

Mayor  
Elise Partin

Mayor Pro-Tem  
Tara S. Almond

Council Members  
Phil Carter  
Eva Corley  
James E. Jenkins

City Manager  
Tracy Hegler



**City of Cayce  
Council Meeting  
Wednesday, March 20, 2019  
5:00 p.m. – Cayce City Hall – 1800 12<sup>th</sup> Street  
[www.caycesc.gov](http://www.caycesc.gov)**

**I. Call to Order**

- A. Invocation and Pledge of Allegiance

**II. Public Comment Regarding Items on the Agenda**

**III. Presentations**

- A. Presentation by Ms. Doris Glymph Greene, South Carolina Partnership Specialist United State Census Bureau, re the 2020 Census
- B. Presentation of Grant Award from Central Carolina Community Foundation for a Connected Communities Grant

**IV. City Manager's Report**

**V. Council Comments**

**VI. Executive Session**

- A. Receipt of legal advice relating to claims and potential claims by and against the City and other matters covered by the attorney-client privilege
- B. Receipt of legal advice relating to and discussion of negotiations incident to proposed franchise agreements for SCE&G and Mid-Carolina Electric Cooperative
- C. Discussion of possible appointment and employment of municipal court judge
- D. Receipt of legal advice and discussion of negotiations incident to proposed contractual arrangements with Lexington County concerning inclusion of certain property in Joint County Industrial Park
- E. Discussion of negotiations incident to proposed contractual arrangements regarding proposed redevelopment of 800 Lexington Avenue (Cayce Grammar School)

**VII. Reconvene**

**VIII. Possible Actions by Council in follow up to Executive Session**

- A. Discussion and Approval of Ordinance 2018-15 Granting a Franchise to SCE&G for Electric Service, Gas Service, and Communication Lines – First Reading
- B. Discussion and Approval of Ordinance 2018-16 Granting a Franchise to Mid-Carolina for Electric Service and communication Lines – First Reading
- C. Other

**IX. Adjourn**

**SPECIAL NOTE: Upon request, the City of Cayce will provide this document in whatever form necessary for the physically challenged or impaired.**

**CITY OF CAYCE**

**ELECTRIC FRANCHISE AGREEMENT WITH:  
SOUTH CAROLINA ELECTRIC & GAS COMPANY**

**ORIGINAL DOCUMENT**

**Ratified: November 2, 1999**

STATE OF SOUTH CAROLINA )  
COUNTY OF LEXINGTON )  
CITY OF CAYCE )

ORDINANCE NO. \_\_\_\_\_  
SCE&G ELECTRIC FRANCHISE

TO GRANT TO SOUTH CAROLINA ELECTRIC & GAS COMPANY, A  
SUBSIDIARY OF SCANA CORPORATION, AND ITS SUCCESSORS AND  
ASSIGNS, THE RIGHT, POWER AND AUTHORITY TO ERECT AND TO  
INSTALL, MAINTAIN, AND TO OPERATE IN, OVER, UPON AND UNDER  
THE STREETS, ALLEYS AND PUBLIC PLACES OF THE CITY LINES,  
POLES, WIRES, GUYS, PUSH BRACES, TRANSFORMERS AND APPURTENANT  
FACILITIES (INCLUDING COMMUNICATION LINES AND FACILITIES FOR  
ELECTRIC DISTRIBUTION CONTROL PURPOSES ONLY), TOGETHER WITH  
ANY NECESSARY RIGHT OF ACCESS THERETO, FOR SUCH PERIOD AS IS  
PROVIDED FOR HEREIN TO RENDER SERVICE TO ITS CUSTOMERS IN THE  
CITY OF CAYCE, SOUTH CAROLINA FROM THOSE FACILITIES; TO SET  
THE AMOUNT OF FRANCHISE FEE TO BE PAID BY SOUTH CAROLINA  
ELECTRIC & GAS COMPANY TO THE CITY; TO LEVY FRANCHISE FEES ON  
THIRD PARTIES SELLING ELECTRICITY USING SCE&G'S ELECTRIC  
DISTRIBUTION OR TRANSMISSION SYSTEMS; AND TO ALLOW FOR A FUND  
AND FOR SPECIAL FRANCHISE FEE DISTRICTS FOR NON-STANDARD  
SERVICE;

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF  
CAYCE, IN COUNCIL DULY ASSEMBLED:

### Section 1

Wherever the word "Company" appears in this Ordinance, it is hereby to designate, and shall be held to refer to the South Carolina Electric & Gas Company, a corporation duly authorized and doing business pursuant to the laws of the State of South Carolina and its successors and assigns.

### Section 2

The non-exclusive right, power and authority is hereby granted and vested in the Company to erect and to install, maintain, and operate in, over, under, and upon the streets, alleys, bridges, rights-of-way and other public places of the City lines, poles, wires, guys, push braces, transformers and other appurtenant facilities (including communication lines and facilities for electric distribution control purposes only), with any necessary right of access thereto; and to use those facilities to conduct an electric business.

### Section 3

No street, alley, bridge, right-of-way or other public place used by the Company shall be obstructed longer than necessary during its work of construction, maintenance or repair, and shall be restored to the same good order and condition as when said work was commenced. No part of any street, alley, bridge, right-of-way, or other public place of the City, including any public drain, sewer, catch basin, water pipe, pavement or other public improvement, shall be injured. However, should any such damage occur due to the

failure of the Company or its contractors to use due care, the Company shall repair the same as promptly as possible, and, in default thereof, the City may make such repairs and charge the reasonable cost thereof to and collect the same from the Company. The Company shall save the City harmless from all liability or damage (including judgment, decrees, and legal court costs) resulting from its failure to use due care in the exercise of the privileges hereby granted or of its rights under this Section.

Section 4

The Company shall:

A. Construct and extend its electric distribution system within the present and/or extended City limits in territories previously assigned to the Company by the South Carolina Public Service Commission, and shall supply standard electric service at standard voltages under rates and general terms and conditions as authorized by law.

B. Furnish, install, operate, and when called upon, expand and maintain all of the street lighting system and service along the streets, highways, alleys and public places of the City, as said system may be hereafter installed and/or changed by order of the City, in accordance with the terms and provisions of this franchise. Materials furnished shall be of standard quality and type allowed by approved tariffs as included in Exhibit A, and the lamps shall be in

conformity with the requirements of this franchise and shall meet the requirements of good street lighting practice.

C. Properly maintain the street lighting system.

D. Provide reliable street lighting service from dusk (one-half hour after sunset) to dawn (one-half hour before sunrise) each night during the franchise period, and for other times or occasions of darkness, the total number of hours per year to equal approximately four thousand (4,000) hours of lighting.

E. Make changes in the location of installed lamps and facilities covered by this franchise upon written order of the City.

F. Render to the City on or about the first day of each month a bill for the street lighting service furnished hereunder during the preceding month, in accordance with the provisions of this franchise.

G. Maintain at its own expense a system for repairing or renewing the lamps in use. The Company, upon receiving official notice that there is a defective standard lamp, shall within five days put the same in order, or replace same.

H. Make available to the City, at the City's request, and allow the City to inspect and review, all maps, records, and rates of the Company relating to the Street Lighting System in the City, as well as any records of the Company pertaining to franchise fees and the franchise agreement,

including any records related to the revenues described in Section 8.

Section 5

The City shall:

A. Pay monthly, within twenty-five (25) days after receipt, a proper bill from the Company for the preceding month's service in accordance with the amounts provided for in this franchise.

B. Accept the street lighting system as it exists on the effective date of this agreement.

C. Pay to the Company for street lighting service at the rate schedule applicable at the time, said rate schedule in its present form being attached hereto as Exhibit A and made a part hereof, and in no event will the rate charged be more than that for similar customers.

