Definitions.

The terms and conditions described in this ordinance now, therefore,
determined to be true and correct and are hereby adopted.

Section 1. That the facts contained in the preamble to the ordinance are

TEXAS:

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF JAMAICA BEACH,

"WHEREAS," it is hereby found and determined by the Board of Aldermen of the

WHEREAS, it is hereby found and determined by which they will amend the Prior Franchise and extend the term
terms and conditions by which they will amend the Prior Franchise and extend the term
between Company and City, and the City have reached agreement on the

WHEREAS, pursuant to that certain Agreement dated May 1, 2006,

WHEREAS, Company owns and operates an electric delivery business within the

WHEREAS, Company owns and operates an electric delivery business within the

WHEREAS, Houston Electric LLC and

WHEREAS, Houston Electric LLC and

WHEREAS, Houston Electric LLC and

WHEREAS, Houston Electric LLC and

WHEREAS, Houston Electric LLC and

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WHEREAS, Houston Electric LLC and

WHEREAS, Houston Electric LLC and

WHEREAS, Houston Electric LLC and

WHEREAS, Houston Electric LLC and

WHEREAS, Houston Electric LLC and

* * * * *

The City of Jamaica Beach, Texas,

DEPARTMENT OF BUSINESS LICENSES AND BUSINESS PERMITS

AN ORDINANCE GRANTING TO CENTERPOINT ENERGY, INC.

City of Jamaica Beach, Texas, Ordinance No. 2006-2
Franchise Year and the meaning set forth in Section 1 here below.

**Franchise.**

Franchise means this Ordinance and the rights and privileges granted by this Ordinance.

affected party.

affected party, where the affected party has exercised all due care in the prevention of theft and such causes or other events are without the fault or negligence of the affected party involved.

This Part of the Ordinance applies to all entities that provide services to the public.

Company, means CenterPoint Energy Eiectric, LLC, a Texas Limited Liability Company.

Compensation, means the governing body of the City, or its designee.

City, means the city of Jamaica Beach, Texas, a municipal corporation of the State of Texas.

First Rate Case has the meaning set forth in Section 14 here below.

Effective Date means July 1, 2006.

Initial Application means CenterPoint Energy Electric, LLC, a Texas Limited Liability Company.

Initial Application means the governing body of the City, or its designee.

this Part of the Ordinance applies to all entities that provide services to the public.

that are under the control of the Federal Communications Commission.

Broadband over Power Lines (BPL) or Access BPL, as used by the Federal Communications Commission in Section 15.3 of its Rules as broadband over power lines (BPL) or Access BPL, has the same meaning as access broadband over power line (access BPL). A carrier...
Section 3. Subject to the terms, conditions and provisions of this Franchise, City’s right to impose reasonable fees upon third parties for the use of the Public Rights-of-Way to provide Other Services, so long as such fees are assessed on a non-exclusive basis and do not prevent or restrict within the Public Rights-of-Way for Other Services, this Franchise does not restrict within the Public Rights-of-Way for Other Services. This Franchise does not restrict the City’s right to regulate, license and subject the System to conduct within the City’s right to regulate, license and subject the System to conduct within the Public Rights-of-Way for Other Services, including exclusive, non-exclusive, regulated, no-use, or any other rights or conditions imposed by the City. Street means the surface and the space above and below any public street, road, highway, alley, bridge, sidewalk, or other public place of use.

For which electric utility may be used.

Street means the surface and the space above and below any public street, road, highway, alley, bridge, sidewalk, or other public place of use.

Equivalent jurisdiction.

Retail Customer means any Person taking delivery of electricity from Company, without limitation, any Person, organization or corporation of any kind, firm, partnership, association, corporation, or other entity which may purchase electricity for use by itself or another Person, or for sale to another Person, or for resale, or for process or transformation, or for any other purpose.

Section 5. Public Works Improvement Projects means the meaning set forth in Section 3, below.

Public Rights-of-Way means the area within the City’s right to regulate, license and subject the System to conduct within the City’s right to regulate, license and subject the System to conduct within the Public Rights-of-Way for Other Services, including exclusive, non-exclusive, regulated, no-use, or any other rights or conditions imposed by the City.

For which electric utility may be used.

Public Utility Commission of Texas means the meaning set forth in Section 3, below.

Person means any individual, firm, partnership, association, corporation, or any other entity which may purchase electricity for use by itself or another Person, or for sale to another Person, or for resale, or for process or transformation, or for any other purpose.

