apply to any arrangement which is in compliance with the provisions of Subsection B of this Section. This Section shall not apply to the use of any portion of Grantee's distribution system for the transportation, distribution or sale to any Consumer purchasing, receiving and using natural gas outside the municipal corporate limits of the City.

- B. After the operative date of this Ordinance, Grantee shall have the right to enter into or continue to operate pursuant to any "Transportation Tariff Arrangement" or to enter into or continue any arrangement by which natural gas owned by any party other than Grantee shall be transported, distributed or sold through any portion of Grantee's Distribution System for delivery to any Consumer located within the municipal corporate limits of the City.

SECTION 4. USE AND REPAIR OF THE PUBLIC WAYS

- A. Grantee's Distribution System shall be erected, placed, and laid or otherwise installed, operated and maintained in such a manner as will, consistent with reasonable necessity, least interfere with other public uses of the Public Ways.
- B. Before Grantee shall excavate or disturb the surface of any Public Way, except in the case of emergency, at least forty-eight (48) hours notice shall be given to the City's Engineer, Public Works Director or other proper authority designated in writing by the Grantor. After such excavation or disturbance, the Grantee shall, with due diligence and dispatch, place the Public Way in a condition in compliance with the Grantor's reasonable standards and specifications.
- C. Upon Grantee's failure to commence or complete any construction, maintenance or restoration work required by this Ordinance with due diligence and dispatch, the Grantor may cause such work to be done after written notice to Grantee, given so as to afford Grantee an opportunity to commence and complete such work

within a reasonable time. The cost of such construction, maintenance or restoration incurred by Grantor upon Grantee's failure shall then be charged and collected from the Grantee.

- D. Grantor reserves the right to make and enforce reasonable regulations concerning the construction of Grantee's Distribution System located within, along, across, over, or under the Public Ways and to reasonably designate where the Distribution System's works and pipelines shall be placed, so long as such regulations are not in conflict with the laws of the State of Oklahoma and the United States or the orders, rules or regulations of the Oklahoma Corporation Commission or other regulatory authority having jurisdiction over Grantee.

SECTION 5. REGULATION OF SERVICE

- A. The Distribution System of the Grantee shall at all times be installed, operated and maintained in accordance with accepted good practice and in such condition as will enable the Grantee to furnish adequate and continuous service as required by the orders, rules and regulations of the Oklahoma Corporation Commission or other regulatory authority having jurisdiction. The requirements set forth in this Section shall not relieve Grantee of any other obligations set forth herein.
- B. In the event that the Oklahoma Corporation Commission or other state regulatory authority shall be deprived of the authority to regulate Grantee, then Grantor shall have the authority to set rates, terms and conditions of service for transportation, distribution or sale of natural gas by Grantee within the municipal corporate limits of the City.

SECTION 6. DEPTH OF PIPELINES

After the operative date of this franchise, Grantee's main or lateral lines installed or replaced in Public Ways shall be installed or replaced at depths which comply with all applicable state and federal rules and regulations establishing minimum safety standards for the design, construction, maintenance and operation of pipelines. Depth shall be measured from the lower of existing grade or proposed future grade as set forth on plans or other specifications existing at the time such lines are installed or replaced.

SECTION 7. DUTY TO MOVE OR ALTER LINES

- A. Grantor reserves the right to lay or permit to be laid cables, electric conduits, water, sewer, gas or other pipelines and to do or permit to be done any underground work deemed necessary and proper by the Grantor, along, across, over or under the Public Ways. In permitting such work to be done, the Grantor shall not be liable to the Grantee for any damage to Grantee's pipeline unless Grantor or its agents or contractors are negligent in causing said damage.
- B. Whenever by reason of establishing a grade or changes in the grade of any street or in the location or manner of construction of any public way, cables, electric conduits, water, sewer, gas or other underground structures, it shall be deemed

necessary by the Grantor to alter, change, adapt or conform any portion of Grantee's Distribution System located in the Public Ways, such alterations or changes shall be made within a reasonable time by the Grantee, as ordered in writing by the Grantor, without claim for reimbursement or compensation for damages against Grantor; provided, however, that this Section is not intended to require Grantee to alter, change, adapt or conform any portion of its Distribution System without reimbursement or compensation where the right to locate the same, whether by private right-of-way grant, utility easement or otherwise, was acquired prior to its location in the public way.

