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The City of Salem ordains as follows:

(A) The City of Salem ("City") grants to Portland General Electric Company ("Grantee"), its successors and assigns, subject to the terms and conditions in this ordinance, a nonexclusive franchise to erect, construct, maintain and operate an electric light and power system within the City as it now exists or may be extended in the future. The Franchise includes the privilege, consistent with the terms of this ordinance, to install, repair, maintain, and operate, poles, wires, fixtures, equipment, communications facilities necessary for operation of Grantee's electric light and power system, and underground circuits necessary to supply electric energy for light and power (collectively, "Facilities") upon, over, along, under, and across the streets, alleys, roads and other public ways, including but not limited to public utility easements on private property on which a preliminary subdivision plat has been approved by the City, and which will be managed by the City thereafter, for the provision of public utility services within the City as Grantee's power and light system now exists or is extended in the future. Installation of Grantee's Facilities in City park property on or after the Effective Date of this Franchise, and the right to repair, maintain, upgrade and operate such after-installed Facilities, shall be negotiated by separate agreement with the City. With respect to Facilities located in City park property existing as of the Effective Date of this Franchise, as well as those whose locations are approved by the City during the Term, City park property shall be treated the same as the Public right-of-way for purposes of Sections 4(A), (B), (C), (E) and (F), 5, 6, 7, 8, and 11(A) herein.

(B) Nothing in this Franchise limits the City from granting others the right to carry on activities similar to, or different from the ones described in this Franchise. The rights granted herein do not include the right to build or site electric generating facilities in the locations described in this Section.

1 (C) All facilities in possession of Grantee currently located within the Public right-of way
2 and City park property are covered by this Franchise, are covered by the consideration
3 paid in accordance with Section 12, and are deemed lawfully placed in their current
4 locations. The City may require relocation as further specified in Section 8 of this
5 Franchise.

6 (D) Grantee may provide telecommunications services via Grantee's electric light and power
7 system if it obtains all necessary authorizations from the City regarding the provision of
8 telecommunications service and will obtain any necessary, lawful and applicable
9 authorization for such provision, including entering into a separate franchise with the
10 City.

11 **Section 2. Term and Effective Date.**

12 (A) **Duration of Franchise.** This term of this Franchise, and all rights and obligations
13 pertaining thereto, shall be ten (10) years from the effective date of the Franchise
14 ("Term") unless renegotiated or terminated as provided herein. The Term shall
15 automatically renew for an additional five-year period after the expiration of the initial
16 Term unless either party provides the other party written notice, at least 180 days prior to
17 the expiration of the current Term, that it does not desire to renew this Franchise, or does
18 not desire to renew this Franchise unless and until the parties renegotiate one or more
19 provisions of this Franchise. Pursuant to Oregon Revised Statute (ORS) 221.460, in no
20 event shall the term of this Franchise extend beyond twenty (20) years from the Effective
21 Date.

22 (B) **Effective Date.** This Franchise shall be effective immediately upon passage of the
23 Franchise by the City Council and Grantee's unconditional written acceptance of this
24 Franchise, in accordance with Section 25 herein; and if such written acceptance is not so
25 returned within the time period stated in Section 24, this ordinance shall be null and void.

26 (C) **Charter and General Ordinances to Apply.** To the extent authorized by law, this
27 Franchise is subject to the Charter of the City of Salem and general ordinance provisions
28 passed pursuant thereto, including the applicable provisions of SRC Chapter 35, unless in
29 direct conflict with provisions herein, and SRC 802.025 requiring underground utilities.
30 This Agreement is also subject to state statutes and regulations existing at the time of this

1 Franchise. Nothing in this Franchise shall be deemed to waive the requirements of the
2 various codes and ordinances of the City regarding permits, fees to be paid that are
3 generally applicable to other similar businesses operating within the City, or the manner
4 of construction.

5 **Section 3. Construction and Definitions.**

6 (A) **Captions.** Throughout this Franchise, captions to sections are intended solely to
7 facilitate reading and to reference the sections and provisions of this Franchise. Captions
8 shall not affect the meaning and interpretation of this Franchise.

9 (B) **Definitions.** For the purpose of this Franchise, the following terms, phrases, and their
10 derivations shall have the meanings given below unless the context indicate otherwise.
11 When not inconsistent with the context, words used in the present tense include the future
12 tense, words in the plural number include the singular number, and words in the singular
13 number include the plural number. The word "shall" is always mandatory and not merely
14 directory.

15 (1) "City" means the City of Salem, Oregon, a municipal corporation, and all of the
16 territory within its corporate boundaries, as such may change from time to time.

17 (2) "City Council" means the Council of the City of Salem.

18 (3) "City Engineer" means the City Engineer of the City of Salem.

19 (4) "City Manager" means the City Manager of the City of Salem, or the City
20 Manager's designee.

21 (5) "City Recorder" means the Recorder of the City of Salem.

22 (6) "Director of Finance" means the Finance Director of the City of Salem.

23 (7) "Electric light and power system" means all real property and Facilities
24 (equipment and fixtures) used by Grantee in the transmission, storage and
25 distribution of its services through its system, located inside the City, and
26 includes, but is not limited to electric distribution systems.