D. Notify the Company in writing of areas annexed into City and provide pertinent maps and tax map numbers so that newly annexed customers may be subject to franchise fees, such notification being a precondition to franchise fee payments on those accounts. The City shall also notify the Company whether it accepts or rejects payment of existing street lights in newly annexed areas. Rejection will require continued private payment or street light fixture removal, and effected parties should be so notified by the City and the Company.

Section 6

The City and the Company agree that:

A. All work performed within the municipal limits by the Company or its contractors shall be in accordance with the National Electric Safety Code as adopted by the South Carolina Public Service Commission.

B. The records of the Company pertaining to the street lighting system are to be accepted as full and final proof of the existence and configuration of the same, that system being hereinafter referred to as the "Street Lighting System."

C. Where lighting units of a different type and character than those now included in the Lighting System are desired by the City, a new lamp unit charge and specification shall be agreed upon which will apply to such lighting units and which thereafter shall become a part hereof.

D. Except as otherwise provided herein, the City shall have the right at any time to order the installation of lamps in new areas of City.

E. The City shall have access at all reasonable times to all maps, records, and rates of the Company relating to the Street Lighting System in the City, as well as any records of the Company pertaining to franchise fees and the franchise ordinance including any records related to the revenues described in Section 8.

F. Except as further provided herein, the Company agrees to supply to the City, and the City agrees that it will purchase from the Company, all electric energy required by the City for its own use including traffic signal lighting, lighting and power for public buildings, pumping stations, or other installations now owned or hereafter constructed or acquired by the City and for all other uses by the City in areas of the City, except in any territories not previously assigned to the Company by the South Carolina Public Service Commission. Should laws or conditions be revised to allow the City the right to purchase electric energy from another supplier, and should the City elect to purchase electric energy from another supplier (except in any territories not previously assigned to the Company by the South Carolina Public Service Commission), then the Company, would have the right, upon reasonable notice of not less than sixty (60) days, to change the terms and conditions under which such services remaining are provided to City facilities.

G. The Company shall charge and the City shall pay to the Company monthly for all electric energy furnished by the Company for miscellaneous light and power service under this franchise in accordance with rates and tariffs and terms and conditions as established by law or by contract.

H. None of the electric energy furnished hereunder shall be sold, disposed of, or exchanged by the City to others without the expressed written consent of the Company.

I. The electric power hereunder is not guaranteed or warranted to be free from minor interruptions or from major outages or power surges beyond the control of the Company.

#### Section 7

All work upon the streets and public places of the City shall be done under the general supervision of the Mayor and Council (or other legally constituted governing body) of the City, and all sidewalks or street pavements or street surfaces which may be displaced by reason of such work shall be properly replaced, repaired or relaid by the Company, its successors and assigns, to the reasonable requirements of the Mayor and Council (or other legally constituted governing body) of the City.

#### Section 8

A. As payment for the right to provide electric service pursuant to this franchise, in the succeeding calendar year, the Company shall pay to the City, on or before the first day of July each year, beginning with the year 2000, a franchise fee in a sum of money equal to Three (3%) percent of the gross sales revenue accruing to the Company from all residential and commercial sales and/or distribution of electricity in the City during the preceding calendar year and from all wheeling, transportation or distribution service

to such customers within the corporate limits of the City. Any other products or business activities of the Company in the City and any other revenue accruing to the Company in the City will be subject to further franchise fees and/or business license taxes as may be appropriate. It is agreed that the City shall have the right to increase the percentage for this franchise fee to a maximum of Five (5%) percent, or decrease the percentage, during the term of this franchise upon twelve (12) months written notification to the Company prior to the first day of July of each year. It is also agreed that the Company, when it has the technical capacity to do so, shall, upon the request of the City, modify the franchise fee payment frequency provided for herein from an annual payment to a quarterly payment. The City shall have the right, upon reasonable notice to the Company, to inspect and audit the records of the Company relating to sales and revenue within the municipal limits.

B. The City's receipt of the franchise fee as provided for herein outlined in Section 8 (A) above shall be in lieu of all occupation, license, excise and special franchise taxes of the City for the Company's sales of electric energy within the City, except ad valorem taxes on property. The Company, upon notice to the City, may at its option deduct from its franchise fee payments any amount then owed by the City to the Company for electric energy service for the City's own use, including the Street Lighting System.

C. It is expressly understood that all franchise fees pursuant to this franchise shall be collected by the Company from customers of the Company within the municipal boundaries, to the extent permitted by orders of the South Carolina Public Service Commission applicable to the Company.

D. The City hereby levies, and the Company will collect and transmit to the City, a franchise fee on all electricity sold by third parties to customers within the City using the Company lines or facilities, said fee is to be in all respects equivalent to the percentage and basis for the franchise fees established herein plus a proportional share of all other payments to the City, or to the Fund established hereunder, which the Company is obligated to make on whatever basis during the life of this franchise.

E. Should the City itself ever at any time construct, purchase, lease, acquire, own, hold or operate a retail electric distribution system, to provide such service within the City, then the payment of percentages of gross sales revenue herein provided to be paid by the Company, its successors and assigns, shall abate, cease and no longer be due. It is understood and agreed that this provision shall not apply to any temporary or emergency electric generation system supplying electric energy to City facilities.

#### Section 9

The non-exclusive electric franchise granted by this Ordinance, when accepted by the Company, shall constitute a

contract between the City and the Company, and shall be in force and effect for an initial term of twenty (20) years and shall continue in force and effect year-to-year thereafter until properly terminated by either party. Either party may terminate the contract at the end of its initial twenty (20) year term, or its anniversary date any year thereafter, by giving written notice of its intention to do so no less than two (2) years before the proposed date of termination. It is understood and agreed that the decision of whether to renew or to terminate this franchise pursuant to this Section shall be made by those elected officials then in office under such circumstances as may then obtain.

#### Section 10

Notwithstanding the provisions of Section 9, setting the twenty (20) year term of the franchise, the Company and City agree that after this franchise has been in effect for not less than four (4) years nor more than five (5) years or for not less than nine (9) years nor more than ten (10) years, or for not less than fourteen (14) years nor more than fifteen (15) years, and at the request of either party, this franchise is subject to renegotiation:

- (a) to alter the franchise fee (including provision for a franchise fee based on industrial sales and/or distribution of electricity); or
- (b) if the City has commenced proceedings under Sections 58-27-1320 through 58-27-1360 SC Code of

Laws to acquire the electric properties of the Company by passing an ordinance declaring its intention to do so and having completed hearings before the South Carolina Public Service Commission pursuant to Section 58-27-1340 SC Code of Laws, or (c) if legislative restructuring of the electric industry has resulted in electric retail access in the State of South Carolina, without repeal of the basic rights granted herein.

Section 11

The franchise is subject to the constitution and laws of the State of South Carolina.

Section 12

This Ordinance shall become effective upon acceptance in writing by the Company, which shall be within thirty (30) days from the date of its ratification by the City.

Section 13

The City and Company also agree that:

A. In addition to the requirements of Section 8 above, the City may exercise the right to require the Company to provide electrical underground or other non-standard electrical service including the use of special equipment or facilities or the use of special landscaping or screening of facilities within the municipal limits of the City ("Non-Standard Services"), to the extent that the cost of such service can be defrayed by the fund provided for in this

Section. The costs of Non-Standard Services are defined as those costs which exceed the costs of standard service. Underground service to new customers, whether residential or commercial, shall not be included in the definition of Non-Standard Service.

B. Each year the Company shall designate to the Fund an amount equivalent to one-half percent applied to the Company's gross revenue from electric service authorized in Section 8, that being the same amount of electric revenue that is used in computing its municipal franchise fee payment for that year ("The Company Match to the Fund"). This availability shall occur simultaneously with the payment of franchise fees for the year in question and shall be in addition to the franchise fee. The Company Match funds shall remain on deposit with the Company and be paid out by the Company on a one to one basis with the City's matching funds as needed to defray costs of non-standard service. Unexpended amounts of the Company Match not used in a given year shall remain available to the Fund, provided that the cumulative amount of Company Match available to the Fund shall never exceed the sum of the matches for the most recent five (5) years.