- C. If Grantor shall require the Grantee to adapt or conform its Distribution System or in any way to alter, relocate or change its property to enable any other person, firm, corporation or entity (whether public or private), other than the Grantor, to use the Public Ways, the Grantee shall be reimbursed by the person, firm corporation or entity desiring or occasioning such change for any and all loss, cost or expense occasioned thereby.
- D. "Person," "firm," "corporation," and "entity" as used in Subsection C of this Section shall not include regular departments of the Grantor, or any trust or authority formed by or for the benefit of Grantor for public utility purposes, but shall include any other agency or authority of the City, whether acting in a governmental or non-governmental capacity, including, but not limited to, any urban renewal authority, or any other agency or authority, which as a part of its program clears whole tracts of land within the municipal corporate limits and relocates citizens for the purpose of urban development or similar aims.

SECTION 8. INDEMNIFICATION

The Grantee shall indemnify, become responsible for and forever save harmless the Grantor from any and all damages, judgments, reasonable costs and expenses, including attorney fees, which the Grantor may suffer or incur, or which may be legally obtained against the Grantor, for or by reason of the negligent use, repair or occupation of any public way within the municipal corporate limits of the City by the Grantee or its agents, contractors, or subcontractors acting on Grantee's behalf pursuant to the terms of this Ordinance or resulting from the negligent exercise by the Grantee or its agents, contractors, or subcontractors acting on Grantee's behalf of any of its privileges or by reason of its carrying on its business in the City (except where such damages, judgments, reasonable costs and expenses, including attorney fees, result from the negligence of Grantor or its agents, contractors, or subcontractors acting on Grantee's behalf); provided, however, that in the event of such claim or claims being prosecuted against the Grantor, the Grantee shall have the right to defend against the same, and to settle or discharge same in such manner as it may see fit, and the Grantor shall give prompt written notice to the Grantee of the presentation or prosecution of such claims; and provided further, that Grantee shall have no obligation to defend or indemnify Grantor against any claim or claims that result from the negligence of the Grantor or its agents, contractors, or subcontractors acting on Grantee's behalf.

The Grantor shall indemnify, become responsible for and forever save harmless the Grantee from any and all damages, judgments, reasonable costs and expenses, including attorney fees, which the Grantee may suffer or incur, or which may be legally obtained against the Grantee, for or by reason of the negligent use, repair or occupation of any public way within the municipal corporate limits of the City by the Grantor or its agents, contractors, or subcontractors acting on Grantor's behalf (except where such damages, judgments, reasonable costs and expenses, including attorney fees, result from the negligence of Grantee or its agents, contractors, or subcontractors acting on Grantor's behalf); provided, however, that in the event of such claim or claims being prosecuted against the Grantee, the Grantor shall have the right to defend against the same, and to settle or discharge same in such manner as it may see fit, and the Grantee shall give prompt written notice to the Grantor of the presentation or prosecution of such claims; and provided further, that Grantor shall have no obligation to defend or indemnify Grantee against any claim or claims that result from the negligence of the Grantee or its agents, contractors, or subcontractors acting on Grantor's behalf.

SECTION 9. GRANTEE'S RULES AND REGULATIONS

The Grantee shall have the right to make and enforce such reasonable rules and regulations as it may deem necessary for the extension of its facilities, the sale of its gas and the prudent conduct of its business, provided that such rules and regulations shall neither be in conflict with the laws of the State of Oklahoma, with the orders, rules or regulations of the Oklahoma Corporation Commission or other regulatory authority having jurisdiction, nor with the ordinances and regulations of the Grantor insofar as they are consistent with the jurisdiction of the Oklahoma Corporation Commission or such other regulatory authority.

SECTION 10. INSPECTION OF RECORDS

Grantee shall permit Grantor or its agents to inspect, during regular business hours, the books, papers and records kept by Grantee in the ordinary course of business and pertaining to the natural gas business carried on by it in the City, such as plats, maps and atlases identifying Grantee's pipelines in the City, and the books and records necessary to verify the franchise fee payment provided for in Section 11 hereof. Notwithstanding the obligation herein, Grantee shall have the right to request the reasonable protection of proprietary information and to provide redacted documents or require Grantor or its agents to enter into such agreements pertaining to confidentiality as may reasonably protect the proprietary information of Grantee but which do not unreasonably frustrate the purposes of this Section. Grantor shall promptly notify Grantee in writing of areas newly annexed into or de-annexed from the corporate limits of Grantor, and Grantee shall update its records for the purpose of payment of franchise fees as soon as reasonably practicable after receiving such notice.