27 (8) "Facility" means any tangible component of Grantee's electric light and power
28 system, including but not limited to any poles, guy wires, anchors, wire, fixtures
29 equipment, conduit, circuits, vaults, switch cabinets, transformers, secondary
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1 junction cabinets, and other property necessary or convenient to the supply of
2 electric light and power owned or operated by Grantee within the City.

3 (9) "Franchise" means the document in which this definition appears, specifically this
4 contractual agreement, as fully executed by the City and the Grantee.

5 (10) "Franchise Administrator" means the Franchise Administrator of the City of
6 Salem.

7 (11) "Gross Revenues shall be deemed to include any revenue earned within the City,
8 after adjustment for the net write-off of uncollectible accounts, from the sale of
9 electrical energy, gas, steam, or water, and the use, rental, or lease of Grantee's
10 operating facilities other than poles or conduits. Gross revenues shall also include
11 distribution revenue from the use, rental or lease of PGE's facilities under tariffs
12 filed with and approved by the OPUC, and revenue collected from the United
13 States of America or any of its agencies. Gross Revenues shall exclude sales at
14 wholesale by one public utility to another of electrical energy when the utility
15 purchasing such electrical energy is not the ultimate consumer. Gross Revenues
16 also do not include revenue from joint pole use. For purposes of this subsection,
17 revenue from joint pole use includes any revenue collected by Grantee from other
18 franchisees, permittees, or licensees of the City for the right to attach wires, cable
19 or other facilities or equipment to Grantee's poles or place them in Grantee's
20 conduits.

21 (12) "Install" means to erect, construct, build, replace or place.

22 (13) "OPUC" means the Oregon Public Utility Commission.

23 (14) "Penalties" means any and all monetary penalties provided for in this Franchise.

24 (15) "Person" means any individual, sole proprietorship, partnership, association,
25 corporation, or other form of organization authorized to do business in the State of
26 Oregon, and includes any natural person.

27 (16) "Public right-of-way" and "right-of-way" means the surface of, and the space
28 above and below the present and future streets, roadways, alleys, public
29 highways, avenues, landscape strips and pedestrian ways in the City, which may
30 be held by the City in fee, easement, or dedication, used or intended to be used by

1 the general public to the extent the City has the right to allow the Grantee to use
2 them.

3 (17) "Risk Manager" means the Risk Manager of the City of Salem.

4 (18) "Year," "Annual," or "Annually" means the period consisting of a full calendar
5 year, beginning January 1 and ending December 31, unless otherwise provided in
6 this Franchise.

7 **Section 4. Construction Work.**

8 (A) **Initial Estimate.** Prior to beginning any construction, Grantee shall provide the City
9 with an initial estimate of the total cost for work in the Public right-of-way, if there is a
10 cost to the City. Upon request, the Grantee shall assign a project manager to work with
11 the City from the time of permit application for the project, until the project is completed.
12 Grantee and the City shall work together during the Public right-of-way construction
13 process to make a reasonable attempt to provide locations for Grantee's Facilities.

14 (B) **Work Schedule.**

- 15 a. **PGE or other Non-City Initiated Projects.** Projects initiated by PGE, or
16 initiated by third parties but involving PGE, within the public right-of-way, or
17 property that the City has notified PGE will become right-of-way and is so
18 designated on a preliminary plat filed with the City, shall comply with the work
19 schedule developed as part of the applicable City permitting system. In the event
20 no City permit system applies to such a project, PGE shall notify the City
21 Engineer of the work to be completed and the estimated completion date; and
22 shall keep the City Engineer apprised of revisions to the estimated completion
23 date.
- 24 b. **City Initiated Projects.** For City initiated projects, the City Engineer will appoint a
25 City project manager to provide Grantee with the City Engineer's project schedule,
26 which will include a utility relocation task and relocation completion date for
27 Grantee's facilities where applicable. Grantee shall provide the City's project
28 manager with a schedule for their work within thirty (30) days of request.
29 Grantee's schedule shall take into account the orderly, timely, and efficient
30 prosecution of the work. The Grantee's schedule shall include the following: (1)
the priority and interdependence of all Grantee's major segments of work; (2)

1 Grantee's estimated dates for beginning and ending each major segment of work;
2 (3) reflect traffic control requirements; (4) the delivery of materials for Grantee's
3 critical work elements; all to be completed in accordance with the City Engineer's
4 schedule. If after receiving the City Engineer's schedule, Grantee identifies in
5 writing within thirty (30) days of request, that the work associated with relocating
6 Grantee's Facilities will be of such size or scope that Grantee believes that it is
7 probable that Grantee will not be able to complete the work in accordance with the
8 City Engineer's schedule, Grantee may request a meeting with the City Engineer to
9 discuss whether modification of the schedule, alternate construction methods or
10 alternate locations are reasonably possible given other project constraints. The City
11 Engineer will consider Grantee's safety, reliability and cost concerns while
12 considering potential effects on project schedules, project budget and any other
13 relevant matters. However, the City Engineer will retain full authority and discretion
14 to make any final decisions regarding any modifications to the schedule, based upon
15 the City Engineer's consideration of the total circumstances of the project schedule,
16 except where Grantee's delay is due to circumstances beyond Grantee's control.
17 Grantee agrees that it will not conduct any work in a Public right-of-way during a
18 moratorium on such work, except as permitted by the City Engineer in the case of
19 an emergency:

- 20 (C) **Construction.** Grantee shall provide adequate drawings that show in detail the location
21 of any proposed facility, as well as conflicting City facilities as part of the applicable City
22 permitting process. Existing City facilities that may be in conflict with Grantee's
23 proposed facility may need to be potholed by Grantee in accordance with City Design
24 Standards or as directed by the City Engineer. Grantee's electric light and power system
25 shall be constructed and maintained in such manner as not to interfere with sewers, water
26 pipes, or any other property of the City, or with any other pipes, wires, conduits or other
27 facilities that may have been laid in the Public right-of-way by or under the City's
28 authority and subject to the National Electrical Safety Code. Assuming sufficient right-
29 of-way, all poles shall be placed between the sidewalk and the edge of the right-of-way
30 unless another location is approved by the City Engineer. If there is not sufficient Public

1 right-of-way, the City shall make a reasonable effort to assist Grantee in securing
2 alternative location.

3 (D) **Acquisition.** Upon Grantee's acquisition of any electric light and power facilities in the
4 Public ROW, or upon any addition or annexation to the City of any area in which Grantee
5 retains any such facilities in the Public right-of-way, Grantee shall submit to the City a
6 statement describing all facilities involved, whether authorized by Franchise or upon any
7 other form of prior right, together with a map, as described in Section 5, specifying the
8 location of all such facilities. Such facilities shall immediately be subject to the terms of
9 this Franchise.

10 (E) **Emergency Repairs.** In the event emergency repairs are necessary, Grantee shall as
11 soon as possible notify the City of the need for such repairs. Grantee may immediately
12 initiate such emergency repairs and apply for appropriate permits the next business day or
13 as soon as possible following discovery of the emergency.

14 (F) **Reasonable Care.** All work by Grantee within the Public right-of-way shall be
15 conducted with reasonable care and with the goal of eliminating or minimizing risk to
16 those using the Public right-of-way and to eliminate or minimize the risk of damage to
17 public or private property. All work shall be performed in accordance with all applicable
18 laws and regulations and the National Electrical Safety Code. Any work within the Public
19 right-of-way may be inspected by the City and its officers to determine whether it has
20 been placed in its approved location. If emergency work has been done and is
21 determined to be in a place not approved by the City, the City will notify Grantee and
22 give sixty (60) days for the work to be corrected once the emergency has passed, subject
23 to National Electrical Safety Code.

24 **Section 5. Supplying Maps.**

25 Grantee shall maintain maps and data pertaining to its Facilities located as described in Section 1
26 (A) in the City on file at an office in Oregon. With twenty-four (24) hours prior notice, the City
27 may inspect the maps at any time during business hours. Upon request of the City and without
28 charge, Grantee shall furnish current maps to the City, either in printed form, or, if the City
29 maintains compatible data base capability, then by electronic data in read-only format, showing
30 the size and location of the Grantee's Facilities within the City right-of-way used in operating

1 Grantee's transmission and distribution facilities within the City based on information then
2 currently existing in Grantee's mapping system, excluding capacity and conductivity
3 information. When Grantee's construction under its permit in the Public right-of-way is
4 completed, Grantee shall, upon request, provide City with a map consistent with this Section,
5 showing the location as-built of its installed electric light and power system in the Public right-
6 of-way. Such as-built maps shall be in a form acceptable to the City Engineer and shall be based
7 on information then currently existing in Grantee's mapping system, excluding capacity and
8 conductivity information. Unless required by law, the City will not sell or transmit Grantee maps
9 or data to third parties unless permitted by Grantee. The City will make available to Grantee any
10 relevant City-prepared maps or data.

11 **Section 6. Excavation.**

12 Subject to Sections 4 and 7 of this Franchise, and after obtaining any permits required by the
13 City, except in the cases of emergencies, Grantee may make all necessary excavations within any
14 Public right-of-way for the purpose of installing, repairing, or maintaining Grantee's electric light
15 and power system Facilities. All excavations made by Grantee in the Public right-of-way shall be
16 properly safeguarded for the prevention of accidents. All of Grantee's work under this Section
17 shall be done in strict compliance with all applicable rules, regulations and ordinances of the
18 City.

19 **Section 7. Restoration After Excavation.**

20 Except as otherwise provided in this Section, Grantee shall restore the surface of any Public
21 right-of-way disturbed by any excavation to good order and condition to the satisfaction of the
22 City Engineer; however, Grantee shall not be required, at Grantee's expense, to pave a gravel
23 street that was gravel prior to the excavation, install sidewalk panels or curbs that did not exist
24 prior to the excavation, or construct additional improvements in the Public right-of-way that did
25 not exist prior to the excavation, except to the extent the Americans with Disabilities Act or its
26 implementing regulations require such improvements as part of restoration of the street surface,
27 sidewalk panels or curbs that existed prior to Grantee's performance of its excavation work. If
28 Grantee excavates the surface of any Public right-of-way, Grantee shall be responsible for
29 restoration of the Public right-of-way and its surface within the area affected by the excavation.
30 If Grantee fails to restore the Public right-of-way to good order and condition, the City shall give

