

ORDINANCE NO. 351

AN ORDINANCE granting to The Gas Service Company, a corporation operating a gas distribution system in the City of Wathena, 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. 211.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF

WATHENA, KANSAS:

SECTION 1. That there is hereby granted to The Gas Service Company, a corporation operating a gas distribution system in the City of Wathena, 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 free of cost 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, which meter shall at all times be the property of the Grantee but subject to inspection by said City; shall at all times save the City harmless from any and all damages which said City may be liable to pay that may arise from the construction, maintenance and operation of its plant system or any part thereof; shall limit all excavations of streets, alleys or public places to the necessities of efficient operation and shall not at any one time open or encumber more of any highway or public place than shall be reasonably necessary to enable Grantee to proceed with advantage in laying or repairing mains or pipes and shall not permit such highway or public place to remain open longer than necessary for the purpose for which it was opened; shall refill all excavations and replace all pavement with like material and leave same in as good condition as when altered or removed; shall perform all work on streets, alleys and public places under supervision of a representative of said City if so desired; and shall repay said City all expense to which it has been put in the repair or replacement of streets, highways or pavements in the event such work is done by said City after the neglect or refusal of Grantee to perform same in reasonable time.

SECTION 4. As a further consideration for the rights, privilege and franchise hereby granted and in lieu of all occupation and license taxes, the Grantee shall not later than February 1st and August 1st respectively in each year make a report to the governing body of the City of Wathena of its gross receipts from the sale of gas for all purposes within said City for the six months' period ending at the last meter reading preceding December 31st and June 30th respectively; and at the time of making such report, pay into the City Treasury a sum equal to five (5%) per cent of said gross receipts from the sale of gas for domestic purposes, and one (1%) per cent of its gross receipts from the sale of gas for industrial purposes, which shall have accrued

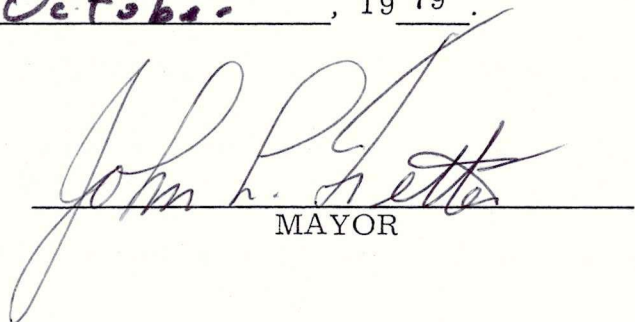
subsequent to the effective date of this franchise. Industrial sales shall be considered as those made under special contracts providing for stand-by fuel and interruption of service at any time demands of domestic consumers may so require.

SECTION 5. 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.

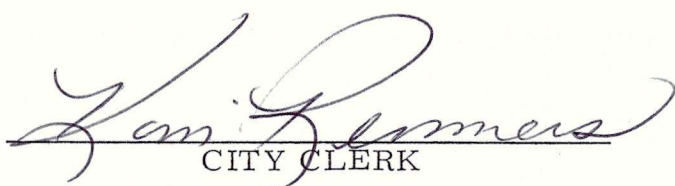
SECTION 6. That Ordinance No. 211 is hereby repealed.

SECTION 7. 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 2nd day of October, 19 79.


MAYOR

ATTEST:


CITY CLERK