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4.04.01 Electric privileges granted to Arkansas Valley Electric Cooperative Corp The city of Clarksville, Arkansas, (hereafter called Grantor) hereby grants to Arkansas Valley Electric Cooperative Corporation, its successors and assigns (hereinafter called Grantee), the exclusive right, privilege and authority within that portion of the city of Clarksville, Arkansas, that is presently served by Grantee pursuant to the authority granted by the Arkansas Public Service Commission (1) to sell, furnish, transmit and distribute electric power and energy to all inhabitants and consumers within said limits, and (2) to construct, maintain and operate a system for such purposes and to enter on, under and upon and use any and all of the streets, alleys, avenues, bridges and other public grounds and ways within said areas belonging to, or under the control of Grantor for the maintenance and operation of facilities and appliances necessary for the sale, transmission and distribution of said electric service (hereinafter called facilities). Provided, however, that nothing contained in this ordinance shall be construed to preclude or limit the right of the city of Clarksville to establish and extend its own electrical facilities so as to sell, furnish, transmit and distribute electric power and energy to the inhabitants of said areas and portions of the city of Clarksville covered by this ordinance regardless of whether same might lessen the profits of Grantee or destroy the value of its investment in such areas; and provided further that the right and privilege granted hereby shall be subject to the vested right of the city of Clarksville to acquire the property, system and facilities of Grantee used or useful for the convenience of the public in such areas within the city of Clarksville upon ninety (90) days' notice for just compensation and damages, including severance damages, if any, under the terms and conditions of purchase determined by the Arkansas Public Service Commission if the parties shall be unable to agree on terms or conditions of sale. Nothing contained in this ordinance shall be construed to grant to the Grantee any right or privilege to sell electricity at retail in any area within the city of Clarksville in which the Grantee was not providing such service prior to the passage of this ordinance and no extension or expansion of such services or facilities shall be made by Grantee without the approval of Grantor. (Ord. No. 96, Sec. 1.)

4.04.02 Rights and responsibilities of Grantor and Grantee Grantee shall, and does by acceptance hereof, agree to provide for the city and its inhabitants within said areas, adequate and reasonable electric service as a public utility and consents to a future purchase of its property actually used and useful for the convenience of the public in said areas by the city of Clarksville as provided by Act 324 of the 1935 Acts of the General Assembly of the state of Arkansas. (Ord. No. 96, Sec. 2.)

4.04.03 Rights and responsibilities of Grantor and Grantee All facilities of Grantee which may be located on public property, as authorized herein, shall be located so as to not unreasonably obstruct public use and travel. Grantee's facilities and operations shall at all time meet the standards prescribed by the National Electrical Safety Code, and Grantee shall observe all ordinances of the city of Clarksville. Grantee shall promptly replace or repair all damages to public property caused by its operations hereunder without loss or expense thereby to Grantor (Ord. No. 96, Sec. 3)

4.04.04 Termination procedure The rights, privileges and authority hereby granted shall continue from the date of passage of this ordinance, and thereafter, until terminated in accordance with provisions of Section 44 of Act 324 of the 1935 Acts of the state of Arkansas A.C.A. 14-200-103. (Ord. No. 96, Sec. 4)

4.04.05 Rights of Grantee Grantee is hereby given the right to trim, cut and remove trees, shrubbery or growth on or in public property which interfere or offer hazards to the operation of Grantee's facilities used or useful for the rendition of electric service hereunder. (Ord. No. 96, Sec. 4.)

4.04.06 Rates The rates which are to be charged by Grantee for electric service to retail customers hereunder shall be those which are now lawfully approved or prescribed, and as said rates may, from time to time, be amended in accordance with law or by any regulatory authority having jurisdiction thereof. (Ord. No. 96, Sec. 5)

4.04.07 City not liable for negligence of Grantee Grantee shall indemnify the Grantor against any damage or injury to persons or property arising from the operation of Grantee and shall hold and save harmless the Grantor from any damage, injury, loss or expense caused by the negligence of the Grantee or its agents, servants or employees, in constructing, operating and maintaining said facilities or in repairing or replacing any streets, avenues, alleys, bridges or other public grounds. (Ord. No. 396, Sec. 7)