1 Grantee written notice and provide Grantee a reasonable period of time not exceeding thirty (30)
2 days to restore such Public right-of-way. If the work of Grantee creates a public safety hazard as
3 determined by the City Engineer, Grantee may be required to repair or restore such Public right-
4 of-way within twenty-four (24) hours, or such time as otherwise agreed between the City
5 Engineer and Grantee, taking into consideration, weather or other emergency situation. Should
6 Grantee fail to make such repairs or restorations within the aforementioned time frames, the City
7 may, after providing notice to Grantee, refill or re-pave any opening made by Grantee in the
8 Public right-of-way and the expense thereof shall be paid by Grantee. The City reserves the
9 right, after providing notice to Grantee, to remove or repair any work done by Grantee in the
10 Public right-of-way which, in the determination of the City Engineer, fails to meet applicable
11 published City standards. The cost thereof including the cost of inspection and supervision, shall
12 be paid by Grantee. In the event that Grantee's work is coordinated with other construction work
13 in the Public right-of-way, the City Engineer may excuse Grantee from restoring the surface of
14 the Public right-of-way, providing that as part of the coordinated work, the Public right-of-way
15 surface is restored to good order and condition. All restoration of Public right-of-way surface
16 shall be subject to the approval of the City Engineer, who may issue an order requiring
17 correction of the restoration work. If the correction order is not complied with within thirty (30)
18 days or such other time as may be specified in the order, or if Grantee has failed to repair or
19 restore within the timeframe, the City may restore the surface of the Public right-of-way, in
20 which case Grantee shall pay the City for the cost of resurfacing, including all administrative
21 costs of resurfacing and of issuing the correction order.

22 **Section 8. Relocation.**

23 (A) **Permanent Relocation - General.** The City shall have the right to require Grantee to
24 change the location of its electric light and power system within the Public right-of-way
25 and public utility easements purchased by or dedicated to the City when the public
26 convenience requires such change, and the expenses thereof shall be paid solely by
27 Grantee. Grantee shall relocate facilities in accordance with the City Engineer's schedule
28 established per the provisions of Section 4. City will provide Grantee with a final notice
29 to remove or relocate any such Facilities at least ninety (90) days prior to the relocation
30 completion date established in the City Engineer's schedule. Should Grantee fail to

1 remove/relocate by the relocation completion date established in the City Engineer's
2 schedule, the City may cause or effect such removal or relocation, by qualified
3 journeyman linemen, and the expense thereof shall be paid by Grantee, including all
4 direct, indirect, or consequential costs and expenses incurred by the City due to Grantee's
5 delay, including documented, contract-based claims for compensation by a third party
6 contractor against City stemming from the missed completion date, except where
7 Grantee's delay is due to circumstances beyond Grantee's control, including but not
8 limited to where Grantee's delay is caused, in whole or in part, by actions or inactions of
9 the third party contractor seeking compensation from the City. If the City requires
10 Grantee to relocate its Facilities located in the Public right-of-way, the City will make a
11 reasonable effort to provide Grantee with an alternate location for its Facilities within the
12 Public right-of-way and if none is available, the City will make a reasonable effort to
13 assist Grantee in finding an alternative location.

14 (B) **Notice.** The City will endeavor to provide as much notice as possible, but in any event
15 ORS 758.025 shall apply. The notice shall specify the date by which the existing
16 facilities must be removed/relocated. Nothing in this provision shall prevent the City and
17 Grantee from agreeing, either before or after notice is provided, to a schedule for
18 relocation. In the event that Grantee fails to comply with a notice to relocate and the City
19 and Grantee have not reached agreement on a schedule for relocation, the City, at
20 Grantee's expense, may remove or relocate, or cause to be removed or relocated,
21 Grantee's Facilities that were the subject of the relocation notice. All such relocation
22 work shall be performed by a qualified journeymen lineman.

23 (C) **Permanent Relocation - Undergrounding.** As permitted by, and in accordance with
24 SRC 35.440- 496, and any other applicable law, administrative rule, or regulation, the
25 City may require Grantee to remove and replace any overhead facilities with underground
26 facilities at the same or different locations subject to Grantee's engineering and safety
27 standards. The expense of such a conversion shall be paid by Grantee, and Grantee may
28 recover its costs from its customers in accordance with state law, administrative rule, or
29 regulation. Nothing in this paragraph prevents the City and Grantee from agreeing to a
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1 different form of cost recovery consistent with applicable statutes, administrative rules, or
2 regulations on a case-by-case basis.

3 (D) **Temporary Relocation at Request of Third Parties.** Whenever it is necessary to
4 temporarily relocate or rearrange any Facility of Grantee to permit the passage of any
5 building, machinery or other object, Grantee shall perform the work on thirty (30)
6 business days written notice from the persons desiring to move the building, machinery
7 or other object. The notice shall: (1) demonstrate that the third party has acquired the
8 permit from the City; (2) detail the route of movement of the building, machinery, or
9 other object; (3) provide that the person requesting the temporary relocation shall be
10 responsible for Grantee's costs; (4) provide that the requestor shall indemnify and hold
11 harmless the City and Grantee from any and all damages or claims resulting either from
12 the moving of the building, machinery or other object or from the temporary relocation of
13 Grantee facilities; and (5) be accompanied by a cash depositor other security acceptable
14 to Grantee for the costs relocation. Grantee in its sole discretion may waive the security.
15 The cash deposit or other security shall be in an amount reasonably calculated by Grantee
16 to cover Grantee's costs of temporary relocation and restoration.