Public Works Improvement Projects means the meaning set forth in Section 3, below.

Public Rights-of-Way means the area within the City’s right to regulate, license and subject the System to conduct within the City’s right to regulate, license and subject the System to conduct within the Public Rights-of-Way for Other Services, including exclusive, non-exclusive, regulated, no-use, or any other rights or conditions imposed by the City.

For which electric utility may be used.

Restrictive Date and as same may change from time to time during the term of the Franchise.
Section 2. The service furnished hereunder to City is preliminary shall be
periodic and subject to the right and continued use of Company.

Section 7. Following completion of work, in Public Rights-Of-Way, Company shall
be subject to the right and continued use of Public Rights-Of-Way
use: and the sole, exclusive, or simultaneous, of possession of the Public Rights-Of-Way
The maximum extent of its right to do so, shall first Grant Company an easement for such
Public Rights-Of-Way; which is being used by Company pursuant to this Franchise, City, to
repair the affected Public Rights-Of-Way as soon as possible, but in all cases shall
repair the affected point of any position of any portion of the Public Rights-Of-Way, Company shall

Section 1. Improvement Projects...

Section 4. Upon the filing with City by Company of the acceptance required
discrimination basis with those charged to other companies providing services
competitive with the other Services.

Requirement is automatically in effect when due to Force Majeure. In any Force Majeure
requirement or the delivery, services provided by Company. An exception to this
Furnishing, Company's Franchise shall govern the same, terms and
maintenance, in reasonable operating condition, during the continuance of this
Franchise. and shall provide sufficient service for the needs of the Community. The
Franchisee shall provide a sufficient service for the needs of the Community. The
Franchisee shall provide a sufficient service for the needs of the Community. The
Franchisee shall provide a sufficient service for the needs of the Community. The
Franchisee shall provide a sufficient service for the needs of the Community. The
Except as set forth in Section 15, payment of the Annual Franchise Fee shall be the
Annual Franchise Fee ("FF") subject to any Annual Adjustment Factor set forth below.
Franchisee provides for in Section 4 above, an annual franchise fee (referred to herein
throughout the remainder of the FF of the FF and the additional term of this
Company agrees to pay to CIty, beginning on the Effective Date and continuing
Consideration for the rights and privileges herein granted.

Sections
11. In consideration for the rights and privileges herein granted,

12. Company shall, at all times, keep its premises in a clean, neat, and orderly condition.
Franchise. City shall not charge any additional license, charge, fee, street or alley
company's use of the public rights-of-way for the conduct of business under the
Franchise Fee payable hereunder shall be the total compensation payable by Company to City for
Section 11. The parties agree that the Franchise Fee shall be calculated pursuant to this Section 11 and

the annual Franchise Year shall be calculated for each succeeding twelve-month period beginning Day 1 of the Franchise Year following the Franchise Year in which the Franchise was granted. The annual Franchise Fee shall be payable in equal monthly installments on the 10th day of each calendar month. Company shall also authorize for reimbursement of Municipal Account Franchise Credits for Franchise Fees paid in the prior calendar year. The annual Franchise Fee shall be paid each year on or before February 10th of the year following the calendar year in which the Franchise was granted.

1. The "Annual Franchise Fee", for the twelve-month period beginning on the

2. The "Annual Franchise Fee", for each succeeding twelve-month period

Effective Date (the "Initial Franchise Year") shall be 6/4/2002.

\[ \text{Franchise Fee} = \frac{\text{Average Kilowatt Weighted of Street Lighting}}{17,940.865 \text{ KWh}} \times 2009 \text{ KWh} \]
The PUC has concluded that the rate periods and standards relating to the Public Rights-of-Way, which include the annual Franchise Fees, are not included in the fixed costs of the company. Therefore, the annual Franchise Fees should be reviewed by the PUC at the time of the first franchise renewal. If the annual Franchise Fees are not included in the fixed costs of the company, the company may be required to pay additional fees for the installation of City-owned facilities. The franchise fee does not exceed the annual Franchise Fees, and such fees are subject to the use of City-owned facilities.

In addition to the considerations set forth in Section 14, the company shall review its franchise agreements annually to ensure that the franchisee complies with all applicable City ordinances and Standards. Any modifications to the franchise agreement shall be made in accordance with the applicable City ordinances and Standards.
date the initial payment was due until it is paid.