4.04.08 Franchise tax Beginning April 1, 1981, and thereafter during the life of this franchise, the Grantee shall pay to the city of Clarksville each quarter, a franchise or privilege tax in an amount equal to: Four percent (4%) of the preceding quarter's gross residential, commercial and industrial electric revenues as paid to the Grantee by residential, commercial and industrial customers located within the areas of the city of Clarksville served by Grantee. Residential, commercial and industrial electric revenues are those revenues so classified pursuant to Grantee's uniform classification standards. Grantor shall have the right to examine and verify, from the records of the Grantee, any data relating to the gross revenues of Grantee from customers on which said franchise tax is due. In the event of a controversy between the Grantor and Grantee as to the amount of gross revenues received by Grantee in the city of Clarksville upon which said tax is due, Grantor shall have the option to refer said controversy to the Arkansas Public Service Commission, or other regulatory agency having jurisdiction of Grantee, or to pursue any and all other legal and equitable remedies available to Grantor. (Ord. No. 96, Sec. 8.)

4.04.09 In lieu of other payments Said tax shall be paid in lieu of all other taxes, licenses, charges, fees or impositions except general license or permit fees, special millage taxes, general ad valorem taxes and other general taxes or fees applicable to all citizens, taxpayers and business enterprises. Provided, that nothing

herein shall be construed as an abandonment, relinquishment or waiver of the taxing authority of the city of Clarksville under the laws of the state of Arkansas. (Ord. No. 96, Sec. 9.)

4.04.10 Contract Upon written acceptance by Grantee, this ordinance shall constitute a contract between Grantor and the Grantee, and its successors and assigns. (Ord. No. 96, Sec. 10.)

4.04.11 Electric privileges granted to Oklahoma Gas and Electric Company The city of Clarksville, Arkansas (hereinafter called Grantor) hereby grants to Oklahoma Gas and Electric Company, its successors and assigns (hereinafter called Grantee), the right, privilege and authority within that portion of the city of Clarksville, Arkansas, that is presently served by Grantee pursuant to the authority granted by the Arkansas Public Service Commission (1) to sell, furnish, transmit and distribute electric power and energy to all inhabitants and consumers within said limits, and (2) to construct, maintain and operate a system for such purposes and to enter on, under and upon and use any and all of the streets, alleys, avenues, bridges and other public grounds and ways within said areas belonging to, or under the control of Grantor for the maintenance and operation of facilities and appliances necessary for the sale, transmission and distribution of said electric service (hereinafter called facilities). Provided, however, that nothing contained in this ordinance shall be construed to preclude or limit the right of the city of Clarksville to establish and extend its own electrical facilities so as to sell, furnish, transmit and distribute electric power and energy to the inhabitants of said areas and portions of the city of Clarksville covered by this ordinance regardless of whether same might lessen the profits of Grantee or destroy the value of its investment in such areas; and provided further that the right and privilege granted hereby shall be subject to the vested right of the city of Clarksville to acquire the property, system and facilities of Grantee used or useful for the convenience of the public in such areas within the city of Clarksville upon ninety (90) days' notice for just compensation and damages, including severance damages, if any, under the terms and conditions of purchase determined by the Arkansas Public Service Commission if the parties shall be unable to agree on terms or conditions of sale. Nothing contained in this ordinance shall be construed to grant to the Grantee any right or privilege to sell electricity at retail in any area within the city of Clarksville in which the Grantee was not providing such service prior to the passage of this ordinance and no extension or expansion of such services or facilities shall be made by Grantee without the approval of Grantor. (Ord. No. 95, Sec. 1.)

4.04.12 Rights and responsibilities of Grantor and Grantee Grantee shall, and does by acceptance hereof, agree to provide for the city and its inhabitants within said areas, adequate and reasonable electric service as a public utility and consents to a future purchase of its property actually used and useful for the convenience of the public in said areas by the city of Clarksville as provided by Act 324 of the 1935 Acts of the General Assembly of the state of Arkansas. (Ord. No. 95, Sec. 2.)