17 (E) **Temporary Relocation at Request of City.** The City may require Grantee to
18 temporarily remove and relocate Facilities maintained by Grantee in any Public right-of-
19 way of the City by giving thirty (30) days' notice to Grantee. Prior to such relocation the
20 City agrees to provide a suitable location that includes a minimum or maximum square
21 footage set by Grantee and the required easements from private property owners for such
22 relocated facilities sufficient to maintain service. The City will assist in acquiring
23 easements if desired square footage is not available in the public right of way. The cost of
24 removal or relocation of its facilities for public projects shall be paid by Grantee when
25 relocation is expected by the parties to be temporary; however, when both the initial and
26 the subsequent relocation of the same or related Facilities are for public projects and not
27 at the request of or to accommodate a private party, and the subsequent relocations are for
28 a different public project or were not included in the planning for the initial relocation,
29 the initial relocation shall be at the expense of Grantee, and subsequent relocations
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1 occurring less than two years after the initial relocation shall be at the expense of the
2 City.

- 3 (F) **Permanent Relocation Request.** In the event that any relocation is requested by or is to
4 accommodate a private party, Grantee shall seek reimbursement from the private party
5 and not from the City. The City and Grantee agree to cooperate to minimize the
6 economic impact of such relocation on each party. The City shall not take a legal
7 position that stops or frustrates Grantee's approach in seeking reimbursement.

8 **Section 9. Public Right-of-Way Vacation.**

9 If any Public right-of-way or portion thereof used by Grantee is vacated by the City during the
10 term of this Franchise, unless (a) the City Council specifically requires the petitioner to reserve
11 for Grantee the right for Grantee's facilities to remain in their then-current location in the
12 vacated Public right-of-way, or (b) the City permits Grantee's facilities to remain in a City-
13 controlled utility easement reserved by the City for utilities, Grantee shall, without expense to the
14 City, remove its facilities from such Public right-of-way, and restore, repair or construct the
15 Public right-of-way where such removal has occurred, and place the Public right-of-way in good
16 order and condition as may be required by the City. In the event of failure, neglect or refusal of
17 Grantee, after ninety (90) days' notice by the City to repair, restore, or reconstruct such Public
18 right of-way, the City may do such work or cause it to be done, and the direct, indirect, and
19 consequential cost hereof shall be borne by the Grantee unless Grantee's failure to act within
20 such 90 day notice period is caused by circumstances beyond Grantee's control. Upon request,
21 the City will cooperate with Grantee to identify alternative locations within the Public right-of-
22 way for Grantee's facilities if they are not permitted to remain in the vacated area.

23 **Section 10. City Public Works and Improvements.**

24 Nothing in this Franchise shall be construed in any way to prevent the City from excavating,
25 grading, paving, planking, repairing, widening, altering, or doing any work that may be needed
26 or convenient in any Public right-of-way, consistent with National Electric Safety Code. The
27 City shall coordinate any such work with Grantee to avoid, to the extent reasonably foreseeable,
28 any obstruction, injury or restrictions on the use of Grantee's facilities. Nothing in this Section
29 relieves Grantee from its obligations stated in Section 28.

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1 **Section 11. Use of Grantee Facilities.**

2 (A) **City's Right to Use Grantee Facilities.** City shall maintain attachment agreements to
3 string wires on Grantee poles or run wires in Grantee trenches and/or conduit for
4 municipal purposes and to attach fire and police alarm and communication equipment to
5 Grantee poles, *provided that* such wires and equipment do not unreasonably interfere
6 with Grantee operations and conform to the National Electric Safety Code; *provided also*
7 that the City's excess capacity of such wires and equipment is not leased to, swapped
8 with, sold to or otherwise used by non-governmental third parties for non-governmental
9 purposes. The City shall indemnify and hold Grantee harmless from loss or damage
10 resulting from the presence of City's wires and equipment on or in Grantee's facilities.

11 (B) **Use of Grantee Facilities by Wireless Communications Facilities.** Grantee shall allow
12 third parties to place wireless communications facilities on Grantee poles *provided that*
13 (1) the placement will not interfere with Grantee's operations, (2) the placement and
14 operations of the wireless communications facilities will be consistent with all safety and
15 other regulations, and (3) the third party agrees to enter into a facilities attachment
16 agreement with Grantee with terms and conditions agreed to by both parties. The third
17 party shall be contractually responsible for its compliance with all safety regulations.
18 Grantee may extend any existing pole to allow such co-location, consistent with the
19 City's regulations of wireless communications facilities. The City shall have no liability
20 arising from the co-location of third party facilities on Grantee poles.

21 (C) **Persons Using or Attaching to Grantee's Facilities.** Grantee shall provide City with a
22 report annually that lists any Persons using or attaching to Grantee's Facilities located in
23 the Public right of way in the preceding calendar year. Such report shall be provided
24 within ten business days of the day that Grantee provides the statement showing the
25 amount of gross revenue of Grantee required under Section 12(C). To the extent such
26 information is on record with Grantee, such report shall include the appropriate physical
27 address(es), email address(es) and telephone number(s) of the person(s) or appropriate
28 departments responsible for managing the attachments for such attaching parties or
29 entities. Additionally, Grantee agrees to require each joint pole user who enters into a
30 Facilities Attachment Agreement with Grantee on or after the Effective Date of this

1 Franchise to warrant that it has the necessary authority, including permits, licenses,
2 franchises or any other applicable regulatory requirement, to operate its business in the
3 Public right of way where Grantee's Facilities are located