C. The City's Match to the Fund for any year would be the amount equal to one-half percent of the Company's electric revenue subject to franchise fee charges for that year. The total amount of the City's Match shall never exceed

the sum of the City's Matches for the most recent five (5) years.

D. The amounts available to the Fund shall be used exclusively to defray the reasonable and necessary costs of planning, designing, permitting and constructing of electric utility projects involving non-standard service.

E. For any non-standard service project involving provision of underground electric service to more than twenty-five (25) customers, the City may designate a special franchise fee district wherein underground service will be provided, and at its option may conduct a referendum or petition in that district to determine whether the project should go forward. A special franchise fee surcharge may be applied to all electric service customers within the boundaries of the special franchise fee district. The special franchise fee surcharge, not to exceed seven (7%), shall be applied to all customers beginning with commencement of the project and shall apply thereafter for not more than ten (10) years. Proceeds shall be used for non-standard service projects only. If the City or the Company advanced funds for the non-standard service the franchise fee surcharge shall be used to monthly reimburse the City or the Company as appropriate. The cost of borrowing funds to pay for the non-standard service shall be included in the reimbursement. The Company's weighted average cost of capital as filed with the

South Carolina Public Service Commission would apply to any amounts advanced by the Company.

F. The Company shall be required to undertake non-standard service projects only to the extent that fund balances are reasonably projected to be adequate to cover the costs of the projects as they are incurred.

G. The City may establish, in consultation with the Company, priorities for non-standard service projects. All non-standard service projects shall conform to good utility practices and meet applicable codes and standards.

H. After consultation with the Company and upon agreement as to the location, nature and extent of non-standard service projects, the City will use reasonable efforts to acquire all necessary rights-of-way, transformer sites, and other use and access rights for non-standard projects. The City, to the extent determined by it to be economically desirable and within its lawful authority, may require other utilities to remove their overhead facilities or remove their facilities from the Company's poles and require property owners to connect to underground facilities. The Company agrees that it shall remove its overhead facilities within three (3) months of completion of any overhead-to-underground facilities conversion project. Except as may be allowed under the terms of its agreements with other utilities, the Company is not responsible for the

removal and/or relocation of facilities other than those owned by the Company.

Section 14

The rights hereunder accrue exclusively to the parties, their successors and assigns. It is the express intent of the parties that this agreement shall not create any rights in third parties.

DONE IN MEETING DULY ASSEMBLED, this 2nd day of November, 1999

(original signed by:)

Avery B. Wilkerson, Jr.  
Mayor

ATTEST:

(original signed by:)

John C. Sharpe  
John C. Sharpe, Clerk/Treasurer

First reading: 10/5/99

Second reading and adoption: 11/2/99

Approved as to form: Danny C. Crowe  
Danny C. Crowe, City Attorney

ACCEPTANCE of the franchise granted by the within Ordinance acknowledged by SOUTH CAROLINA ELECTRIC & GAS COMPANY, THIS 15<sup>th</sup> DAY OF NOV., A.D., 1999.

SOUTH CAROLINA ELECTRIC & GAS COMPANY

(original signed by)

Don R. Harris  
Vice President, Don R. Harris

ATTEST

Lynn M. Williams

its Corporate Secretary

**CITY OF CAYCE**

**GAS FRANCHISE AGREEMENT WITH:  
SOUTH CAROLINA ELECTRIC & GAS COMPANY**

**ORIGINAL DOCUMENT**

**Ratified: November 2, 1999**

STATE OF SOUTH CAROLINA  
COUNTY OF LEXINGTON  
CITY OF CAYCE

)  
) ORDINANCE NO. \_\_\_\_\_  
) SCE&G GAS FRANCHISE

---

TO GRANT TO SOUTH CAROLINA ELECTRIC & GAS COMPANY, A  
SUBSIDIARY OF SCANA CORPORATION, ITS SUCCESSORS, OR ASSIGNS,  
THE RIGHT, POWER AND AUTHORITY TO LAY, MAINTAIN, AND OPERATE  
GAS MAINS, PIPES AND SERVICES ON, ALONG, ACROSS AND UNDER THE  
STREETS, ALLEYS, BRIDGES AND OTHER PUBLIC PLACES, AND TO  
CONDUCT GAS BUSINESS IN THE CITY OF CAYCE, SOUTH CAROLINA; TO  
SET THE AMOUNT OF FRANCHISE FEE TO BE PAID BY SOUTH CAROLINA  
ELECTRIC & GAS COMPANY TO THE CITY OF CAYCE; AND TO LEVY  
FRANCHISE FEES ON THIRD PARTIES SELLING GAS USING SCE&G'S GAS  
DISTRIBUTION OR TRANSMISSION SYSTEMS;

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF  
CAYCE, IN COUNCIL DULY ASSEMBLED:

Section 1

Wherever the word "Company" appears in this Ordinance,  
it is hereby to designate, and shall be held to refer to the  
South Carolina Electric & Gas Company, a corporation duly  
authorized and doing business pursuant to the laws of the  
State of South Carolina and its successors and assigns.

Section 2

The non-exclusive right, power and authority is hereby  
granted and vested in the Company to lay, maintain and  
operate gas mains, pipes and services on, along, across, and  
under the streets, alleys, bridges, rights-of-way, and other  
public places of the City; and to use those facilities to

provides an adequate and reasonable return on the investment necessary to supply the service.

Section 5

The Company shall, before entering upon any street, alley, highway, right-of-way or other public place for the purpose of construction or installing any mains, pipes or other apparatus of the gas system, notify City Hall, in writing or other acceptable means, of the proposed construction or installation and shall, if the City Council so requires, file with the City Clerk, a sufficient plan and specification showing the nature and extent of the proposed main construction or installation.

Section 6

The Company may supply any form of gas containing approximately one thousand (1,000) BTU's per cubic foot, and its obligation in respect thereto shall continue only so long as it is able to obtain an adequate supply of such gas satisfactory for service hereunder, PROVIDED, HOWEVER, that in the supply of such gas the City shall enjoy equal rights with respect to other areas served by the Company.

Section 7

The City shall:

A. Take natural gas service for its own facilities' use from the Company during the period covered by this franchise.

B. Pay monthly, within twenty-five (25) days after

receipt, a proper bill from the Company for the preceding month's service in accordance with the amounts provided for in this franchise.

C. Notify the Company in writing of areas annexed into the City and provide pertinent maps and tax map numbers so that newly annexed customers may be subject to franchise fees, such notification being a precondition to franchise fee payments on those accounts.

#### Section 8

All work upon the streets and public places of the City shall be done under the general supervision of the Mayor and Council (or other legally constituted governing body) of the City, and all sidewalks or street pavements or street surfaces which may be displaced by reason of such work shall be properly repaired by the Company, its successors and assigns, to the reasonable requirements of the Mayor and Council (or other legally constituted governing body) of the City.

#### Section 9

The Company shall, as to all other conditions and elements of services not fixed herein, be and remain subject to the reasonable rules and regulations of the South Carolina Public Service Commission or its successors, applicable to gas service in the City.