4.04.13 Rights and responsibilities of Grantor and Grantee All facilities of Grantee which may be located on public property, as authorized herein, shall be located so as to not unreasonably obstruct public use and travel. Grantee's facilities and operations shall at all time meet the standards prescribed by the National Electrical Safety Code, and Grantee shall observe all ordinances of the city of Clarksville. Grantee shall promptly replace or repair all damages to public property caused by its operations hereunder without loss or expense thereby to Grantor (Ord. No. 95, Sec. 3)

4.04.14 Termination procedure The rights, privileges and authority hereby granted shall continue from the date of passage of this ordinance, and thereafter, until terminated in accordance with provisions of Section 44 of Act 324 of the 1935 Acts of the state of Arkansas A.C.A. 14-200-103. (Ord. No. 95, Sec. 4)

4.04.15 Rights of Grantee Grantee is hereby given the right to trim, cut and remove trees, shrubbery or growth on or in public property which interfere or offer hazards to the operation of Grantee's facilities used or useful for the rendition of electric service hereunder. (Ord. No. 95, Sec. 5.)

4.04.16 Rates The rates which are to be charged by Grantee for electric service to retail customers hereunder shall be those which are now lawfully approved or prescribed, and as said rates may, from time to time, be amended in accordance with law or by any regulatory authority having jurisdiction thereof. (Ord. No. 95, Sec. 6)

4.04.17 City not liable for negligence of Grantee Grantee shall indemnify the Grantor against any damage or injury to persons or property arising from the operation of Grantee and shall hold and save harmless the Grantor from any damage, injury, loss or expense caused by the negligence of the Grantee or its agents, servants or employees, in constructing, operating and maintaining said facilities or in repairing or replacing any streets, avenues, alleys, bridges or other public grounds. (Ord. No. 95, Sec. 7)

4.04.18 Franchise tax Beginning April 1, 1981, and thereafter during the life of this franchise, the Grantee shall pay to the city of Clarksville each quarter, a franchise or privilege tax in an amount equal to: Four percent (4%) of the preceding quarter's gross residential, commercial and industrial electric revenues as paid to the Grantee by residential, commercial and industrial customers located within the areas of the city of Clarksville served by Grantee. Residential, commercial and industrial electric revenues are those revenues so classified pursuant to Grantee's uniform classification standards. Grantor shall have the right to examine and verify, from the records of the Grantee, any data relating to the gross revenues of Grantee from customers on which said franchise tax is due. In the event of a controversy between the Grantor and Grantee as to the amount of gross revenues received by Grantee in the city of Clarksville upon which said tax is due, Grantor shall have the

option to refer said controversy to the Arkansas Public Service Commission, or other regulatory agency having jurisdiction of Grantee, or to pursue any and all other legal and equitable remedies available to Grantor.

Said tax shall be paid in lieu of all other taxes, licenses, charges, fees or impositions except general license or permit fees, special millage taxes, general ad valorem taxes and other general taxes or fees applicable to all citizens, taxpayers and business enterprises. Provided, that nothing herein shall be construed as an abandonment, relinquishment or waiver of the taxing authority of the city of Clarksville under the laws of the state of Arkansas. (Ord. No. 95, Sec. 9.)

4.04.19 Contract Upon written acceptance by Grantee, this ordinance shall constitute a contract between Grantor and the Grantee, and its successors and assigns. (Ord. No. 95, Sec. 10.)

4.04.20 Electric rates for Clarksville Light and Water Company The following electric energy rates and terms and conditions of electric service are hereby fixed as rates to be charged for electric energy by the Clarksville Light and Water Company, which rates the City Council hereby finds and declares to be reasonable and necessary minimum rates to be charged beginning April 1, 2014. (Ord. No. 2014-716.)

RATE SCHEDULE R-1 (RESIDENTIAL)

Availability: At any point on the Company's distributing system.

Application: For residential service to single residences or individual family apartments supplied through one (1) meter, including incidental family use on the appurtenant premises.

The rate schedule is not applicable to commercial type use on the appurtenant premises such as chicken brooding. Where a portion of the residence premises, not separately metered, is used for non-residential purposes, the predominant use of the service, as determined by the Company, shall determine the rate schedule applicable to all service. Service is for the use of the customer and may not be shared and may not be resold to others. Not applicable to standby or supplementary service.

Character of service: Service will normally be single-phase sixty (60) cycle, at approximately 120/240 volts. However, three-phase service may be furnished if approved by the Clarksville Light and Water Company.