4 **Section 12. Payment for Use of Public Right-Of-Way.**

5 (A) **Use of Public Right-of-Way.** In consideration for its use of Public right-of-way Grantee
6 agrees to pay the City an amount equal to a total of 5 percent (5%) of the gross revenue
7 received by Grantee from customers within the City, *provided however*, that revenue
8 from rent, lease or other use of Grantee's lines within the City under tariffs filed with and
9 approved by the OPUC, shall be considered gross revenue. The payment for each year
10 shall be based on Grantee's gross revenue during the previous calendar year. To the
11 extent permissible under state law and regulation, the payment imposed by this
12 subsection shall be considered an operating expense of Grantee and shall not be itemized
13 or billed separately to consumers within the City. Of the total payment, 3½% shall be
14 made on an annual basis, and the remaining 1½% shall be made on a quarterly basis.

15 (B) **Property Tax Limitations Do Not Apply.** The payment described in this Section 12 is
16 not subject to the property tax limitations of Article XI, Sections 11(b) and 11(19) of the
17 Oregon Constitution and is not a fee imposed on property or property owners by fact of
18 ownership.

19 (C) **Remittance of Annual Payment.** Grantee shall remit to the Director of Finance on or
20 before the first (1st) day of March of each year, the annual 3½% payment to be made in
21 such year and a statement showing the amount of gross revenue of Grantee for the year
22 immediately preceding the year in which such statement is required to be filed. Payment
23 must be made in immediately available federal funds. With its annual payment, Grantee
24 shall provide the City a statement under oath showing Grantee's gross revenue for the
25 preceding year.

26 (D) **Remittance of Quarterly Payment.** Grantee shall remit to the Director of Finance on or
27 before the forty-fifth (45th) day following each calendar quarter (January 1 through
28 March 31, April 1 through June 30, July 1 through September 30, and October 1 through
29 December 31) the quarterly 1½% payment and a statement showing the amount of the
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1 gross revenues of Grantee for the quarter immediately preceding the date on which such
2 statement is required to be filed.

3 (E) **Acceptance of Payment.** Acceptance by the City of any payment due under this Section
4 shall not be a waiver by the City of any breach of this Franchise occurring prior to the
5 acceptance, nor shall the acceptance by the City preclude the City from later establishing
6 that a larger amount was actually due, or from collecting the balance due to the City.

7 (F) **Late Payments.** Interest on late payments shall accrue from the due date at a rate of nine
8 percent (9%) per annum, and shall be computed based on the actual number of days
9 elapsed from the due date until payment. Interest shall accrue without regard to whether
10 the City has provided notice of delinquency.

11 (G) **Privilege Tax.** The City shall retain the right, if permitted by Oregon Law, to charge an
12 increased amount of privilege tax in addition to the payment amounts set forth herein,
13 and Grantee shall collect any such amount from Grantee's customers within the City in
14 accordance with state law.

15 (H) **No Exemption From Other Fees or Taxes.** Payment of the amounts described in this
16 Section 12 shall not exempt Grantee from the payment of any other license fee, tax or
17 charge on the business, occupation, property or income of Grantee that may be lawfully
18 imposed by the City or any other taxing authority, except as may otherwise be provided
19 in the ordinance or laws imposing such other license fee, tax or charge.

20 (I) **Direct Access and Volumetric Methodologies.** As direct access has been implemented
21 by Grantee in accordance with state law and regulations, the City may, consistent with
22 state law, direct that the payments made under this Section 12 be based on volume-based
23 methodologies as specifically described in ORS 221.655 instead of the formula set out in
24 Section 12 (A). Notice must be given to Grantee in writing for the subsequent payments
25 to be made using volume-based methodology. The volumetric calculation shall apply to
26 payments made in one calendar year based on January 1 to December 31 billings from
27 the previous calendar year. The choice to use volumetric methodology must be renewed
28 annually by the City. No notice is necessary if the City chooses to remain on the current
29 revenue-based calculation.
30

1 (J) **Payment Obligation Survives Franchise.** If prior to expiration of this Franchise the
2 parties do not finish negotiation of a new Franchise, the obligation to make the payments
3 imposed by Section 12 (A) shall survive expiration of this Franchise until the new
4 Franchise becomes effective and supersedes this Franchise. In the event this Franchise is
5 terminated before expiration, Grantee shall make the remaining payments owed, if any,
6 within ninety (90) days of the termination date.

7 (K) **Related Costs.** Grantee shall be responsible for all costs associated with its work and
8 facilities in the Public right-of-way, except as otherwise specifically provided in this
9 Franchise.

10 **Section 13. Audit.**

11 (A) **Audit Notice and Record Access.** The City may audit Grantee at any time to determine
12 the accuracy of the reporting of gross revenues. Within thirty (30) days of a written
13 request from the City, or such other time frame as agreed by both parties, Grantee shall
14 furnish the City and any auditor retained by the City: (1) information sufficient to
15 demonstrate that Grantee is in compliance with this agreement, and (2) access to all
16 books, records, maps and other documents maintained by Grantee with respect to its
17 facilities in City right-of-way necessary for the City to perform an audit. Grantee shall
18 provide access to City within the Salem, or Portland, Oregon metropolitan area, during
19 regular business hours.