Texas Public Utility Commission. Said interest shall be payable on such sum from the
beginning of the calendar year in which the amount becomes due until paid. Said
interest of any default shall accrue on the amount due from date of default until
paid.

For the payment of any sum due to the Company under this Agreement, the
Company shall deliver a certified check, drawn on a bank in the City of Houston,
Texas, or its equivalent, made payable to the order of the Company, on which the
amount is due, and which is acceptable to the City.

The Company shall pay all sums due to the City under this Agreement within
five (5) business days after receipt of written notice thereof from the City. Such
notice shall be deemed to have been given when mailed by
registered or certified mail, return receipt requested, to the Company at the
address shown on the Agreement.

The City may conduct an audit or other inquiry, or may require the
Company to furnish any information deemed necessary by the City to verify the
amounts due under this Agreement.

SECTION 15. Application of the Agreement.

The Agreement shall apply to all transactions between the Company and the
City, and shall be binding upon the Company and the City.

SECTION 16. Miscellaneous.

The Agreement shall be governed by the laws of the State of Texas, and any
litigation arising out of or in connection with the Agreement shall be
brought in the courts of the State of Texas.

SECTION 17. Entire Agreement.

This Agreement contains the entire agreement between the parties with respect
to the subject matter hereof, and supersedes all prior negotiations, understandings,
and agreements, whether written or oral. No modification or amendment of this
Agreement shall be effective unless signed by both parties.

SECTION 18. Waiver.

No waiver by either party of any breach of any provision of this Agreement
shall be deemed a waiver of any other or subsequent breach of the same or any
other provision.


The Agreement shall be governed by the laws of the State of Texas, and any
litigation arising out of or in connection with the Agreement shall be brought in the
courts of the State of Texas.

SECTION 20. Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed
to be an original, but all of which together shall constitute one and the same
instrument.


If any provision of this Agreement is held to be invalid or unenforceable by
any court of competent jurisdiction, such invalidity or unenforceability shall
not affect the validity or enforceability of any other provision of this Agreement.

SECTION 22. Notice.

All notices required or permitted to be given under this Agreement shall be
delivered personally, mailed by certified or registered mail, return receipt
requested, or delivered by facsimile transmission to the addresses set forth in
Section 1, or such other addresses as the parties may mutually designate.

SECTION 23. Amendment.

This Agreement may be amended from time to time by written agreement
between the parties hereto.


The Agreement may not be assigned without the written consent of the other
party,

SECTION 25. Binding Effect.

This Agreement shall be binding upon the successors and assigns of the
parties hereto.

SECTION 26. Entire Agreement.

This Agreement constitutes the entire agreement between the parties hereto
and supersedes all prior negotiations, understandings, and agreements, whether
written or oral.

SECTION 27. Engineering Services.

The Company agrees to provide engineering services as required by the City
in connection with the Agreement.

SECTION 28. Indemnification.

The Company agrees to indemnify and hold harmless the City from and against
any and all claims, damages, liabilities, costs, and expenses arising out of or in
connection with the Agreement.

SECTION 29. Governing Law.

This Agreement shall be governed by the laws of the State of Texas, and any
litigation arising out of or in connection with the Agreement shall be brought in the
courts of the State of Texas.

SECTION 30. Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed
to be an original, but all of which together shall constitute one and the same
instrument.

SECTION 31. Severability.

If any provision of this Agreement is held to be invalid or unenforceable by
any court of competent jurisdiction, such invalidity or unenforceability shall
not affect the validity or enforceability of any other provision of this Agreement.

SECTION 32. Notice.

All notices required or permitted to be given under this Agreement shall be
delivered personally, mailed by certified or registered mail, return receipt
requested, or delivered by facsimile transmission to the addresses set forth in
Section 1, or such other addresses as the parties may mutually designate.

SECTION 33. Amendment.

This Agreement may be amended from time to time by written agreement
between the parties hereto.

SECTION 34. Assignment.

The Agreement may not be assigned without the written consent of the other
party,

SECTION 35. Binding Effect.

This Agreement shall be binding upon the successors and assigns of the
parties hereto.

SECTION 36. Entire Agreement.

This Agreement constitutes the entire agreement between the parties hereto
and supersedes all prior negotiations, understandings, and agreements, whether
written or oral.

SECTION 37. Engineering Services.

The Company agrees to provide engineering services as required by the City
in connection with the Agreement.