Net monthly rate: For consumption beginning with April billing cycle meter readings each year

	April 1, 2014
Base/customer charge	\$7.50
First 1000 Kwh	\$0.0608
All additional Kwh	\$0.0442

Base/customer charge monthly bill: A fixed charge of Seven Dollars and Fifty Cents (\$7.50) will be charged on a monthly basis regardless of consumption quantity.

Fuel adjustment: The above energy charges will be increased or decreased to reflect the charge in the cost of fuel and purchased power incurred by the Company for the supply of service hereunder, as prescribed in Fuel Adjustment Clause.

Taxes: The net monthly bill is subject to the addition of all taxes levied on power bills.

Payment: Payment shall be due fifteen (15) days from the billing date and if not paid on or before the fifteenth (15th) day following the billing date, a late charge of ten percent (10%) may be added to the bill.

Contract period: Month to month except as otherwise required by a line extension agreement. (Ord. No. 2014-716.)

RATE SCHEDULE R-2 (RESIDENTIAL)

Availability: At any point on the Company's distributing system.

Application: For residential service to single residences or individual family apartments supplied through one (1) meter, including incidental family use on the appurtenant premises where such electric service is in the primary source for heating the entire residence or apartment dwelling unit (including the water heater).

The rate schedule is not applicable to commercial type use on the appurtenant premises such as chicken brooding. Where a portion of the residence premises, not separately metered, is used for non-residential purposes, the predominant use of the service, as determined by the Company, shall determine the rate schedule applicable to all service. Service is for the use of the customer and may not be shared and may not be resold to others. Not applicable to standby or supplementary service.

Character of service: Service will normally be single-phase sixty (60) cycle, at approximately 120/240 volts. However, three-phase service may be furnished if approved by the Clarksville Light and Water Company.

Net monthly rate:

- A. For meter readings in the months of May, June, July, August, September and October:

	April 1, 2014
Base/customer charge	\$7.50
First 1000 Kwh	\$0.0608
All additional Kwh	\$0.0442

- B. For meter readings in the months of November, December, January, February, March and April:

	April 1, 2014
Base/customer charge	\$7.50
First 1000 Kwh	\$0.0608
All additional Kwh	\$0.0342

Base/customer charge monthly bill: A fixed charge of Seven Dollars and Fifty Cents (\$7.50) will be charged on a monthly basis regardless of consumption quantity.

Fuel adjustment: The above energy charges will be increased or decreased to reflect the charge in the cost of fuel and purchased power incurred by the Company for the supply of service hereunder, as prescribed in Fuel Adjustment Clause.

Taxes: The net monthly bill is subject to the addition of all taxes levied on power bills.

Payment: Payment shall be due fifteen (15) days from the billing date and if not paid on or before the fifteenth (15th) day following the billing date, a late charge of ten percent (10%) may be added to the bill.

Contract Period: Month to month except as otherwise required by a line extension agreement. (Ord. No. 2014-716.)

RATE SCHEDULE C (COMMERCIAL)

Availability: At any point on the Company's distributing system.

Application: For small commercial for lighting and power purposes supplied through one (1) point of delivery. Available to multi-residential dwellings when metered through one (1) supply point. Not applicable to resale, shared, standby or supplementary service.

Character of service: Single or three-phase, sixty (60) cycles and at one (1) standard delivery voltage required by customer and available at customer's service location where service is delivered and metered at voltages less than 12,500y/7,200 with a maximum demand not to exceed fifty (50) KW. Notwithstanding the voltage and maximum demand limitations will not apply to educational institutions (public schools, universities, etc.)

Net monthly rate: For consumption beginning with April billing cycle meter readings each year

	April 1, 2014
Base/customer charge	\$10.00
First 1000 Kwh	\$0.0597
All additional Kwh	\$0.0518

Base/customer charge monthly bill: A fixed charge of Ten Dollars (\$10.00) will be charged on a monthly basis regardless of consumption quantity.

Three-phase service: When three-phase service is supplied, a monthly charge of Thirty dollars (\$30.00) will be added to the net monthly charges applicable to single-phase service. In the event a primary line extension is necessary, customer will reimburse company for the excess construction cost of the three phase primary line, either in cash or under a service facilities contract.