SECTION 11. CONSIDERATION FOR FRANCHISE: FRANCHISE FEE

- A. In consideration for the rights and privileges enjoyed under this franchise, Grantee agrees to pay Grantor as follows:
 - (1) Grantee shall pay Grantor a franchise fee the sum of which is equal to Three Percent (3%) of the Gross Receipts received by Grantee, per billing

period, from the transportation, distribution, and sale of natural gas for domestic, commercial or industrial consumption within the municipal corporate limits of the City. All sums due from Grantee shall be in lieu of all other franchise, license, or occupational taxes or fees, which may be levied or attempted to be levied on Grantee by the City.

- (a) Beginning July 1, 2024 and continuing through and including June 30, 2029 Grantee shall pay Grantor a franchise fee the sum of which is equal to Three point Zero-Five Percent (3.05%) of the Gross Receipts received by Grantee, per billing period, from the transportation, distribution, and sale of natural gas for domestic, commercial or industrial consumption within the municipal corporate limits of the City. All sums due from Grantee shall be in lieu of all other franchise, license, or occupational taxes or fees, which may be levied or attempted to be levied on Grantee by the City.
- (b) Beginning July 1, 2029 and continuing through and including June 30, 2034 Grantee shall pay Grantor a franchise fee the sum of which is equal to Three point One-Zero Percent (3.10%) of the Gross Receipts received by Grantee, per billing period, from the transportation, distribution, and sale of natural gas for domestic, commercial or industrial consumption within the municipal corporate limits of the City. All sums due from Grantee shall be in lieu of all other franchise, license, or occupational taxes or fees, which may be levied or attempted to be levied on Grantee by the City.
- (c) Beginning July 1, 2034 and continuing through and including June 30, 2039 Grantee shall pay Grantor a franchise fee the sum of which is equal to Three point One-Five Percent (3.15%) of the Gross Receipts received by Grantee, per billing period, from the transportation, distribution, and sale of natural gas for domestic, commercial or industrial consumption within the municipal corporate limits of the City. All sums due from Grantee shall be in lieu of all other franchise, license, or occupational taxes or fees, which may be levied or attempted to be levied on Grantee by the City.
- (d) Beginning July 1, 2039 and continuing through and including the remaining term of the Franchise, Grantee shall pay Grantor a franchise fee the sum of which is equal to Three point Two-Five Percent (3.25%) of the Gross Receipts received by Grantee, per billing period, from the transportation, distribution, and sale of natural gas for domestic, commercial or industrial consumption within the municipal corporate limits of the City. All sums due from Grantee shall be in lieu of all other franchise, license, or

occupational taxes or fees, which may be levied or attempted to be levied on Grantee by the City.

- (2) Grantee shall pay Grantor a sum equal to the then current Volumetric Rate multiplied by the number of Dth of Transport Gas transported or distributed through Grantee's facilities within the municipal corporate limits of the City by Grantee or by any third-party to transport customers for consumption within the City.
- B. In the event a customer of Grantee does not pay a monthly bill from Grantee in full, Grantee shall prorate its payments of remissions to the City for sums due on that particular bill so that the amount actually paid by the customer to Grantee on the bill is distributed to Grantee for the natural gas commodity and transportation or distribution service and to the City for sums due on the bill in proportion to the percentage of the total bill actually paid by the customer. In the event Grantee actually collects any outstanding amounts due on a past due, unpaid or partially paid monthly bill to a customer, then Grantee shall pay Grantor its proportionate share of sums due to the City on such bill.
- C. Grantee's franchise fee based upon a percentage of gross cash receipts or a volumetric rate shall be payable monthly on or before the 25th day of each month, on its gross cash receipts for the preceding calendar month.
- D. All sums due from Grantee under this Section shall be in lieu of all other franchise, license, or occupation taxes or fees, which may be levied or attempted to be levied on Grantee by the City including, but not limited to, any permit fees, lane closure fees and similar fees or charges for construction, installation, maintenance or restoration work on the Distribution System within the Public Ways.
- E. The City's chief administrative officer or his designee may waive the Volumetric Rate Fee or any part thereof due from a Transport Gas Consumer, but such waiver shall only be granted if:
 - (1) The Transport Gas Consumer is a City facility, public school district, or higher education institution using Transport Gas within the municipal corporate limits of the City.
 - (2) The Transport Gas Consumer could otherwise obtain its energy needs from another source that would not be subject to the fees imposed in Subparagraph 2 of Subsection 11.A above and sufficient evidence is produced by the Transport Gas Consumer so as to substantiate such alternative source; and
 - (3) Such alternative source, including all other fees, would be less than the cost of utilizing Grantee to furnish and transport the gas or transport alone, as the case may be.