#### Section 10

A. As payment for the right to provide gas services

pursuant to this franchise, in the succeeding calendar year, the Company shall pay to the City, on or before the first day of July each year, beginning with the year 2000, a franchise fee in a sum of money equal to Three (3%) percent of the gross sales revenue accruing to the Company from all residential and commercial sales and/or distribution of natural gas in the City during the preceding calendar year, and all wheeling or transportation or distribution service to such customers, within the corporate limits of the City, not including sales made under South Carolina Public Service Commission-authorized gas interruptible special sales programs which allow the Company to reduce prices to meet customers' competitive energy prices. Any other products or business activities of the Company in the City and any other revenue accruing to the Company in the City will be subject to further franchise fees and/or business license taxes as may be appropriate. It is agreed that the City shall have the right to increase the percentage for this franchise fee to a maximum of Five (5%) percent, or decrease the percentage, during the term of this franchise upon twelve (12) months written notification to the Company prior to the first day of July of each year. It is also agreed that the Company, when it has the technical capacity to do so, shall, upon the request of the City, modify the franchise fee payment frequency provided for herein from an annual payment to a quarterly payment. The City shall have the right, upon

reasonable notice to the Company, to inspect and audit the records of the Company relating to sales and revenue within the municipal limits.

B. The City's receipt of franchise fees as provided for herein outlined shall be in lieu of all occupation, license, excise and special franchise taxes of the City for the Company's sales of natural gas within the City, except ad valorem taxes on property. The Company, upon notice to the City, may at its option pay and deduct from its franchise fee payments any amount then owed by the City to the Company for gas service sales for the City's own use.

C. It is expressly understood that all franchise fees pursuant to this franchise shall be collected from customers of the Company within the municipal boundaries to the extent permitted by orders of the South Carolina Public Service Commission applicable to the Company.

D. The City hereby levies, and the Company may collect and transmit to the City, a franchise fee on all gas sold by third parties to customers within the City using the Company mains or other facilities, said fee is to be in all respects equivalent to the percentage and basis for the franchise fees established herein plus a proportional share of all other payments to the City which the Company is obligated to make on whatever basis during the life of this franchise.

E. Should the City itself ever at any time construct, purchase, lease, acquire, own, hold or operate a retail gas

distribution system, to provide such service within the City, then the payment of percentages of gross sales revenue herein provided to be paid by the Company, its successors and assigns, shall abate, cease and no longer be due.

#### Section 11

The non-exclusive gas franchise granted by this Ordinance, when accepted by the Company, shall constitute a contract between the City and the Company, and shall be in force and effect for an initial term of twenty (20) years, and continuing thereafter in ten (10) year terms unless cancelled by written notice by either party not less than two (2) years prior to any expiration date. It is understood and agreed that the decision of whether to renew or to terminate this franchise pursuant to the Section shall be made by those elected officials then in office under such circumstances as may then obtain.

#### Section 12

Notwithstanding the provisions of Section 11, setting the twenty year term of the franchise, the Company and City agree that after this franchise has been in effect for not less than nine (9) years nor more than ten (10) years, and at the request of either party, this franchise is subject to renegotiation:

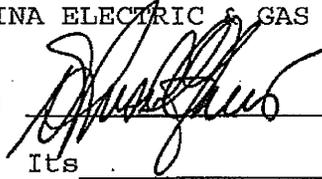
- (a) to alter the franchise fee (including provision for a franchise fee based on industrial sales and/or distribution of gas), or



ACCEPTANCE of the franchise granted by the within Ordinance acknowledged by SOUTH CAROLINA ELECTRIC & GAS COMPANY, THIS 5<sup>th</sup> DAY OF NOV., A.D., 1999.

SOUTH CAROLINA ELECTRIC & GAS COMPANY

(original signed by)

  
Its \_\_\_\_\_

ATTEST

  
Its Corporate Secretary

STATE OF SOUTH CAROLINA )  
COUNTY OF LEXINGTON ) ORDINANCE NO. 2018-15  
CITY OF CAYCE )

---

ORDINANCE (“FRANCHISE ORDINANCE” OR “AGREEMENT”) TO GRANT TO SOUTH CAROLINA ELECTRIC & GAS COMPANY, ITS SUCCESSORS AND ASSIGNS, THE NON-EXCLUSIVE RIGHT, POWER AND AUTHORITY TO ERECT AND TO INSTALL, MAINTAIN, AND OPERATE ON, ALONG, ACROSS, IN, OVER, ABOVE, UPON AND UNDER THE STREETS, ALLEYS AND OTHER PUBLIC PLACES OF THE CITY: (1) ELECTRIC LINES, POLES, WIRES, GUYS, PUSH BRACES, TRANSFORMERS AND APPURTENANT FACILITIES; (2) GAS MAINS, PIPES AND SERVICES AND OTHER APPURTENANT FACILITIES; AND (3) COMMUNICATION LINES AND FACILITIES FOR ANY PURPOSE AND ANY USE BY THE COMPANY OR ANY DESIGNEE, TOGETHER WITH ANY NECESSARY RIGHT OF ACCESS THERETO, FOR SUCH PERIOD AS THE SAME IS NEEDED BY THE COMPANY TO RENDER SERVICE TO ITS CUSTOMERS IN THE CITY OF CAYCE, SOUTH CAROLINA FROM THOSE FACILITIES; TO SET THE AMOUNT OF FRANCHISE FEE TO BE PAID BY SOUTH CAROLINA ELECTRIC & GAS COMPANY TO THE CITY; IF SO REQUIRED, TO LEVY FRANCHISE FEES ON THIRD PARTIES SELLING ELECTRICITY OR GAS USING SCE&G'S ELECTRIC OR GAS SYSTEMS; TO ALLOW FOR THE ESTABLISHMENT OF A FUND AND UNDERGROUND UTILITY DISTRICTS FOR ELECTRIC NON-STANDARD SERVICE; BE IT ORDAINED BY THE MAYOR AND COUNCIL OF CAYCE IN CITY COUNCIL ASSEMBLED:

Section 1

Wherever the word "Company" appears in this Franchise Ordinance, it is hereby to designate, and shall be held to refer to South Carolina Electric & Gas Company, a corporation duly authorized and doing business pursuant to the laws of the State of South Carolina, its successors and assigns.

Section 2

The non-exclusive right, power and authority is hereby granted and vested in the Company to erect and to install, maintain and operate on, along, across, in, over, above, upon and under the streets, alleys, bridges, rights-of-way and other public places of the City: (1) electric lines, poles, wires, guys, push braces, transformers and other appurtenant facilities; (2) gas mains, pipes and services and other appurtenant facilities; and (3) communication lines and

facilities for any purpose and any use by the Company or any designee, with any necessary right of access thereto; and to use those facilities to conduct an electric and/or gas business, and any other business or businesses which may be lawfully conducted using the permitted facilities. As required by federal law, the Company may allow pole attachments for cable systems or other telecommunications carriers. It is the responsibility of the cable systems or other telecommunication carriers to secure any necessary easements or permits for their attachments.

### Section 3

Any street, alley, bridge, right-of-way or other public place used by the Company shall not be obstructed longer than necessary during its work of construction or repair, and shall be restored to the same good order and condition as when said work was commenced. No part of any street, alley, bridge, right-of-way, or other public place of the City, including any public drain, sewer, catch basin, water pipe, pavement or other public improvement, shall be injured. However, should any such damage occur due to Company's failure to use due care, the Company shall repair the same as promptly as possible after notice from the City, and, in default thereof, the City may make such repairs and charge the reasonable cost thereof to and collect the same from the Company. The Company shall save the City harmless from all liability or damage (including judgment, decrees, and legal court costs) resulting from its failure to use due care in the exercise of the privileges hereby granted or of its rights under this Section.

### Section 4

The Company shall:

A. Construct and extend its electric system within the present and/or extended City limits as allowed by law, and supply standard electric service at standard voltages under rates and general terms and conditions as authorized by law; and construct and extend its gas system within the present and/or extended City limits and furnish gas, if available, to the City

and applicants residing therein upon request, under rates and general terms and conditions as authorized by law.

B. If requested by the City, install underground electric distribution and service lines in new residential subdivisions of twenty-five lots or more in the City under terms and conditions customarily applicable with respect to aid to construction.