Fuel adjustment: The above energy charges will be increased or decreased to reflect the charge in the cost of fuel and purchased power incurred by the Company for the supply of service hereunder, as prescribed in Fuel Adjustment Clause.

Taxes: The net monthly bill is subject to the addition of all taxes levied on power bills.

Payment: Payment shall be due fifteen (15) days from the billing date and if not paid on or before the fifteenth (15th) day following the billing date, a late charge of ten percent (10%) may be added to the bill.

Contract period: Month to month except as otherwise required by a line extension agreement. (Ord. No. 2014-716.)

RATE SCHEDULE P (LARGE COMMERCIAL AND INDUSTRIAL)

Availability: At any point on the existing facilities having adequate capacity and suitable voltage for delivery of service from the Company's distribution system.

Application: For electric service required by customer on the premises supplied through one (1) point of delivery. Not applicable to resale, shared, standby or supplementary service.

Character of service: Single-phase or three-phase sixty (60) cycle and at one (1) standard delivery voltage required by customer and available at customer's service location where service is delivered and metered.

Net Monthly Rate: For consumption beginning with April billing cycle meter readings each year

	April 1, 2014
Base/customer charge	\$100.00
Per KW demand charge	\$3.50
First 100 hrs. of use of billing	\$0.0276
Next 260 hrs. of use of billing	\$0.0233
All additional Kwh	\$0.0215

Base/customer charge monthly bill A fixed charge of One Hundred Dollars (\$100.00) will be charged on a monthly basis regardless of consumption quantity plus the demand charge as computed under the above schedule, or such amount as may be required by the Company when necessary to justify the investment required to provide the service.

Determination of maximum demand: The customer's maximum demand shall be the maximum rate at which energy is used for any period of thirty (30) consecutive minutes of the month for which the bill is rendered as above by the Company's demand meter, but shall not be considered to be less than fifty (50) KWH.

Determination of billing demand: The billing demand upon which the demand charge is based shall be the maximum demand as determined above corrected for power factor as set forth under Power Factor Clause, provided that no billing demand shall be considered as less than the highest billing demand previously determined during a twelve (12) month period ending with the current month.

Power Factor Clause: The consumer shall at all times take and use power in such a manner that the power factor shall be as nearly one hundred percent (100%) as possible, but when the average power factor as determined by continuous measurement of lagging reactive kilovolt ampere hours is less than ninety-five percent (95%) of the billing demand shall be determined by multiplying the maximum demand, measured by the demand meter for the billing period by ninety-five percent (95%) and dividing the product thus obtained by the actual average power factor expressed in percent. The company may, at its option, use for adjustment the power factor as determined by test during periods of normal operation of the consumer's equipment instead of the average power factor.

Primary service discount: When all of the following conditions are met, a discount of five percent (5%) of the net monthly bill computed will be allowed:

- A. The customer takes service at 12,500y/7,200 volts.
- B. The customer owns, maintains and operates all equipment on customer's side of the point of delivery.

When the customer qualifies and elects to take primary service, but the Company chooses to meter on the load side of the customer's transformers, the five percent (5%) discount shall be allowed, but the KWH billed shall be increased by the amount of the transformer losses computed as follows:

One percent (1%) of the total KVA rating of the customer's transformers times seven hundred thirty (730) hours.

Secondary service/primary metering discount: When the customer does not qualify for the five percent (5%) primary discount and the Company chooses to meter on the supply side of the Company's transformers, the five percent (5%) primary service discount will not be allowed, but the KWH shall be decreased by the amount of the transformer losses computed as follows:

One percent (1%) of the total KVA rating of the Company's transformers times seven hundred thirty (730) hours. The decreased in KWH shall not exceed five percent (5%) of metered KWH.

Fuel adjustment: The above energy charges will be increased or decreased to reflect the charge in the cost of fuel and purchased power incurred by the Company for the supply of service hereunder, as prescribed in Fuel Adjustment Clause.

Taxes: The net monthly bill is subject to the addition of all taxes levied on power bills.

Payment: Payment shall be due fifteen (15) days from the billing date and if not paid on or before the fifteenth (15th) day following the billing date, a late charge of ten percent (10%) may be added to the bill.

Contract period: Contracts under this schedule shall be for not less than one (1) year, but longer contracts (subject also to special minimum guarantees) may be necessary in cases warranted by special circumstances or unusually large investments by the Company. (Ord. No. 2014-716.)