- F. Grantee shall update its records for the purpose of franchise fee payments as soon as reasonably practicable after receiving such notice.
- G. In the event the accounting rendered to Grantor by Grantee is found to be incorrect, then payment shall be made on the corrected amount, it being agreed that Grantor may accept amount offered by Grantee, but the acceptance thereof by Grantor shall not be deemed a settlement of such item if the amount is in dispute or later found to be incorrect. Grantee shall have no obligation, however, to make payment upon Transport Gas for which Grantee has not been paid. Grantee shall provide notice to Grantor of such delinquent accounts within ninety (90) days and Grantor shall hold Grantee harmless from the cost or liability for the collection of franchise fees on such delinquent accounts.
- H. Grantor agrees that the franchise fee percentage rate set forth in Subsection 11.A, at Paragraphs (1) and (2), of this Ordinance shall in no event exceed the percentage rate hereafter approved to calculate any fee paid to Grantor by any other person or entity for use of the Public Ways if such fee or volumetric rate is based in any way on the amount of revenues or gross receipts from the transportation, distribution, or sale of natural gas or electric energy, excluding any municipally-owned electric utility, by such other person or entity to ultimate Consumers within the City. If at any time after the effective date of this Ordinance the fee or rate required to be paid by another is less than the percentage rate set forth in Paragraphs A(1) or (2) of Section 11, then the percentage rate set forth in Paragraphs A(1) or (2) of Section 11 of this Ordinance shall be reduced to equal such lesser percentage rate on the date such lesser percentage rate becomes effective and without any further action by the City or the qualified electors residing therein.

SECTION 12. CONDITIONS OF FRANCHISE

This contract, franchise, grant and privilege is granted and accepted under and subject to all applicable laws and under and subject to all of the orders, rules, and regulations now or hereafter adopted by governmental bodies now or hereafter having jurisdiction.

SECTION 13. INVALIDITY OF ORDINANCE

If any clause, sentence, or section of this Ordinance shall be held to be invalid, it shall not affect the remaining portions of this Ordinance, which shall remain valid and effective as if such invalid provision did not exist, although the parties shall be entitled to a judicial interpretation or construction of this Ordinance to address the validation of such provision by minimal amendment thereof. Further, should any governmental body now or hereafter having jurisdiction determine that Grantee shall not be permitted to collect in whole or in part the compensation due Grantor by others for Transport Gas as set forth in Subsection B of Section 3 and Paragraph (2) of Subsection A of Section 11 of this Ordinance, Grantee shall thereafter have no obligation to make such payment to Grantor and Subsection B of Section 3 and Paragraph (2) of Subsection A of Section 11 shall be of no force and effect.

SECTION 14. RIGHT TO RENEGOTIATE FRANCHISE (REOPENER)

- A. If, after acceptance of this Ordinance, any legislation, rule, regulation, or regulatory order is enacted that significantly restructures the natural gas utility industry in a manner that affects the compensation provided to Grantor or paid by Grantee in an amount greater than \$100,000 or rights granted to Grantee or Grantor, then either party, within twelve (12) months from the effective date of said legislation, rule, regulation, or regulatory order may request renegotiation of the franchise by giving thirty (30) days written notice to the other.
- B. Upon receipt of such notice to renegotiate, the parties shall endeavor to address the issue of a revised franchise and make reasonable efforts to resolve the issue. If after a period of six (6) months from receipt of said notice, the parties are unable to reach an agreement on a revised franchise, either party shall have the option, for a period of six (6) months thereafter, to terminate the franchise upon giving twelve (12) months advance written notice.
- C. If agreement is reached on a revised franchise between the Grantor and Grantee, the issue of revision of the franchise shall be submitted for election by the qualified electors of the City in accordance with applicable laws. If a majority of the qualified electors of the City vote against the revision of the franchise, the franchise then in effect will continue in full force until the end of the term provided for herein.
- D. An unsuccessful election held pursuant to the provisions of this Section 14 shall not prevent either party from subsequently requesting renegotiation of the franchise under Subsection A hereof if, after the unsuccessful election, any additional legislation, rule, regulation, or regulatory order is enacted that significantly restructures the natural gas utility industry in a manner that affects the competition provided to Grantor or paid by Grantee in an amount greater than \$100,000 or rights granted to Grantee or Grantor.

