

ACCEPTANCE OF FRANCHISE

**TO: THE CITY OF SOCORRO
SOCORRO, NEW MEXICO**

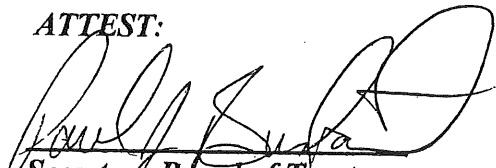
You are hereby advised that the Socorro Electric Cooperative, Inc., Socorro, New Mexico, hereby accepts all the terms and conditions of the grant or franchise set forth in Electric Ordinance No. 99-4-19. Which was passed and adopted by the governing body of the City of Socorro, Socorro County, New Mexico, pertaining to distribution of electrical energy in the City of Socorro, Socorro County, and New Mexico.

SOCORRO ELECTRIC COOPERATIVE, INC.

BY: 

President - Board of Trustees

ATTEST:



Secretary - Board of Trustees

ELECTRIC COOPERATIVE- 99-4-19

AN ORDINANCE GRANTING TO THE SOCORRO ELECTRIC COOPERATIVE, INC., A
FRANCHISE TO CONSTRUCT, ACQUIRE, OPERATE, AND MAINTAIN AN ELECTRIC
SYSTEM IN THE CITY OF SOCORRO, NEW MEXICO.

The City of Socorro, a Municipal Corporation located within the County of Socorro, State of New Mexico, does hereby grant unto the Socorro Electric Cooperative, Inc., a corporation organized and existing under the laws of the State of New Mexico, with its successors and assigns the right, privilege and authority to erect, construct, lay, install and maintain an electric lighting, and power plant and distribution system, and to operate and maintain the same, all within the limits of said City of Socorro; and to erect, construct, lay, install and maintain poles, wires, conduits, tunnels, pipes, and other fixtures in and upon the City of Socorro for the purpose of furnishing electric light, and the power to said City and inhabitants thereof, and for other purposes.

Section 1. That in consideration of the benefits to be derived by the inhabitants of said City of Socorro from the maintenance of an electric lighting and power system in said City by the hereinabove named grantee in the manner hereinafter specified according to the provisions hereof, there is hereby granted to the Socorro Electric Cooperative, Inc., a corporation, hereinafter called the grantee, and to its successors and assigns, the right, privilege and authority to erect, construct, install and maintain an electric lighting, and power plant or transformer station, or both, and to operate and maintain an electric system within the limits of said City of Socorro, as the same now exist or may be hereinafter extended, for a period of five (5) years (with the option of 5 additional years by execution of a resolution by the Socorro City Council), from and after the date of passage and publication of this ordinance, and for that purpose during said period to erect, construct, install and maintain in, upon, over, across or under the several streets, alleys, bridges, public grounds and places of said City, all conduits, tunnels, poles, wires, cables, lamps, pipes, fixtures, and appliances necessary, convenient or proper to carry on the business of manufacturing,

furnishing and supplying electricity, and power to said City of Socorro and inhabitants thereof, and for the use of persons without the corporate limits of said City, or for any other purpose, and to obtain such power either from a plant or plants located in said City or over transmission and distribution lines from itself or other companies located outside of said City of Socorro.

Section 2. That for the purpose of erecting, constructing, installing, maintaining and operating said electric lighting, and power plant or plants and system or systems, said grantee may enter upon the streets, alleys, bridges, public grounds and places of said City and make such excavations, erect such poles and fixtures, and lay such pipes as maybe necessary and convenient, provided that such work shall be done in a manner as to cause as little inconvenience as possible to the public and will not interfere with the sewers, water mains, gas lines, sidewalks, pipes or hydrants on the streets in said City, and provided that any excavation made by said grantee as aforesaid shall remain open no longer than reasonably necessary, and that said shall properly protect the same when open and shall fill and repair the same as to leave the streets, alleys, bridges, public grounds or places in as far as possible as good condition as before such excavation was made. The grantee is hereby granted the right to trim any tree or shrub, either wholly within the streets, alleys or public places of said City, or branches of which overhang the same, and which interfere with erection, construction, maintenance, or operation of the grantee's poles, pipes, wires or other fixtures. Any and all trimming should be done in a manner that exemplifies reasonable care and should be done by individuals who posses the knowledge and skills accepted by others in the industry.