RATE SCHEDULE L (SECURITY LIGHT SERVICE)

Availability: At any customer at any point on the Company's distributing system.

Application: For unmetered, automatically controlled outdoor lighting service burning all night. Not applicable to seasonal or temporary service.

Character of service: Company will install, own, operate and maintain fixtures, including any necessary lamp replacements. The specified rate does not include the setting of any pole; customer will be billed for any new poles to be installed.

Net monthly rate:

<u>High pressure sodium light:</u>	\$6.88 for 150 Watt
	\$13.25 for 400 Watt
<u>Metal halide light:</u>	\$24.37 for 1,000 Watt

Fuel Adjustment Clause: The fuel adjustment clause shall be made monthly based on a six (6) month period ending with the preceding month. The base cost for a six (6) month period is \$0.0294745 per KWH after adjusting for transmission and distributing system losses. The current cost per KWH is calculated by dividing the "total power cost" by the "total KWH sold" (using power cost and KWH sold for a six (6) month period ending with the previous month). "Total power cost" includes fees and other charges made by the wholesale power suppliers to the Company-owned generation costs. The adjustment is found by subtracting the "base energy cost" from the "current energy cost." The adjustment is applied to all KWH as determined under each rate schedule. The adjustment is not applied to Rate Schedule L, Security Light Service. (Ord. No. 2014-716.)

RATE SCHEDULE CITY (CITY OF CLARKSVILLE)

Availability: At any point on the Company's distributing system.

Application: For service as needed and agreed upon by the city and the Clarksville Light and Water Company.

Character of service: For service needed and agreed upon by the city and the Clarksville Light and Water Company.

Net monthly rate: For meter readings to begin with the October 1, 2013, billing cycle.

City rate	\$0.0572 per KWH
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These rates shall begin with the October 1, 2013, billing cycle meter readings. (Ord. No. 2013-703, Sec. 1-2.)

CHAPTER 4.08**GAS PRIVILEGES**Sections:

4.08.01	Gas franchise granted to Arkansas Western Gas Company
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4.08.06	Information, definitions
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4.08.14	Responsibilities of Grantee
4.08.15	Information, definitions
4.08.16	Rates
4.08.17	Tax
4.08.18	In lieu of other payments

4.08.01 Gas franchise granted to Arkansas Western Gas Company The city of Clarksville, Arkansas (hereinafter called Grantor), hereby grants to the Arkansas Western Gas Company its successors and assigns, (hereinafter called Grantee), the right, privilege and authority (1) to sell, furnish, transmit and distribute natural gas to all inhabitants and consumers within Clarksville, Arkansas; and (2) to lay, construct, equip, operate, repair, and maintain a system of gas mains, pipes, conduits, feeders, and the appurtenances for the purpose of supplying and distributing natural gas for all purposes to the residents of the said City and from any points beyond said city limits in order to enable the Grantee to distribute and sell natural gas to said city and the residents or inhabitants thereof and to others, and for such purposes to enter on, under and upon and use any and all streets, alleys, roads, avenues, highways, sidewalks, bridges and other public grounds of said city; provided, however, that Grantee shall comply with all ordinances of the city of Clarksville in regard to permits for opening or cutting streets or other public ways and that where alleys are accessible for laying mains and pipes, the same shall be laid in the alleys instead of the streets so long as economically feasible. (Ord. No. 98, Sec. 1.)

4.08.02 Not an exclusive right Nothing contained in this ordinance shall be construed to grant the Grantee any exclusive right or to preclude or limit the right of the city of Clarksville

to grant similar privileges to other companies or for the city itself to establish and develop facilities so as to sell, furnish, transmit and distribute natural gas to inhabitants of the city of Clarksville regardless of whether either of same might lessen the profits of Grantee or destroy the value of its investment in said city. The right and privilege hereby granted shall be subject to the rights of the city of Clarksville to acquire the property, system and facility of Grantee as presently provided by Act 324 of the 1935 Acts of the state of Arkansas should Grantor elect to do so. (Ord. No. 98, Sec. 2.)

4.08.03 Responsibilities of Grantee Grantee shall, and does by acceptance hereof, agree to provide to the inhabitants of the city of Clarksville, adequate and reasonable natural gas service. (Ord. No. 98, Sec. 3.)