20 (B) **Audit Payment.** If the City's audit shows that Grantee has underpaid the franchise fee
21 by five percent (5%) or more in any one year, Grantee shall reimburse the City for the
22 cost of the audit, not to exceed one percent (1%) of the total annual franchise payment,
23 and in addition to paying any underpayment, Grantee shall pay the legal rate of interest as
24 established under ORS 82.010, but not penalties, as specified in this agreement from the
25 original due date. All payments shall be made within sixty (60) days of delivery to
26 Grantee of the audit results.

27 **Section 14. Termination and Remedies.**

28 (A) **By City for Cause.** If Grantee ceases to maintain its facilities and the lack of
29 maintenance increases the risk of personal injury or property damage, the City shall
30 notify Grantee and Grantee shall have thirty (30) days from the date of the notice to

1 eliminate such risk or, if such risk cannot be eliminated within thirty (30) days, such
2 reasonable time period as is required to eliminate such risk and Grantee shall bear all
3 costs related to remedying the risk. If Grantee does not eliminate the risk in accordance
4 with the preceding sentence, the City may then terminate this Franchise providing
5 Grantee written notice of termination.

6 (B) **By City if City Will Provide Service.** The City may terminate this Franchise upon one
7 year's written notice to Grantee in the event that the City decides to engage in public
8 ownership of electric light and power facilities and the public distribution of electric
9 energy to customers throughout the City.

10 (C) **City Reserves Right to Terminate.** In addition to any other rights set out elsewhere in
11 this Franchise, the City reserves the right, subject to Section 14(E) to terminate the
12 Franchise, and all of Grantee's rights arising thereunder, in the event that:

- 13 (1) The Grantee violates any material provision of the Franchise;
- 14 (2) The Grantee is found by a court of competent jurisdiction to have practiced any
15 material fraud or deceit upon the City; or
- 16 (3) There is a final determination that Grantee has failed, refused, neglected or is
17 otherwise unable to obtain or maintain Grantee's service territory designation
18 required by any federal or state regulatory body regarding Grantee's operation of
19 its Electric System within the City.
- 20 (4) Grantee becomes unable or unwilling to pay its debts, or is adjudged a bankrupt.

21 (D) **Material Provisions.** For purposes of this Section, the following without limitation, are
22 material provisions of this Franchise, allowing the City, to exercise its rights under this
23 Section or as set forth elsewhere in this Franchise:

- 24 (1) The invalidation, failure to pay or any suspension of Grantee's payments to the
25 City for use of the Public right-of-way under this Franchise;
- 26 (2) Any failure by Grantee to submit timely reports as may be requested by the City,
27 regarding the calculation of its payments to the City for use of the Public right-of-
28 way under this Franchise;
- 29 (3) (3) Any failure by Grantee to maintain the liability insurance required under this
30 Franchise;

1 (4) (4) Any failure by Grantee to provide copies of requested information as
2 provided under Sections 4, 5, and 13 above; and (5) Any failure by Grantee to
3 otherwise substantially comply with the requirements of Section 4 through
4 Section 19 of this Franchise, unless otherwise agreed.

5 (E) **Notice and Opportunity to Cure.** The City shall give Grantee thirty (30) days prior
6 written notice of its intent to exercise its rights under this Section, stating the reasons for
7 such action. If Grantee cures the stated reason within the thirty (30) day notice period, or
8 if the Grantee initiates efforts satisfactory to the City to remedy the stated reason and the
9 efforts continue in good faith, the City shall not exercise its remedy rights. If Grantee
10 fails to cure the stated reason within the thirty (30) day notice period, or if the Grantee
11 does not undertake and/or maintain efforts satisfactory to the City to remedy the stated
12 reason, then the City Council may impose any or all of the remedies available under this
13 Section.

14 (F) **Remedies.** In determining which remedy or remedies are appropriate, the City shall
15 consider the nature of the violation, the person or persons burdened by the violation, the
16 nature of the remedy required in order to prevent further such violations, and any other
17 matters the City deems appropriate.

18 (G) **Additional Remedies.** In addition to any rights set out elsewhere in this Franchise, as
19 well as its rights under the City Code or other law, the City reserves the right at its sole
20 option to apply any of the following, alone or in combination:

- 21 (1) Impose a financial penalty of up to \$500.00 per day per material Franchise
22 violation when opportunity to cure has passed; or
23 (2) The City Council may revoke this Franchise in the event that any provision
24 becomes invalid or unenforceable and the City Council; expressly finds that such
25 provision constituted a consideration made to the grant of the Franchise. This
26 revocation would follow the City and Grantee's failure to successfully renegotiate
27 the specific item that is no longer valid or enforceable, and nothing of equal value
28 of consideration can be agreed upon for substitution, as specified in Section 23.

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1 **Section 15. Assignment of Franchise.**

2 Grantee shall not sell, assign, transfer, or convey this Franchise without the City Council giving
3 its consent in a duly passed ordinance. Upon obtaining such consent, this Franchise shall inure to
4 and bind the successors, legal representatives and assigns of Grantee, and whenever Grantee is
5 mentioned in this ordinance it shall be understood to include Grantee's successors in interest or
6 assigns. Grantee shall not sell or assign this Franchise to an entity that is not authorized by the
7 Oregon Public Utility Commission to provide electric service in the City or is not otherwise
8 authorized to provide electric service to retail customers in Oregon. Prior to any proposed
9 transfer, Grantee shall be in full compliance with all Franchise terms and the proposed transferee
10 shall agree in writing to be bound by all Franchise terms including payment of all Franchise Fees
11 in addition to any implemented payment of any other privilege tax, volumetric-based fee, license
12 fee, tax or charge on the business, occupation, property or income of Grantee that may be
13 lawfully imposed by the City or any other taxing authority.