SECTION 15. ELECTION REQUIRED

This Ordinance shall not become operative until it shall be approved by a majority of the qualified electors voting thereon residing within the municipal corporate limits of the City at an election called for that purpose, and a special election is hereby called for the purpose of submitting to the qualified electors residing in said City, the question of approval or disapproval of this Ordinance, which election shall be held on the ___ day of _____, 2019, between the hours prescribed by law. The Mayor of the City is hereby authorized and directed to issue a proper and lawful call and proclamation of such special election to be held on such date as aforesaid for said purpose, and the City Council of the City are hereby directed to give due and lawful notice of such election and submission of said question to the electors of said City as prescribed by law and the ordinances of the City.

SECTION 16. ACCEPTANCE, OPERATIVE AND EFFECTIVE DATE; EMERGENCY

In the event this Ordinance is approved by a majority vote of said electors voting thereon at said election, the Grantee shall file with the City Clerk, within thirty days after the official canvass of the votes and declaration by the City Council of the results thereof, a written acceptance. This Ordinance shall become *operative* on the date of filing of such acceptance.

An emergency is hereby declared to exist by reason of the fact that no other person, firm or corporation has a franchise to furnish natural gas to residents and inhabitants of the City, and for the preservation of the public peace, health and safety, and by reason whereof this Ordinance shall be *effective* immediately from and after its passage, approval and publication.

SECTION 17. REPEALER

Each and every other ordinance or part thereof which is directly in conflict with any provision herein as to the grant of a franchise for natural gas services and the regulation thereof is hereby repealed.

SECTION 18. SEVERABILITY

The provisions of this Ordinance are severable, and if any part or provision hereof shall be adjudged invalid by any court of competent jurisdiction, such adjudication shall not affect or impair any of the remaining parts or provisions hereof.

PASSED and the emergency clause ruled upon separately and passed and approved by the City Council of the City of Midwest City, Oklahoma, this ____ day of _____, 2019.

Mayor

ATTEST:

City Clerk

APPROVED:

City Attorney

Exhibit "A"

**The City of Midwest City, Oklahoma
Volumetric Rate Calculation Form
For the Transportation of Natural Gas in Pipelines Located in the City of Midwest City, Oklahoma**

Based on the NYMEX settlement prices for each month of the twelve forward months as occurred on the 15th of each month, published the following business day.

Source: *Wall Street Journal*

Deadline: Form must be filed each year with the City Clerk by July 31 and notice sent to the Natural Gas Companies.

Month	Last Year Jul 15	Last Year Aug 15	Last Year Sep 15	Last Year Oct 15	Last Year Nov 15	Last Year Dec 15	This Year Jan 15	This Year Feb 15	This Year Mar 15	This Year Apr 15	This Year May 15	This Year Jun 15
Aug Last Year												
Sep Last Year												
Oct Last Year												
Nov Last Year												
Dec Last Year												
Jan Current Year												
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Apr Next Year												
May Next Year												
Jun Next Year												
Avg Settlement Price												

July ____ through June ____ settlement price average	_____
X. Bundled Franchise Fee Rate	_____ %
= Volumetric Rate/MCF	_____

Note: If the 15th of the month falls on a week-end or holiday, then use the next business day settlement price.



City Clerk
100 N. Midwest Boulevard
Midwest City, OK 73110
office 405.739.1240
fax 405.869.8655

TO: Honorable Mayor and Council


FROM: Sara Hancock, City Clerk

DATE: April 9, 2019

SUBJECT: Discussion and consideration approving a Resolution of the City of Midwest City, Oklahoma, authorizing the calling and holding of a special election in the City of Midwest City, County of Oklahoma, State of Oklahoma, on Tuesday, the 11th day of June 2019, for the purpose of submitting to the qualified electors of the City of Midwest City, Oklahoma, the question for their approval or rejection of approving Ordinance No. _____ relating to the Oklahoma Natural Gas Company Franchise Agreement.

Please see the attached resolution which authorizes the calling and holding of a special election to vote upon the proposed ordinance which provides for a twenty-five (25) year ONG non-exclusive franchise agreement.

Action is at the Council's discretion.



Sara Hancock, City Clerk

1 RESOLUTION NO. 2019-_____

2 A RESOLUTION OF THE CITY OF MIDWEST CITY, OKLAHOMA, AUTHORIZING
3 THE CALLING AND HOLDING OF A SPECIAL ELECTION IN THE CITY OF MID-
4 WEST CITY, COUNTY OF OKLAHOMA, STATE OF OKLAHOMA, ON TUESDAY,
5 THE 11TH DAY OF JUNE 2019, FOR THE PURPOSE OF SUBMITTING TO THE
6 QUALIFIED ELECTORS OF THE CITY OF MIDWEST CITY, OKLAHOMA, THE
7 QUESTION FOR THEIR APPROVAL OR REJECTION OF APPROVING ORDI-
8 NANCE NO. _____ RELATING TO THE OKLAHOMA NATURAL GAS COM-
9 PANY FRANCHISE AGREEMENT.