Section 3. That all conduits, poles, pipes, wires and fixtures installed by virtue of this ordinance shall be erected in such places, and in such manner, as not to obstruct streets, alleys, bridges, or public grounds of said City, and so as not to obstruct or impair the use therefor the ordinary purpose of travel thereon, and when any poles or other equipment shall be placed contrary to the terms of this ordinance and the said grantee does not cause their removal within a reasonable time after written notice from the City Administration so to do, the City Administration of said City may cause the removal thereof and collect from said grantee the actual cost of the removal; but so long as the term of this section is fully complied with by said grantee, its

successors or assigns, it may place necessary poles, pipes, equipment and fixtures where best suited to conduct and develop the operation of said plant or system.

Section 4. That when any street, alley, bridge or public place, upon which or in which any poles of said grantee have been placed, shall be graded, curbed, paved or otherwise changed so as to make the resetting, or reconstruction of such poles necessary, said grantee, its successors or assigns, shall make such necessary change in construction at its own expense. Should it become necessary or should the grantee desire to use conduits, pipes, or other similar fixtures, grantee shall make application to the City for the establishment of permanent grades and such conduits, or other similar fixtures shall not be installed until such permanent grades have been established. The City agrees to promptly establish such permanent grades upon such application.

Section 5. That in case any person desires to move a building along streets or alleys crossed by the wires of said grantee, and it becomes necessary to have said wires temporarily raised or removed for the passage of such buildings, the grantees shall be given forty-eight (48) hours notice in effect; and when such notice has been received by said grantee and upon the payment by the person desiring the same of the reasonable costs damage resulting from the removal or change of such wires by said grantee to remove or raise such wires as to permit passage of such building, but said grantee shall not be required to make such change or removal except at a reasonable time of day.

Section 6. For and in consideration of the right, and privileges herein granted, grantee, its successors and assigns, shall pay monthly during the term of this franchise, a street rental or charge in nature of street rental, a sum of two percent (2%) per month, of the grantee's gross receipts derived from sales of electricity to domestic and commercial customers for use and consumption per month within the present and future corporate limits of the City of Socorro, New Mexico; provided, however, that the term "sales of electricity to domestic and commercial customers" does not include (1) electrical energy sold for industrial consumption, for example, for use in manufacturing, processing, mining, refining, building construction, irrigation, etc., (2) all receipts from the City of Socorro for electrical lighting, heating, and other electrical requirements, (3) that sold to educational institutions not operated for profit. Payment of said sum

for each month's gross receipts should be made on or before the 15th day of each month and shall include an itemized financial summary by rate class explaining the origin of the fees delivered. This financial summary will be subject to review and modification at the City Auditor's request. All receipts will be for the period of the preceding month during the term of this franchise, it is further agreed that the Grantee will provide "time of use metering" (with appropriate rates) as approved by the Public Regulation Commission to be used at various sites owned and operated by the Grantor. These sites will typically be described as the City Sewer Plant, Water System, Natural Gas System, and any other locations where mutual benefits of "Time of Use" metering can be delivered. This franchise, upon acceptance by grantee, shall be and become a contract.

Section 7. Socorro Electric Cooperative agrees to provide, at their cost, maintenance to all city street lights (with monthly fixed fees), in need of repair, and further agrees to survey these lights on a monthly basis to ensure they are properly functioning.

Section 8. This agreement is non-transferable and runs' concurrent to the 1972 Franchise Agreement which was officially extended on a month to month basis by the Socorro City council until such time as a more permanent agreement could be reached.

PASSED, APPROVED AND ADOPTED THIS 17th ^{May} DAY OF 1999.

(SEAL)



Ravi Bhasker, Mayor

Attest:



Pat Salome, City Clerk