

ORDINANCE NO. 0-99-04

AN ORDINANCE AMENDING ORDINANCE NO. 508 FIXING THE AMOUNT OF FRANCHISE FEES TO BE PAID TO THE CITY BY ENTERGY ARKANSAS, INC.

WHEREAS, pursuant to Ordinance No. 508, adopted October 18, 1990 ("Ordinance No. 508"), the City of Arkadelphia, Arkansas (the "City") has fixed the franchise fees to be paid by Entergy Arkansas, Inc. (formerly Arkansas Power & Light Company); and

WHEREAS, the franchise fees are authorized pursuant to Arkansas Code Annotated §§ 14-200-101, et. seq. (the "Authorizing Legislation"); and

WHEREAS, it is necessary to make certain technical changes to Ordinance No. 508 in order to comply with the Authorizing Legislation and to clarify that the charges fixed by Ordinance No. 508 are fees and not taxes;

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the City of Arkadelphia, Arkansas:

Section 1. The title of Ordinance No. 508 is hereby amended to read as follows:

"AN ORDINANCE FIXING THE AGGREGATE AMOUNT OF FRANCHISE FEES TO BE PAID TO THE CITY OF ARKADELPHIA, ARKANSAS BY ENTERGY ARKANSAS, INC. AND PRESCRIBING THE METHOD OF PAYMENT THEREOF."

Section 2. The first WHEREAS clause of Ordinance No. 508 is hereby amended to read as follows:

"WHEREAS, Entergy Arkansas, Inc. (the "Power Company") is duly authorized by franchise agreement, to construct, operate, maintain and extend an electric system and to sell, furnish, transmit and distribute electric power and energy in the City of Arkadelphia, Arkansas (the "City"), to the City and to the citizens residing therein; and"

Section 3. The third and fourth WHEREAS clauses of Ordinance No. 508 are hereby amended to read as follows:

"WHEREAS, the City desires to increase the amount of fees paid by the Power Company for said franchise; and

WHEREAS, the City recognizes the results of the decisions of the Arkansas Public Service Commission and the Arkansas Supreme Court requiring that charges for service by a utility to customers in the City be adjusted to adequately reflect any franchise fees imposed by the City to avoid discrimination among customers of the

utility."

Section 4. Section 1 of Ordinance No. 508 is hereby amended to read as follows:

"Section 1. The manufacture, sale, furnishing, transmission and distribution of electric power and energy by the Power Company within the City is hereby declared to be a special privilege and for such privilege and franchise the Power Company shall pay to the City a fee. Payments shall be in lieu of the payments otherwise called for in Section 9 of the Power Company's franchise agreement."

Section 5. Ordinance No. 508, as amended hereby, shall remain and be in full force and effect.

PASSED: July 15, 1999.

ATTEST:

Mary Freeman
City Clerk

APPROVED:

C. T. Hollingshead
Mayor

(SEAL)