

**ORDINANCE NO. 855**

**AN ORDINANCE AMENDING STAYTON CITY ORDINANCE NO. 593 TO EXTEND THE TERM OF THE NON-EXCLUSIVE FRANCHISE OF NORTHWEST NATURAL GAS COMPANY, DBA NW NATURAL, TO AND INCLUDING APRIL 8, 2004; AND, DECLARING AN EMERGENCY.**

WHEREAS, the City of Stayton has, through Ordinance No. 593, granted a non-exclusive franchise to Northwest Natural Gas Company, to operate a gas utility within the City of Stayton;

WHEREAS, Northwest Natural Gas Company routinely does business as NW Natural;

WHEREAS, Ordinance No. 593 is due to expire on or about the 8<sup>th</sup> day of November, 2003;

WHEREAS, the existing franchise calls for a franchise fee of 3% of franchisee's gross revenues, but state law allows for a franchise fee of 5% of gross revenues;

WHEREAS, the City of Stayton's adopted budget for Fiscal Year 2003-2004 is predicated on a 5% franchise fee from this franchisee beginning in November 2003;

WHEREAS, the City of Stayton and Northwest Natural Gas Company, dba NW Natural, are in the process of negotiating a successor franchise ordinance;

WHEREAS, an additional extension of the franchise term is necessary and reasonable to allow time for the negotiation of said successor franchise ordinance;

WHEREAS, upon approval of the successor franchise by the City Council, the new franchise shall effectively supercede the previous franchise, as extended; and

WHEREAS, the franchisee's obligations should commence upon adoption of this ordinance;

WHEREAS, it is appropriate that an emergency be declared as to the enactment of this Ordinance to ensure continuity so that the franchise remains in full force and effect immediately upon its adoption by the Stayton City Council.

NOW THEREFORE, the Stayton City Council does ordain as follows:

SECTION 1. City of Stayton Ordinance No. 593, Section 4 (Duration.), is amended to have the following added at the end of the sentence:

... "and the rights, privileges and franchise herein granted shall continue and be in force effective to and including April 8, 2004."

SECTION 2. City of Stayton Ordinance No. 593, Section 12 (first sentence), is amended to read:

Section 12: Compensation. (1) As compensation for the franchise granted by this ordinance, the Grantee shall pay to the City an amount equal to five percent (5%) of the gross revenue collected by the Grantee from its customers for gas consumed within the City.

SECTION 3.

All other terms and conditions of Ordinance No. 593, shall remain unchanged.

SECTION 4.

Within thirty (30) days after enactment of this ordinance and approval by the Mayor, Northwest Natural Gas Company, dba NW Natural, shall file with the City Administrator for the City of Stayton a written acceptance, attached hereto as Attachment A and by this reference made a part of this ordinance, stating that Northwest Natural Gas Company, dba NW Natural, hereby accepts this amendment to Ordinance No. 593 and agrees to comply with all the terms and conditions of this ordinance.

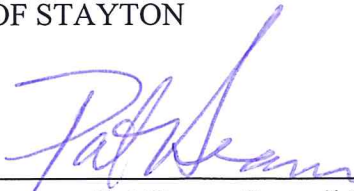
SECTION 5.

An emergency is hereby declared and, upon adoption by the Stayton City Council and the Mayor's signing, this Ordinance shall become immediately effective.

ADOPTED BY THE STAYTON CITY COUNCIL this 20th day of October, 2003.

CITY OF STAYTON

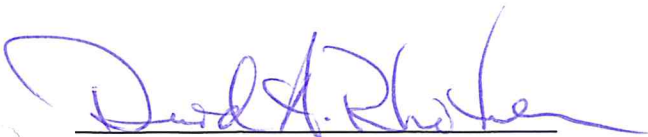
Signed: OCTOBER 21, 2003

By:   
Pat Hearn, Council President

Signed: Oct. 22, 2003

ATTEST:   
Chris Childs, City Administrator

APPROVED AS TO FORM:

  
David A. Rhoten, City Attorney

ATTACHMENT A

ACCEPTANCE OF ORDINANCE NO. 855  
City of Stayton, Oregon

TO THE MAYOR AND COUNCIL OF THE CITY OF STAYTON:

WHEREAS, on the 20th day of October, 2003, the City Council of the City of Stayton, Oregon, enacted Ordinance No. 855 which is:

**AN ORDINANCE AMENDING STAYTON CITY ORDINANCE NO. 593  
TO EXTEND THE TERM OF THE NON-EXCLUSIVE FRANCHISE  
OF NORTHWEST NATURAL GAS COMPANY, DBA NW NATURAL,  
TO AND INCLUDING APRIL 8, 2004; AND, DECLARING AN EMERGENCY.**

WHEREAS, the ordinance was granted upon the condition that the grantee, Northwest Natural Gas Company, dba NW Natural, shall, within thirty (30) days of the passage and approval of the ordinance, file with the City Administrator or the City of Stayton, its written acceptance of all terms and conditions of the ordinance:

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that Northwest Natural Gas Company, dba NW Natural, does hereby accept Stayton City Ordinance No. 855 and all the terms and conditions of said ordinance.

IN WITNESS WHEREOF, Northwest Natural Gas Company, dba NW Natural, has caused this acceptance to be duly executed this 19<sup>th</sup> day of November, 2003.

NORTHWEST NATURAL GAS COMPANY, DBA  
NW NATURAL

By: [Signature]  
Name/Title

Date: 11-19-03

Received by the City of Stayton:

By: [Signature]  
Date: 11/20/2003

(see copy with 11/19/03)