

ORDINANCE NO. 3550

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, AMENDING THE EXISTING ELECTRIC FRANCHISE BETWEEN THE CITY AND ONCOR ELECTRIC DELIVERY COMPANY TO PROVIDE FOR A DIFFERENT CONSIDERATION; PROVIDING AN EFFECTIVE DATE; PROVIDING FOR ACCEPTANCE BY ONCOR ELECTRIC DELIVERY COMPANY; AND FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, Oncor Electric Delivery Company, successor in interest to TXU Electric Company ("Oncor") is engaged in the business of providing electric utility service within the City of Mesquite ("City") and is using the public streets, alleys, grounds and rights-of-ways within the City for that purpose under the terms of a franchise ordinance heretofore duly passed by the governing body of the City and duly accepted by Oncor; and

WHEREAS, the City and Oncor desire to amend said franchise ordinance to provide for a different consideration.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS:

SECTION 1. That the existing electric franchise ordinance between the City of Mesquite ("City") and Oncor Electric Delivery Company ("Oncor") is amended as follows:

- A. Effective January 1, 2002, the franchise fee due from Oncor shall be a sum comprised of the following:
- (1) A charge, as authorized by Section 33.008(b) of PURA, based on each kilowatt hour of electricity delivered by Oncor to each retail customer whose consuming facility's point of delivery is located within the City's municipal boundaries and as specified by Oncor to the City by letter dated January 21, 2002.
 - (a) The franchise fee due pursuant to Section 33.008(b) of PURA shall be payable in accordance with the existing electric franchise; and
 - (2) A sum equal to four percent (4%) of gross revenues received by Oncor from services identified in its "Tariff for Retail Delivery Service," Section 6.1.2, "Discretionary Service Charges," items DD1 through DD24, that are for the account or benefit of an end-use retail electric consumer.
 - (a) The franchise fee amounts based on "Discretionary Service Charges" shall be calculated on an annual calendar year basis, i.e., from January 1 through December 31 of each calendar year.

- (b) The franchise fee amounts that are due based on "Discretionary Service Charges" shall be paid at least once annually on or before April 30 each year based on the total "Discretionary Service Charges" received during the preceding calendar year.

B. Oncor Franchise Fee Recovery Tariff.

- (1) Oncor may file a tariff amendment(s) to provide for the recovery of the franchise fee on "Discretionary Service Charges."
- (2) City agrees: (i) to the extent the City acts as regulatory authority, to adopt and approve that portion of any tariff which provides for one hundred percent (100%) recovery of the franchise fees on "Discretionary Service Charges;" (ii) in the event the City intervenes in any regulatory proceeding before a federal or state agency in which the recovery of the franchise fees on such "Discretionary Service Charges" is an issue, the City will take an affirmative position supporting the one hundred percent (100%) recovery of such franchise fees by Oncor; and (iii) in the event of an appeal of any such regulatory proceeding in which the City has intervened, the City will take an affirmative position in any such appeals in support of the one hundred percent (100%) recovery of such franchise fees by Oncor.
- (3) City agrees that it will take no action nor cause any other person or entity to take any action to prohibit the recovery of such franchise fees by Oncor.

SECTION 2. In all respects, except as specifically and expressly amended by this ordinance, the existing effective franchise ordinance heretofore duly passed by the governing body of the City and duly accepted by Oncor shall remain in full force and effect according to its terms until said franchise ordinance terminates as provided therein.

SECTION 3. This ordinance shall take effect upon its final passage and Oncor's acceptance. Oncor shall, within thirty (30) days from the passage of this ordinance, file its written acceptance of this ordinance with the Office of the City Secretary in substantially the following form:

To The Honorable Mayor and City Council:

Oncor Electric Delivery Company, acting by and through the undersigned authorized officer, hereby accepts in all respects, on this the _____ day of _____, 20____, Ordinance No. 3550 amending the current electric franchise between the City and Oncor and the same shall constitute and be a binding contractual obligation of Oncor and the City.

Oncor Electric Delivery Company

By: _____
Vice President

SECTION 4. That it is hereby officially found and determined that the meeting at which this ordinance is passed is open to the public as required by law and that public notice of the time, place and purpose of said meeting was given as required.

DULY PASSED AND APPROVED on first reading by the City Council of the City of Mesquite, Texas, on the 18th day of November, 2002.

DULY PASSED AND APPROVED on second reading by the City Council of the City of Mesquite, Texas, on the 2nd day of December, 2002.

DULY PASSED AND APPROVED on third and final reading by the City Council of the City of Mesquite, Texas, on the 16th day of December, 2002.



Mike Anderson
Mayor

ATTEST:



Ellen Williams
City Secretary

APPROVED:



B. J. Smith
City Attorney