4.08.04 Responsibilities of Grantee All facilities of Grantee which may be located on public property as authorized hereinabove shall be located so as to not unreasonably obstruct travel and other public uses. Grantee shall at all times keep and display the necessary danger signals and proper guards around all excavations and obstructions and shall as soon as practicable, restore all openings on highways, roads, streets, avenues, alleys and other public grounds to the same or better condition as before said openings were made, in the manner as may be required by the Superintendent of the streets of Grantor. When it shall be necessary for the safety of the citizens, to divert or detour traffic from the area of excavations, Grantee shall have the power to do so by giving notice to Grantor at the time of application for the permit to make such excavation or at the time such necessity becomes known to Grantee.

4.08.05 Responsibilities of Grantee The Grantee shall do no injury to any highway, road, street, avenue, alley, lane, bridge, stream or water course, park or public place, except as specifically allowed, nor with any public or private sewer or drainage system or water lines now or hereafter laid or constructed by the said city or by any authorized person or corporation, but no sewer or water pipes, electric conduits, telephone or TV cables shall be so laid as to interfere unnecessarily with any gas main or pipes which shall have been laid prior to the time of the laying of such electric conduit, telephone and TV cables, sewer or water pipes. The Grantee shall fully indemnify and save harmless the city from any and all claims for damage for which said city shall or might be made or become liable by reason of the granting of the franchise or any negligence or carelessness on the part of said Grantee or because of any act or omission or the Grantee in the construction and operation of its system of mains and pipes. (Ord. No. 98, Sec. 5.)

4.08.06 Information, definitions The Grantee shall furnish promptly to the proper authorities any and all information which may be asked for by them in regard to the size, location or

depths of any of the pipes, mains, conduits or service pipes in any form whatsoever and any other information in regard to its occupation of roads, highways, streets, avenues or public grounds of said city which they may demand. Whenever the word "Grantee" occurs in this ordinance, it shall mean and it shall be understood to be the Arkansas Western Gas Company, its successors, lessees or assigns and whenever the words "authorities" or "proper authorities" occur in this franchise, they shall mean and shall be understood to mean the authorized officer or officers, committee or board representing the city of Clarksville, Arkansas, or Grantor. (Ord. No. 98, Sec. 6.)

4.08.07 Rates The rates which are to be charged by Grantee for natural gas service to retail customers hereunder shall be those rates which now lawfully approved or prescribed and as may from time to time be amended in accordance with law or by any regulatory authority having jurisdiction thereof. (Ord. No. 98, Sec. 7.)

4.08.08 Tax Beginning April 1, 1981, and thereafter during the life of this franchise, the Grantee shall pay to the city of Clarksville each quarter, a franchise or privilege tax in an amount equal to four percent (4%) of the preceding quarter's gross residential, commercial and industrial gas revenues as paid to Grantee by all residential, commercial and industrial customers served by Grantee in the city of Clarksville. Grantor shall have the right to examine and verify, from the records of the Grantee, any data relating to the gross revenues of Grantee from customers on which said tax is due. In the event of a controversy between the Grantor and Grantee as to the amount of gross revenues received by Grantee in the city of Clarksville, upon which said tax is due, Grantor shall have the option to refer said controversy to the Arkansas Public Service Commission, or other regulatory agency having jurisdiction over the Grantee or to pursue any and all other legal and equitable remedies available to Grantor. (Ord. No. 98, Sec. 8.)

4.08.09 In lieu of other payments Said tax shall be paid in lieu of all other taxes, licenses, charges, fees or impositions except general licenses of permit fees, special millage taxes, general ad valorem taxes and other general taxes or fees applicable to all citizens, taxpayers and business enterprises. Provided, that nothing herein shall be construed as an abandonment, relinquishment or waiver of the taxing authority of the city of Clarksville under the laws of the state of Arkansas. (Ord. No. 98, Sec. 9.)

4.08.10 Gas franchise granted to ARKLA, Inc. The city of Clarksville, Arkansas (hereinafter called Grantor), hereby grants to the ARKLA, Inc., its successors and assigns, (hereinafter called Grantee), the right, privilege and authority (1) to sell, furnish,