SECTION 38. Indemnification.

The Company agrees to indemnify and hold harmless the City from and against
any and all claims, damages, liabilities, costs, and expenses arising out of or in
connection with the Agreement.
Claims, Acts that may accrue to or be brought by any Person, Persons,
suits, actions, and causes of action, to the extent permitted by the Texas
hold City harmless from and on account of all damages, costs, expenses,
hold and Company, its successors and assigns, shall indemnify and
interests, and Company, its successors and assigns, hereby granted.
by the absolute
exercise of any rights and privileges hereby granted or by the absolute
effectiveness of the
successors or assigns, and shall refund to City all sums which it may be
successors, of Company, or its employees or
transmission and
construction and maintenance of the electricity transmission and
distribution systems, or in any way growing out of the granting of this
assures, shall hold and hold City harmless against all claims for
Section 11. Subject to Section 15, Company, its successors and

As closely as possible.

Within one year from the date the penalty accrues.

Any suit to recover such penalty shall be filed

Twenty-Five Dollars ($25) for each day it shall be

The reasonableness of the fees in question, then shall be held and grieved. Contest the

reasonableness, lawfully determined by City, and the costs of this Figure.

Force Majeure, or shall Company fail or refuse to furnish sufficient service at

If any term of other provision of the Franchise is determined by a

containing upon Company any exclusive rights or privileges of any nature whatsoever.

Nothing contained in this Franchise shall ever be construed as

Proper Franchise, except those claims resulting in Company's obligations as determined in

unassessed, arising out of prior Franchise agreements, including without limitation, the

The parties agree to waive any and all claims, asserted or
Dated this the __________________ day of ________ 2006.

Title: ________________________________

Name: ________________________________

By: ________________________________

CENTREPOINT ENERGY HOUSTON ELECTRIC, LLC

Agrees to be bound by all of its terms, conditions and provisions.

FOR ITSELF, ITS SUCCESSORS AND ASSIGNS, GENERATE, CENTREPOINT ENERGY ELECTRIC, LLC, HOUSTON, hereby accepts the electric ordinance and By: ________________________________

Beach, Texas: ________________________________

To the Honorable Mayor and the Board of Aldermen of the City of Jamaica

"The following is the statement in the following form signed in its name and behalf, a written agreement with the State of Texas, and under the electric ordinance, the Company will be subject to the exercise of this local power and the term of the Franchise by its charter, 24 months after the execution of this agreement, which are hereby repealed.

This agreement is made and entered into on the 3rd day of December, 2006, and replaces all other former Franchise agreements with Company.

Subject to all lawful rights, powers and authorities, either of regulation or otherwise, reserved to the City by its charter or the general laws of this State, the rights and privileges hereby granted, or of the exercise thereof,

Company or companies at any time hereafter by reason of the exercise of
each case by the terms and conditions of this franchise.

Section 28. The rights and remedies provided hereunder are cumulative and not

shelled separately from any remedies provided by law, and nothing contained in this franchise

shall impair any of the rights of the City of the Company under applicable law, subject in
days after it was mailed.

The mailing of such notice, direction or order shall be equivalent to direct personal
notices and shall be deemed to have been given the earlier of receipt or two business

Calverton, TX 77564
PO Box 2264
City Secretary, City of Jamaica Beach

And, as applicable, to the

Calverton, TX 77554
PO Box 2264
Mayor, City of Jamaica Beach

The mailing of such notice, direction or order shall be sent to the
such communication to the City of the Board of Aldermen shall be sent to the

Houston, Texas 77002
1111 Louisiana Street
CenterPoint Energy, Inc.
Vice President, Regulatory Relations

Every notice, order, petition, document, or other direction or
communication to the Company shall be served by registered or certified mail, return receipt requested. Every such
communication to be served upon the City or the Company shall be deemed sufficiently

Section 27. Every notice, order, petition, document, or other direction or

regarding this franchise required by such Board of Aldermen provisions.

of Type "A" General Law Municipality of the Board of Aldermen, the Company shall pay
the cost of those publications and any costs associated with any elections held
in accordance with Section 25.

and after 10 days following its final passage and approval, and remain in force from

General Law Municipality of the Board of Aldermen shall take effect, and be in force from

Section 26. This franchise, having been published as required by the Type "A"
(Seal)

Tam White, City Secretary

ATTEST:

Mayor Victor Person

Passed, Approved and adopted this the 16th day of May, 2006.