

CITY OF MOLENA

(25) 1/4

ORDINANCE NO. 25

An ordinance to amend an ordinance dated 4/18, 1969, granting Atlanta Gas Light Company (hereafter Company) a franchise for the use of rights of way and other public property for the purpose of distributing gas within the City of Molena, so as to modify the franchise fee calculation provisions; to repeal conflicting laws; to provide an effective date; and for other purposes.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF Molena,  
GEORGIA:

SECTION 1. An ordinance dated 4/18, 1969, granting Atlanta Gas Light Company a franchise for the use of rights of way and other public property for the purpose of distributing gas within the City of Molena, is hereby amended by inserting the following:

Section 1. Definitions:

- (a) "Base Year" means the fiscal year ending September 30, 1998.
- (b) "Base Year Franchise Fee Factor" means the total franchise fees paid during the Base Year divided by the Design Day Capacity as recorded by the Company on the last day of the Base Year.
- (c) "Design Day Capacity" means the sum of the individual capacity in dekatherms (Dt) attributable to all firm customers located within the city limits of the City as of the last day of the previous fiscal year.
- (d) "Firm Customers" means all residential and business customers who purchase gas service that ordinarily is not subject to interruption or curtailment.
- (e) "Fiscal Year" means the 12 months ending September 30, of each year.
- (f) "Inflation Index" means the percentage change in the Consumer Price Index for all Urban Consumers as published by the Bureau of Labor Statistics, or any successor index, for the period from September 30, 1997, to the beginning of the then current

fiscal year. The percentage shall be reduced by any productivity factor adjustment for the same time period determined by the Georgia Public Service Commission for the Company.

Section 2. Franchise Fee.

The total dollar amount of franchise fees paid by the Company to the city shall be calculated as follows:

The current fiscal year total franchise fee shall equal the product of the Design Day Capacity and the current Franchise Fee Factor. The current Franchise Fee Factor shall be equal to the product of the Base Year Franchise Fee Factor and one plus the Inflation Index expressed as a decimal to three significant digits.

The following formula quantifies this payment:

$$FF = FFF_{by} \times (1 + (CPI - PFA)) \times DDC$$

Where FF = Total Franchise Fees due the city for the current fiscal year.

FFF<sub>by</sub> = the Base Year Franchise Fee Factor.

CPI - PFA = the Inflation Index based on the cumulative change in the CPI less the Productivity Factor adjustment determined by the Georgia Public Service Commission.

DDC = the Design Day Capacity as of the last day of the previous Fiscal Year.

FFF<sub>by</sub> = FF<sub>by</sub> / DDC<sub>by</sub>, where

FF<sub>by</sub> = Total Franchise Fee paid in the Base Year

and DDC<sub>by</sub> = Design Day Capacity of the Base Year.

[-----illegible-----] The Company as the holder of the franchise privilege hereunder is responsible for the payment of all franchise fees payable hereunder, and shall file such reports and returns as required by

this franchise ordinance or modified by this Amendment. In addition, the Company shall report annually the names of all gas marketers for which Company is transporting natural gas on the distribution system within the City.

The franchise fee payments required hereunder shall be in lieu of any franchise fee license fee, occupation tax or other payment for use of the rights of way by the Company for the provision of gas service, but shall not prohibit imposition of a license fee or an occupation tax on gas marketers.

Section 4. Quarterly Payments. Effective for the Fiscal Year 1998, and for each Fiscal Year thereafter during the term of the franchise ordinance, the Company shall remit to the City quarterly franchise fee installments. The installments shall equal to one-fourth (1/4) of the total annual franchise fee calculated in accordance with this ordinance.

The quarterly payment is due and payable on or before the 30<sup>th</sup> day following the last day of each calendar quarter.

Section 5. Annual Return. The Company shall file a return with its first quarterly installment in each Fiscal Year showing the details of the calculation of the annual franchise fee.

Section 6. Delay of Inflation adjustment. Notwithstanding any other provision in this ordinance, any inflation adjustments shall be made to the franchise fee only when the Company changes its rates.

Section 7. Conflicts. In the event of a conflict between this ordinance and the original franchise dated 4/16, 1969, this ordinance shall control: All terms, conditions and stipulations contained in such franchise ordinance shall remain in full force and effect to the extent that they do not conflict with this ordinance.”

and by renumbering the remaining sections accordingly.

SECTION 2. All ordinances and part of ordinances in conflict with this ordinance are repealed.

SECTION 3. This ordinance shall become effective on the first day of the month following its approval by the Mayor and Council and its acceptance by Atlanta Gas Light Company.

Approved by the Mayor and Council of the City of Molena, Georgia, in the 12<sup>th</sup> day of October, 1998.

(SEAL)

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Mayor, City of Molena

ATTEST:

\_\_\_\_\_  
Clerk of the City of Molena, Georgia

Accepted on behalf of Atlanta Gas Light Company, this \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

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\_\_\_\_\_  
Title  
Authorized representative for Atlanta Gas Light Company