

ORDINANCE NO. 2003-4

ORDINANCE GRANTING CENTERPOINT ENERGY
ARKLA, A DIVISION OF CENTERPOINT ENERGY
RESOURCES CORP., A FRANCHISE FOR THE
TRANSPORTATION, DISTRIBUTION AND SALE OF GAS
WITHIN DESIGNATED AREAS OF THE BAYOU
D'ARBONNE LAKE WATERSHED DISTRICT

BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE
BAYOU D'ARBONNE LAKE WATERSHED DISTRICT:

Section 1. Centerpoint Energy Arkla, a division of Centerpoint Energy Resources Corp., its successors and assigns (hereinafter called "Grantee"), is hereby granted the right to construct, install, operate and maintain pipelines and related facilities for the transportation, distribution and sale of gas in all areas within the Bayou D'Arbonne Lake Watershed District (hereafter called the "District"), within one mile of the high water line of D'Arbonne Lake in Union and Lincoln Parishes, Louisiana, less and except all areas located within the corporate limits of the Town of Farmerville, Louisiana (hereafter called the "Territory").

Section 2. Grantee's facilities shall be installed and operated in a workmanlike manner, and the District shall be held harmless from any damages caused by the negligence of Grantee's employees in the course of their employment. Grantee shall tunnel beneath paved street, sidewalks and alleys wherever practical in laying and replacing mains. Grantee shall refill its excavations and restore sidewalks and pavements promptly, and if this is not done within a reasonable time then it may be done by the District at Grantee's expense. Grantee lines shall be laid so as not to interfere with the present sewer and/or water system, and if a new sewer and/or water line crosses Grantee's pipeline at the same level, then this District may, if Grantee has not done so after reasonable notice, raise or lower Grantee's line at Grantee's expense but only under Grantee's supervision. However, if any relocation of Grantee's pipelines and/or related facilities is required as a result of any project of the United States federal government, then the District shall pay Grantee the costs and expenses incurred by Grantee in relocating Grantee's pipelines and/or related facilities up to but not greater than the total finances provided in connection with any such project by the United States Federal government.

Section 3. The District may inspect Grantee's construction work at any time, or have said work inspected by a qualified engineer.

Section 4. The point of delivery of gas to the consumer shall be at the inlet to the consumer's meter, and service pipe and facilities necessary to safely receive and utilize the gas at and beyond that point of delivery shall be furnished and maintained by the consumer, except that Grantee shall furnish and connect the gas meter. Title to all equipment installed by Grantee shall remain in Grantee, and Grantee shall have the unqualified right to use, extend, repair, replace, change, abandon or remove facilities installed under the authority of this grant or any other facilities as it may determine to be necessary or desirable from time to time in the conduct of its business. Grantee will not be obligated to commence, extend or continue any particular gas service by means of facilities installed under the authority of this grant or any other facilities except as Grantee may determine the prudent management and use of its present and future gas supply and facilities to permit and in accordance with Grantee's applicable rates, rules, regulations, policies and procedures, including curtailment procedure, as the same may exist and be changed from time to time. Grantee may promulgate and enforce reasonable rules, regulations and requirements governing the sale, delivery, receipt and use of gas furnished by Grantee and the commencement and discontinuance of gas service.

Section 5. Grantee's rates currently effective in the District for gas service shall continue in effect until raised or lowered in the manner provided by law.

Section 6. In consideration of this grant, beginning on the effective date of this Ordinance and thereafter for as long as this Ordinance remains in effect in accordance with its terms, Grantee shall pay to the District two percent (2%) of Grantee's gross receipts from gas sales to residential and commercial customers located within the Territory. Amounts due hereunder shall be computed monthly, and payments shall be made within thirty (30) days after the expiration of the month with respect to which payment is due.

Section 7. This franchise shall become effective on October 1, 2003, and continue in effect for a period of twenty-five (25) years and three (3) months or until December 31, 2028.

Section 8. The provisions hereof are intended to be separate and severable, and the holding of any portion hereof to be invalid shall not affect the other portions.

This Ordinance having been considered by a quorum of the Board of Commissioners, on motion to adopt by Commissioner Larry Turner, seconded by Commissioner Paul Bullock, a record vote was taken and the following result was had:

YEAS: COMMISSIONER PAUL BULLOCK, COMMISSIONER STEVE
CAGLE, COMMISSIONER BILL ROARK, COMMISSIONER
LARRY TURNER

NAYS: NONE

ABSENT: COMMISSIONER RONNY GRAHAM, COMMISSIONER
LAWRENCE HILL, COMMISSIONER TROTT HUNT

WHEREUPON, the presiding officer declared the above
Ordinance duly adopted on the 17th day of November, 2003.

ATTEST:



Paul Bullock
Secretary



Bill Roark
Vice-President

Ordinance.Centerpoint/KR/Darbonne