C. Furnish, install, operate, and when called upon, expand and maintain all of the electric street lighting system (to include both lighting fixtures and poles) and service along the streets, highways, alleys and public places of the City, as said system may be hereafter installed and/or changed by order of the City, in accordance with the terms and provisions of this franchise. All materials furnished shall be of standard quality and kind, and shall meet the requirements of good street lighting practice.

D. Make changes in the location of the street lighting system covered by this franchise upon written request of the City.

E. Render to the City a bill each month for the street lighting service furnished hereunder during the preceding month, in accordance with the provisions of this Franchise Ordinance.

F. Maintain at its own expense a system for repairing the street lighting system in use. The Company, upon receiving official notice that there is a defective standard fixture or pole, shall within five (5) days repair or replace the same.

#### Section 5

The City shall:

A. Take electric street lighting and other City electric and gas services from the Company during the period covered by this Franchise Ordinance in all areas of the City served by Company or in which Company is authorized by law to serve.

B. Pay monthly, within twenty-five (25) days after receipt, a proper bill from the Company for the preceding month's service in accordance with the amounts provided for in approved tariffs.

C. Accept the street lighting system as it exists on the effective date of this Franchise Ordinance.

D. Pay the Company for street lighting service at the municipal rate schedule approved by the Public Service Commission of South Carolina applicable to that lighting fixture and pole, including underground rates. If no applicable municipal rate is available for any fixture and pole at the time of billing, then the City shall pay the full and applicable non-municipal rate for such fixture(s) and pole(s).

E. Notify the Company in writing of areas annexed into the City, including with the notification: (1) accurate maps, (2) tax map numbers, and (3) street addresses of all locations in the annexed areas so that newly annexed customers may be subject to franchise fees. Such notification is a precondition to franchise fee payments by the Company on those accounts. In addition, the City shall promptly update its municipal boundary maps with its County Geographical Information Systems (GIS) Office.

F. Upon annexation, pay to the Company for street lighting service to customers subject to the annexation at the municipal rate schedule approved by the Public Service Commission of South Carolina applicable to that lighting fixture and pole, including underground rates. If no applicable municipal rate is available for any fixture and pole at the time of billing, then the City shall pay the full and applicable non-municipal rate for such fixture(s) and pole(s).

#### Section 6

The Company may supply any form of gas containing approximately one thousand (1,000) BTUs per cubic foot, and its obligation in respect thereto shall continue only so long as it is able to obtain an adequate supply of such gas satisfactory for service hereunder, provided

however, that in the receipt of such gas, customers within the City, including the City, shall enjoy rights equal to other similarly situated customers served by the Company.

#### Section 7

The City and the Company agree that:

A. All work performed within the municipal limits by the Company or its contractors shall be in accordance with the National Electric Safety Code and the applicable electric and gas rules and regulations, as adopted by the Public Service Commission of South Carolina.

B. The records of the Company pertaining to the electric street lighting system are to be accepted as full and final proof of the existence and configuration of the same, that system being hereinafter referred to as the "Street Lighting System."

C. Where lighting units of a different type and character than those now included in the Street Lighting System are desired by the City, a new unit charge and specification shall be agreed upon which will apply to such lighting units and which thereafter shall become a part hereof.

D. Except as otherwise provided herein, the City shall have the right at any time to order the installation of new fixtures and poles in new areas of the City.

E. The City shall have access at all reasonable times to maps, records, and rates relating to the Street Lighting System in the City.

F. Subject to applicable rates and terms and conditions, throughout the life of the franchise the Company will supply to the City, and the City agrees that it will purchase from the Company, electric energy and gas required by the City for its own use including traffic signal lighting, street lighting, lighting and power for public buildings, pumping stations, or other installations now owned or hereafter constructed or acquired by the City and for all other uses in all areas served by or to be served by the Company, as allowed by law. However, should the City request to provide electric service to any of its facilities utilizing an alternative energy facility

owned by the City, the Company will consent to such a request so long as the energy from that facility is allowed by and subject to a rate schedule approved by the Public Service Commission of South Carolina. If the City receives service from such a facility, then the Company shall have the right to change the terms and conditions under which it provides any remaining services to City facilities.

G. The Company shall charge and the City shall pay to the Company monthly for all electric and gas energy furnished by the Company for miscellaneous light and power and/or gas services under this franchise in accordance with rates and tariffs and terms and conditions as established by law.

H. None of the electric or gas energy furnished hereunder shall be sold, disposed of, or exchanged by the City to others without the expressed written consent of the Company.

I. The electric or gas energy hereunder is not guaranteed or warranted to be free from minor interruptions or from major outages or electrical surges beyond the control of the Company.

#### Section 8

All work upon the streets and public places of the City shall be done under the general supervision of the Mayor and Council (or other legally constituted governing body) of the City, and all sidewalks or street pavements or street surfaces which may be displaced by reason of such work shall be properly replaced and relayed by the Company, its successors and assigns, to the reasonable requirements of the Mayor and Council (or other legally constituted governing body) of the City.

#### Section 9

The Company shall, as to all other conditions and elements of service not fixed herein, be and remain subject to the reasonable rules and regulations of the Public Service Commission of South Carolina or its successors, applicable to electric & gas service in the City.

#### Section 10

A. As payment for the right to provide electric and gas services, and any other services as may be permitted under this Franchise Ordinance, in the succeeding calendar year, the Company shall pre-pay into the Treasury of the City, on the first business day of July each year, beginning with the year 2017, a sum of money (the "Franchise Fee") equal to three percent (3%) of the gross sales revenue accruing to the Company during the preceding calendar year from all residential and commercial sales of electricity and gas in the municipality and all wheeling or transportation service to such customers within the corporate limits of the City, not including sales made under legally authorized special sales programs which allow the Company to reduce prices to meet customers' competitive energy prices. To change the percentage of the revenue on which the Franchise Fee is calculated, the City must both (1) amend this Franchise Ordinance by means of an Amendatory Ordinance solely addressed to that purpose, and (2) provide the Company written notice including an attested copy of the Amendatory Ordinance at least ninety (90) days prior to the next Franchise Fee payment due date. So long as both conditions are met, the increase will apply to the next Franchise Fee payment due from the Company and the recovery of the higher fee will begin during the calendar year for which the Franchise Fee applies. During the term of this Franchise Ordinance, the percentage of the revenue on which the Franchise Fee is based shall not exceed the highest percentage paid by the Company to any other town or city under a franchise agreement. Any other revenue accruing to the Company in the municipality may be subject to other fees and/or business license taxes as appropriate.

B. Subject to Section 10(A) above, the City's right to receive franchise fees as provided for herein shall be in lieu of all occupation, license, excise and special franchise taxes and fees, and shall be in full payment of all money demands, charges, or fees of any nature whatsoever imposed by the City, except ad valorem taxes on property. The Company may at its option pay and deduct from its franchise fee payments any amount that shall be required or exacted from the Company for the benefit of the City other than ad valorem taxes on property.

C. It is expressly understood that all franchise fees or other payments imposed by the City on the Company shall be collected from customers of the Company within the municipal boundaries, as is presently provided for in the orders of the Public Service Commission of South Carolina applicable to the Company. From time to time, but no more than once a year and no less than once every three years, the Company will provide the City a list of service addresses to which franchise fees are being applied (the "List"). The City shall have sixty (60) days from receipt to verify that all addresses included on the List are accurate and that no addresses are missing. Unless the City notifies the Company of any error: (1) the City shall be required to reimburse the Company for any Franchise Fee refund based on an address incorrectly included on the List; (2) the Company shall not be responsible for Franchise Fees for any service addresses not included on the List. Reimbursement shall be made to the Company within sixty (60) days of receipt of request by the City or the Company may agree, in its sole discretion, to deduct the amounts owed under this Subsection from the next Franchise Fee payment to the City. This information is confidential and proprietary and shall not be disclosed to any third party under the Freedom of Information Act or otherwise without a court order or the Company's prior written consent.