8 RESOLUTION

9 BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MIDWEST CITY:

10 SECTION 1. The mayor of the City of Midwest City, Oklahoma, is hereby authorized and di-
11 rected to call a special election to be held in the City of Midwest City, Oklahoma, on Tuesday,
12 the 11th day of June 2019, for the purpose of submitting to the qualified electors of the City of
13 Midwest City, Oklahoma, for their approval or rejection the following proposition:

14 **PROPOSITION**

15 Shall Ordinance No. _____ of the City of Midwest City, Oklahoma, be approved by
16 the people, granting to One Gas, Inc., acting by and through its Oklahoma Natural Gas
17 Company Division, for a period of twenty-five (25) years from the approval and ac-
18 ceptance of this ordinance, a non-exclusive franchise for the purposes of transporting,
19 distributing and selling gas; fixing compensation; providing for submission of ordinance
20 to an election of the qualified voters of the City of Midwest City; providing for ac-
21 ceptance by Grantee; and repealing conflicting Ordinances.

22 SECTION 2. The call for such special election shall be by proclamation, signed by the mayor
23 and attested by the city clerk, setting for the proposition to be voted upon, and the hours of open-
24 ing and closing of the polls. The returns of such election shall be made to and canvassed by the
25 Oklahoma County Election Board.

26 PASSED AND APPROVED by the mayor and council of the City of Midwest City, Oklahoma
27 this ____ day of _____, 2019.

28 CITY OF MIDWEST CITY, OKLAHOMA

29 _____
30 MATTHEW D. DUKES II, Mayor

31 ATTEST:

32
33 _____
34 SARA HANCOCK, City Clerk
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APPROVED as to form and legality this ____ day of _____ 2019.

HEATHER POOLE, City Attorney

I, the undersigned city clerk of the City of Midwest City, Oklahoma, hereby certify that the foregoing is a true, correct and complete copy of a resolution of said city duly adopted by the governing body of said city at a meeting held on the date therein stated as the same appears in the minutes of said meeting on file in my office as part of the official records thereof.

City Clerk, City of Midwest City, Oklahoma

1 **SPECIAL ELECTION PROCLAMATION**

2
3 Pursuant to Resolution No. _____, duly adopted by the governing body of the City of
4 Midwest City, Oklahoma, the undersigned mayor of the city hereby calls a special election to be
5 held on the 11th day of June 2019, for the purpose of submitting to all of the registered qualified
6 electors residing within the city the following proposition:

7 **PROPOSITION**

8 Shall Ordinance No. _____ of the City of Midwest City, Oklahoma, be approved by
9 the people, granting to One Gas, Inc., acting by and through its Oklahoma Natural Gas
10 Company Division, for a period of twenty-five (25) years from the approval and ac-
11 ceptance of this ordinance, a non-exclusive franchise for the purposes of transporting,
12 distributing and selling gas; fixing compensation; providing for submission of ordinance
13 to an election of the qualified voters of the City of Midwest City; providing for ac-
14 ceptance by Grantee; and repealing conflicting Ordinances.

15 The polling places for said election shall be opened at 7:00 o'clock a.m. and shall remain open
16 until and be closed at 7:00 o'clock p.m. on that day.

17 All registered qualified electors residing within the boundaries of Midwest City shall be entitled
18 to vote on the foregoing proposition at said election.

19 DATED AND ISSUED this 09th day of April, 2019.

20 THE CITY OF MIDWEST CITY, OKLAHOMA

21 _____
22 MATTHEW D. DUKES II, Mayor

23 ATTEST:

24 _____
25 SARA HANCOCK, City Clerk

26 APPROVED as to form and legality this _____ day of April, 2019.

27 _____
28 Heather Poole, City Attorney

29 I, the undersigned city clerk of the City of Midwest City, Oklahoma, hereby certify that the fore-
30 going is a true, correct and complete copy of a proclamation of said city duly adopted by the
31 governing body of said city at a meeting held on the date therein stated as the same appears in
32 the minutes of said meeting on file in my office as part of the official records thereof.

33 _____
34 City Clerk, City of Midwest City, Oklahoma
35