D. The City hereby levies, and the Company may collect and transmit to the City, a franchise fee on electricity and gas sold by third parties to customers within the City using the Company lines, or facilities; said fee is to be in all respects equivalent to the franchise fees established herein plus a proportional share of all other payments to the City, or to the Non-Standard Service Fund established hereunder, which the Company is obligated to make on whatever basis during the life of this franchise.

E. Should the City itself ever at any time construct, purchase, lease, acquire, own, hold or operate an electric or gas distribution system to provide electric and gas service within the City, then the payment of percentages of gross sales revenue herein provided to be paid by

the Company, shall abate, cease and no longer be due and no other fee for the franchise rights shall be required.

#### Section 11

The City and Company further agree that:

A. In addition to the requirements above, the City may require the Company to convert overhead distribution and service lines to underground lines or other non-standard service to existing customers ("Non-Standard Service"), including the use of special equipment or facilities or the use of special landscaping or screening of facilities, within the municipal limits of City, to the extent that the cost of such Non-Standard Service can be defrayed by the Non-Standard Service Fund provided for in this Section. The costs of Non-Standard Service are defined as those costs which exceed the costs of standard service. Underground distribution and/or service wires to new customers, whether residential or commercial, shall not be included in the definition of Non-Standard Service for the purposes of this Section.

B. The Non-Standard Service Fund (hereinafter, the "Fund") shall be established pursuant to the terms of this Ordinance and shall be used to defray the costs of Non-Standard Service.

C. Each year the Company shall designate to the Fund an amount equivalent to fifty basis points (0.50%) applied to the Company's gross revenue from electric service utilized in Section 10, that being the same amount of electric revenue that is used in computing its municipal franchise fee payment for that year. (The "Company Match" to the Fund.) This designation shall occur simultaneously with the payment of the franchise fee for the year in question and shall be in addition to the franchise fee. The Company Match funds shall remain on deposit with the Company and be paid out by the Company on a one to one basis with the City matching funds as needed to defray costs of Non-Standard Service. Unexpended amounts of the Company Match not used in a given year shall remain designated to the Fund, provided

that the amount of Company Match designated to the Fund shall never exceed the sum of the matches for the most recent five (5) years.

D. The City shall designate as the City's matching funds an amount equal to fifty basis points (0.50%) applied to the electric revenue subject to franchise fee charges for that year. The City's matching funds shall remain on deposit with the City and be paid out on a one to one basis with the Company Match funds to defray the cost of Non-Standard Service. Unexpended fund balances will carry over from year to year, provided that the amount of the City's match designated to the Fund shall never exceed the sum of the matches for the most recent five (5) years.

E. For any Non-Standard Service project involving more than twenty-five (25) existing customers, the City may designate an underground utility district ("Underground Utility District") wherein Non-Standard Service will be provided, and at its option may conduct a referendum or petition in that district to determine whether the project should go forward. After an Underground Utility District has been designated and the Non-Standard Service project approved by that District, but prior to commencement of construction for the Non-Standard Service project, the City shall, by ordinance pursuant to S.C. Code Ann. § 6-1-330, as amended, authorize the collection of a fee from the property owners of each parcel within the District (the "Underground Utility Fee"). The Underground Utility Fee shall be applied to all of Company's accounts for electricity within the boundaries of the Underground Utility District. The total of such Underground Utility Fee, the Franchise Fee in Section 10(A) and any other fee provided for in Section 10 will not exceed 7% of a customer's total bill for electricity. The Underground Utility Fee shall be applied beginning with the commencement of construction of the project for a definite time not to exceed ten (10) years. Proceeds shall be paid into the Fund, provided that the Fund has paid for the construction of the Non-Standard Service within the Underground Utility District. If the City or the Company advanced funds for the Non-Standard Service in the Underground Utility District, the Underground Utility Fee shall be used

to reimburse the City or the Company as appropriate on a monthly basis following recovery of same from the customers. The cost of borrowing funds from the Company to pay for the Non-Standard Service in the Underground Utility District shall be included in the reimbursement. The Company's weighted average cost of capital as filed with the Public Service Commission of South Carolina would apply to any amounts advanced by the Company.

F. The amounts designated for the Fund shall be used exclusively to defray the reasonable and necessary costs of planning, designing, permitting and/or constructing the electric utility projects involving Non-Standard Service.

G. Costs for Non-Standard Service projects shall be paid from amounts designated to the Fund as incurred. The Company shall be required to undertake Non-Standard Service projects in the City only to the extent that balances designated to the Fund are reasonably projected to be adequate to cover the costs of the projects as they are incurred.

H. The City shall establish, in consultation with the Company, priorities for Non-Standard Service projects. Projects which maintain system reliability, and/or improve system safety, shall have priority over all other non-standard service projects. All Non-Standard Service projects shall conform to good utility practices as to reliability and safety.

I. The City shall use best efforts to acquire all necessary right-of-way, transformer sites, or other use and access rights for Non-Standard Service projects. Within three (3) months of completion of an overhead to underground conversion project, the Company shall remove overhead facilities and the City shall remove and require other utilities and third parties, if any, to remove their facilities from the Company's poles and shall require property owners to connect to the underground facilities.

#### Section 12

This Franchise Ordinance is subject to the constitution and laws of the State of South Carolina.

#### Section 13

This Franchise Ordinance shall not become effective until accepted in writing by the Company, which shall be within thirty (30) days from the date of its ratification by the City. Upon acceptance by the Company in writing, this Franchise Ordinance supersedes and replaces Franchise Ordinances, which became effective on November 15, 1999.

#### Section 14

The rights hereunder accrue exclusively to the parties, their successors and assigns. It is the express intent of the parties that this Franchise Ordinance shall not create any rights in third parties.

#### Section 15

The terms, obligations and rights granted by this Franchise Ordinance, when accepted by the Company, shall constitute a contract between the City and the Company, and shall be in full force and effect for an initial term ending November 14, 2039, and a succeeding term of ten (10) years, and shall thereafter continue in full force and effect year-to-year thereafter until properly terminated by either party as provided for herein. Either party may terminate this Franchise Ordinance at the end of its initial term, or at the end of the succeeding ten (10) year term, or at any annual anniversary thereafter by giving written notice of its intention to do so no less than two (2) years before the proposed date of termination.

#### Section 16

Notwithstanding the initial term of this Franchise Ordinance, and without repeal of the basic rights granted herein, the Company and City agree that after this Franchise Ordinance has been in effect for not less than nine (9) years or more than ten (10) years, and at the request of either party, this Franchise Ordinance is subject to renegotiation:

- (a) if the City has commenced proceedings under applicable South Carolina statutes to acquire the electric or gas properties of the Company by passing an ordinance

declaring its intention to do so and having completed hearings before the Public Service Commission of South Carolina pursuant to applicable state law, or

- (b) if legislative restructuring of the electric or gas industry has resulted in electric or gas retail access to all customers in the State of South Carolina.

Ratified in City Council this

\_\_\_ day of \_\_\_\_\_, 20\_\_.

(originally signed by:) \_\_\_\_\_  
( \_\_\_\_\_ NAME), Mayor

ATTEST:

(originally signed by:) \_\_\_\_\_  
Clerk of Council

ACCEPTANCE of the franchises granted by the within Ordinance acknowledged by SOUTH CAROLINA ELECTRIC & GAS COMPANY, THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_.

SOUTH CAROLINA ELECTRIC & GAS COMPANY

(originally signed by) \_\_\_\_\_  
W. Keller Kissam, President  
SCE&G Retail Operations

ATTEST:

\_\_\_\_\_  
Gina S. Champion,  
Its Corporate Secretary

STATE OF SOUTH CAROLINA )  
COUNTY OF LEXINGTON ) ORDINANCE NO. 2018-16  
CITY OF CAYCE )

---

**ORDINANCE (“FRANCHISE ORDINANCE” OR “AGREEMENT”) TO GRANT TO MID-CAROLINA ELECTRIC COOPERATIVE, INC., ITS SUCCESSORS AND ASSIGNS, THE NON-EXCLUSIVE RIGHT, POWER AND AUTHORITY TO ERECT AND TO INSTALL, MAINTAIN, AND OPERATE ON, ALONG, ACROSS, IN, OVER, ABOVE, UPON AND UNDER THE STREETS, ALLEYS AND OTHER PUBLIC PLACES OF THE CITY: (1) ELECTRIC LINES, POLES, WIRES, GUYS, PUSH BRACES, TRANSFORMERS AND APPURTENANT FACILITIES; AND (2) COMMUNICATION LINES AND FACILITIES FOR ANY PURPOSE AND ANY USE BY THE COOPERATIVE OR ANY DESIGNEE, TOGETHER WITH ANY NECESSARY RIGHT OF ACCESS THERETO, FOR SUCH PERIOD AS THE SAME IS NEEDED BY THE COOPERATIVE TO RENDER SERVICE TO ITS CUSTOMERS IN THE CITY OF CAYCE, SOUTH CAROLINA FROM THOSE FACILITIES; TO SET THE AMOUNT OF FRANCHISE FEE TO BE PAID BY MID-CAROLINA ELECTRIC COOPERATIVE, INC. TO THE CITY; IF SO REQUIRED, TO LEVY FRANCHISE FEES ON THIRD PARTIES SELLING ELECTRICITY USING MCEC'S ELECTRIC SYSTEM BE IT ORDAINED BY THE MAYOR AND COUNCIL OF CAYCE IN CITY COUNCIL ASSEMBLED:**

Section 1

Wherever the word "Cooperative" appears in this Franchise Ordinance, it is hereby to designate, and shall be held to refer to Mid-Carolina Electric Cooperative, Inc., a corporation duly authorized and doing business pursuant to the laws of the State of South Carolina, its agents, subsidiaries, affiliated entities, successors and assigns.

Section 2

The non-exclusive right, power and authority is hereby granted and vested in the Cooperative to erect and to install, maintain and operate on, along, across, in, over, above, upon and under the streets, alleys, bridges, rights-of-way and other public places of the City: (1) electric and communication lines, poles, wires, guys, push braces, transformers and other appurtenant facilities; and (2) communication lines and facilities for any purpose and any use by the Cooperative or any designee, with any necessary right of access thereto; and to use those facilities to conduct an electric business, and any other business or businesses which may be lawfully conducted using the permitted facilities. As required by federal law, the Cooperative may allow pole attachments for cable systems or other telecommunications carriers. It is the

responsibility of the cable systems or other telecommunication carriers to secure any necessary easements or permits for their attachments.

### Section 3

Any street, alley, bridge, right-of-way or other public place used by the Cooperative shall not be obstructed longer than necessary during its work of construction or repair, and shall be restored to the same good order and condition as when said work was commenced. No part of any street, alley, bridge, right-of-way, or other public place of the City, including any public drain, sewer, catch basin, water pipe, pavement or other public improvement, shall be injured. However, should any such damage occur due to Cooperative's failure to use due care, the Cooperative shall repair the same as promptly as possible after notice from the City, and, in default thereof, the City may make such repairs and charge the reasonable cost thereof to and collect the same from the Cooperative. The Cooperative shall hold the City harmless from all liability or damage (including judgment, decrees, and legal court costs) resulting from its failure to use due care in the exercise of the privileges hereby granted or of its rights under this Section.

### Section 4

Upon approval of this Franchise Agreement and the franchise agreement between South Carolina Electric and Gas Co. ("SCE&G" ) and the City in accordance with the terms of the Agreement Concerning Electric Service Rights between Mid-Carolina Electric Cooperative, Inc., and South Carolina Electric & Gas Company, dated September 19, 2018 ("Electric Service Rights Agreement"), the Cooperative shall have electric service rights to the parcels shaded in green on Exhibit A, and SCE&G shall have electric service rights to the parcels shaded in red on Exhibit A, provided, however, that:

- A. The Cooperative may continue to provide electric service to any building or structure to which it is already providing electric service as of the effective date of the Franchise Agreements until such building or structure is removed, torn down, razed to the ground, or demolished, even if Exhibit A provides electric service rights for the parcel on which the building or structure is located to SCE&G; and SCE&G may continue to provide electric service to any building or structure to which it is already providing electric service as of the effective date of the Franchise Agreements until such building or structure is removed, torn down, razed to the ground, or demolished, even if Exhibit A provides electric service rights for the parcel on which the building or structure is located to the Cooperative. After any

building or structure that is being served by SCE&G or the Cooperative pursuant to the terms of this Subsection 4(A) is removed, torn down, razed to the ground, or demolished, the service rights designation in Exhibit A shall be the sole determining factor as to whether SCE&G or the Cooperative has the right to provide electric service to any future replacement building or structure within that parcel.

- B. Where any new building or structure is constructed so that part of the building or structure resides on a red parcel in Exhibit A and part of the building or structure resides on a green parcel of Exhibit A, the customer, in its sole discretion, may choose whether the Cooperative or SCE&G provides electric service to such new building or structure.
- C. Upon any future annexation by the City, the Cooperative shall have electric service rights to those annexed parcels assigned to it by the Public Service Commission of South Carolina prior to the annexation, and SCE&G shall have electric service rights to those annexed parcels assigned to it by the Public Service Commission of South Carolina prior to the annexation.
- D. If the City Council does not approve this Franchise Agreement and the franchise agreement with SCE&G pursuant to the terms of the Electric Service Rights Agreement, the Electric Service Rights Agreement shall be considered terminated, null, and void.

#### Section 5

The Cooperative shall:

A. Construct and extend its electric system within the present and/or extended City limits and have the right to connect new services in the parcels shaded in green on Exhibit A and in newly annexed parcels assigned to the Cooperative by the Public Service Commission of South Carolina prior to the annexation, and supply standard electric service at standard voltages under rates and general terms and conditions as authorized by law.

B. Furnish, install, operate, and when called upon, expand and maintain all of the electric street lighting system (to include both lighting fixtures and poles) and service along the streets, highways, alleys and public places of the City, as said system may be hereafter installed and/or changed by order of the City, in accordance with the terms and provisions of this franchise. All materials furnished shall be of standard quality and kind, and shall meet the requirements of good street lighting practice.

C. Make changes in the location of the street lighting system covered by this franchise upon written request of the City.

D. Render to the City a bill each month for the street lighting service furnished hereunder during the preceding month, in accordance with the provisions of this Franchise Ordinance.

E. Maintain at its own expense a system for repairing the street lighting system in use. The Cooperative, upon receiving official notice that there is a defective standard fixture or pole, shall within five (5) days repair or replace the same.

### Section 6

The City shall:

A. Take electric street lighting and other City electric services from the Cooperative during the period covered by this Franchise Ordinance in all areas of the City served by Cooperative or in which Cooperative is authorized by law to serve.

B. Pay monthly, within twenty-five (25) days after receipt, a proper bill from the Cooperative for the preceding month's service in accordance with the amounts provided for in approved tariffs.

C. Accept the street lighting system as it exists on the effective date of this Franchise Ordinance.

D. Pay the Cooperative for street lighting service at the rate schedule approved by the Cooperative's Board of Trustees applicable to that lighting fixture and pole, including underground rates. If no applicable rate is available for any fixture and pole at the time of billing, then the City shall pay the full and applicable non-municipal rate for such fixture(s) and pole(s).

E. Notify the Cooperative in writing of areas annexed into the City, including with the notification: (1) accurate maps, (2) tax map numbers, and (3) street addresses of all locations in the annexed areas so that newly annexed customers may be subject to franchise fees. Such notification is a precondition to franchise fee payments by the Cooperative on those accounts. In addition, the City shall promptly update its municipal boundary maps with its County Geographical Information Systems (GIS) Office.

F. Upon annexation, pay to the Cooperative for street lighting service to customers subject to the annexation at the rate schedule approved by the Cooperative's Board of Trustees applicable to that

lighting fixture and pole, including underground rates. If no applicable municipal rate is available for any fixture and pole at the time of billing, then the City shall pay the full and applicable non-municipal rate for such fixture(s) and pole(s).

#### Section 7

The City and the Cooperative agree that:

A. All work performed within the municipal limits by the Cooperative or its contractors shall be in accordance with the National Electric Safety Code and applicable electric rules and regulations.

B. The records of the Cooperative pertaining to the electric street lighting system are to be accepted as full and final proof of the existence and configuration of the same, that system being hereinafter referred to as the "Street Lighting System."

C. Where lighting units of a different type and character than those now included in the Street Lighting System are desired by the City, a new unit charge and specification shall be agreed upon which will apply to such lighting units and which thereafter shall become a part hereof.

D. Except as otherwise provided herein, the City shall have the right at any time to order the installation of new fixtures and poles in new areas of the City.

E. The City shall have access at all reasonable times to maps, records, and rates relating to the Street Lighting System in the City.

F. Subject to applicable rates and terms and conditions, throughout the life of the franchise the Cooperative will supply to the City, and the City agrees that it will purchase from the Cooperative, electric energy required by the City for its own use including traffic signal lighting, street lighting, lighting and power for public buildings, pumping stations, or other installations now owned or hereafter constructed or acquired by the City and for all other uses in all areas served by or to be served by the Cooperative, as allowed by law. However, should the City request to provide electric service to any of its facilities utilizing an alternative energy facility owned by the City, the Cooperative will consent to such a request so long as the energy from that facility is allowed by and subject to an approved Cooperative rate schedule approved by the Cooperative's Board of Trustees. If the City receives service from such a facility, then the Cooperative shall have the right to change the terms and conditions under which it provides any remaining services to City facilities.

G. The Cooperative shall charge and the City shall pay to the Cooperative monthly for all electric energy furnished by the Cooperative for miscellaneous light and power services under this franchise in accordance with rates and tariffs and terms and conditions as established by law.

H. None of the electric energy furnished hereunder shall be sold, disposed of, or exchanged by the City to others without the expressed written consent of the Cooperative.

I. The electric energy hereunder is not guaranteed or warranted to be free from minor interruptions or from major outages or electrical surges beyond the control of the Cooperative.

#### Section 8

All work upon the streets and public places of the City shall be done under the general supervision of the Mayor and Council (or other legally constituted governing body) of the City, and all sidewalks or street pavements or street surfaces which may be displaced by reason of such work shall be properly replaced and relayed by the Cooperative, its successors and assigns, to the reasonable requirements of the Mayor and Council (or other legally constituted governing body) of the City.

#### Section 9

The Cooperative shall, as to all other conditions and elements of service not fixed herein, be and remain subject to the reasonable Service Rules and Regulations of the Cooperative as approved by the Cooperative's Board of Trustees applicable to electric service in the City.

#### Section 10

A. As payment for the right to provide electric service, and any other services as may be permitted under this Franchise Ordinance, in the succeeding calendar year, the Cooperative shall pre-pay into the Treasury of the City, on or before the first business day of July each year, beginning with the year 2019, a sum of money (the "Franchise Fee") equal to five percent (5%) of the gross sales revenue accruing to the Cooperative during the preceding calendar year from all residential and commercial sales of electricity within the corporate limits of the City, not including sales made under legally authorized special sales programs which allow the Cooperative to reduce prices to meet customers' competitive energy prices. Prior to the effective date of this Ordinance, the Cooperative made payment of the Franchise Fee of three percent (3%) in July 2018 under the terms of the Franchise Ordinance which became effective on July 8, 2005; payment of an additional two percent (2%) for the upcoming 2018 through July 2019 term will be made in July of 2019 upon acceptance of this Ordinance by the Cooperative. To change the percentage of the

revenue on which the Franchise Fee is calculated, the City must both (1) amend this Franchise Ordinance by means of an Amendatory Ordinance solely addressed to that purpose, and (2) provide the Cooperative written notice including an attested copy of the Amendatory Ordinance at least ninety (90) days prior to the next Franchise Fee payment due date. So long as both conditions are met, the increase will apply to the next Franchise Fee payment due from the Cooperative and the recovery of the higher fee will begin during the calendar year for which the Franchise Fee applies. During the term of this Franchise Ordinance, the percentage of the revenue on which the Franchise Fee is based shall not exceed the highest percentage paid by the Cooperative to any other town or city under a franchise agreement.

B. Subject to Section 10(A) above, the City's right to receive franchise fees as provided for herein shall be in lieu of all occupation, license, excise and special franchise taxes and fees, and shall be in full payment of all money demands, charges, or fees of any nature whatsoever imposed by the City, except ad valorem taxes on property. The Cooperative may at its option pay and deduct from its franchise fee payments any amount that shall be required or exacted from the Cooperative for the benefit of the City other than ad valorem taxes on property.

C. It is expressly understood that all franchise fees imposed by the City on the Cooperative shall be collected from customers of the Cooperative within the municipal boundaries. From time to time, but no more than once a year and no less than once every three years, the Cooperative will provide the City a list of service addresses to which franchise fees are being applied (the "List"). The City shall have sixty (60) days from receipt to verify that all addresses included on the List are accurate and that no addresses are missing. Unless the City notifies the Cooperative of any error: (1) the City shall be required to reimburse the Cooperative for any Franchise Fee refund based on an address incorrectly included on the List; (2) the Cooperative shall not be responsible for Franchise Fees for any service addresses not included on the List. Reimbursement shall be made to the Cooperative within sixty (60) days of receipt of request by the City or the Cooperative may agree, in its sole discretion, to deduct the amounts owed under this Subsection from the next Franchise Fee payment to the City. This information is confidential and proprietary and shall not be disclosed to any third party under the Freedom of Information Act or otherwise without a court order or the Cooperative's prior written consent.

D. Should the City itself ever at any time construct, purchase, lease, acquire, own, hold or operate an electric distribution system to provide electric service within the City, then the payment of

percentages of gross sales revenue herein provided to be paid by the Cooperative, shall abate, cease and no longer be due and no other fee for the franchise rights shall be required.

Section 11

This Franchise Ordinance is subject to the constitution and laws of the State of South Carolina.

Section 12

This Franchise Ordinance shall not become effective until accepted in writing by the Cooperative, which shall be within thirty (30) days from the date of its ratification by the City and on the same date that the Franchise Ordinance for SCE&G becomes effective. The terms, obligations and rights granted by this Franchise Ordinance, when accepted by the Cooperative, shall constitute a contract between the City and the Cooperative, and shall be in full force and effect for a term of thirty (30) years from the effective date. Upon acceptance by the Cooperative in writing, this Franchise Ordinance supersedes and replaces the Franchise Ordinance which became effective on July 8, 2005.

Section 13

The rights hereunder accrue exclusively to the parties, their successors and assigns. It is the express intent of the parties that this Franchise Ordinance shall not create any rights in third parties.

**PASSED AND ADOPTED** this \_\_\_\_\_ 2018.

(originally signed by:) \_\_\_\_\_  
Elise Partin, Mayor

ATTEST:

\_\_\_\_\_

ACCEPTANCE of the franchises granted by this Ordinance is acknowledged by MID-CAROLINA ELECTRIC COOPERATIVE, INC., THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_.

MID-CAROLINA ELECTRIC COOPERATIVE, INC.

(originally signed by) \_\_\_\_\_  
B. Robert Paulling  
President & Chief Executive Officer

ATTEST:

\_\_\_\_\_