14 **Section 16. Removal of Facilities.**

15 If this Franchise is terminated or expires on its own terms and is not replaced by a new franchise
16 agreement or similar authorization, the City may determine whether Grantee's facilities are to be
17 removed or remain in place. The City shall provide written notice of any decision to require
18 removal and shall consider Grantee's comments in its evaluation. Following consideration of
19 any such comments, the City Manager may issue an order requiring removal of Grantee's
20 facilities within nine (9) months of such notice, unless another time frame is agreed to between
21 the parties.

22 **Section 17. Nondiscrimination.**

23 Grantee shall provide service to electric light and power consumers in the City without undue
24 discrimination or undue preference or disadvantage in accordance with Oregon law.

25 **Section 18. Indemnification and Insurance.**

26 (A) **Indemnification.** Grantee shall indemnify and hold harmless the City against and all
27 claims, damages, costs and expenses, including attorney's fees and costs, to which they
28 may be subjected as a result of any negligent or wrongful act or omission of Grantee, or
29 any act or omission of Grantee, or its affiliates, officers, employers, agents, contractors or
30 subcontractors that is alleged to be negligent or wrongful under this Franchise or

1 otherwise arising from the rights and privileges granted by this Franchise. The
2 obligations imposed by this Section are intended to survive termination of this Franchise.

3 (B) **Insurance.** Grantee shall maintain in full force and effect, for the entire effective period
4 of this Franchise, the following insurance covering risks associated with its ownership
5 and use of its facilities:

- 6 (1) A General or Excess Liability insurance policy, including Complete Operations
7 Liability, Independent Contractors Liability, Contractual Liability coverage and
8 coverage for property damage from perils of explosion, collapse or damage to
9 underground utilities, commonly known as XCU coverage, in an amount not less
10 than Five Million Dollars (\$5,000,000.00).
- 11 (2) An Automobile Liability Insurance Policy to cover any vehicles used in
12 connection with its activities under this Ordinance, in an amount not less than
13 Two Million Dollars (\$2,000,000.00).
- 14 (3) Workers' Compensation coverage as required by law and Employer's Liability
15 Insurance with limits of Five Million Dollars \$5,000,000 per line. With the
16 exception of Workers' Compensation coverage and Employer's Liability
17 Insurance, the City shall be named as an additional insured, but only to the extent
18 of Grantee's indemnity obligations under this Franchise. No insurance policy
19 required under this Franchise may be canceled or its limits reduced below the
20 limits required hereunder unless thirty (30) days prior written notice is given to
21 the City. Grantee shall provide the City with a certificate of insurance evidencing
22 such coverage as a condition of this Franchise and shall provide update
23 certificates upon request. All insurance shall be issued by insurance carriers
24 licensed to do business by the State of Oregon or by surplus line carriers on the
25 Oregon Insurance Commission approved list of companies qualified to do
26 business in Oregon. All insurance and surplus line carriers shall be rated A- or
27 better by AM. Best Company. Each policy which is to be endorsed to add the City
28 as an additional insured hereunder shall contain cross-liability wording, as follows
29 or the equivalent:
30

1 In the event of a claim being made hereunder by one insured for which
2 another insured is or may be liable, then this policy shall cover such
3 insured against whom a claim is or may be made in the same manner as if
4 separate policies had been issued to each insured hereunder.

- 5 (4) Grantee agrees to indemnify and hold harmless the City from and against the
6 payment of any deductible or self-insured retention and from the payment of any
7 premium on any insurance policy required to be furnished by this Ordinance.
8 Grantee shall require that its contractors and subcontractors working in any Public
9 right-of-way, property or place carry, in full force and effect, workers
10 compensation, general or excess liability and automobile liability insurance
11 coverages of the type which Grantee is required to obtain under the terms of this
12 Section with appropriate limits of insurance.

- 13 (C) **In Lieu of Insurance.** In lieu of the insurance policies required by Section 18, Grantee,
14 at its sole discretion and consistent with utility industry practices, may provide proof of
15 applicable self-insurance for any or all of the foregoing coverage requirements in an
16 amount at least equal to the coverage requirements of Section 18 to the City. Grantee
17 shall provide proof of self-insurance to the City before this Franchise shall take effect and
18 thereafter upon request by the City.

19 **Section 19. Damage to Facilities.**

20 Except as specified in Section 11(A), the City shall not be liable for any damage or loss of any
21 facility as a result of or in connection with any work by or for the City or for any consequential
22 damages or losses resulting from such work unless the damage or loss is the direct and proximate
23 result of willful, intentionally tortious, negligent or malicious acts or omissions by the City, its
24 employees, or agents. In such case, the City shall indemnify and hold harmless Grantee against
25 any and all claims, damages, costs and expenses, including attorney's fees and costs, arising
26 therefrom, subject to any applicable limitations in the Oregon Constitution and the Oregon Tort
27 Claims Act. The obligations imposed by this Section are intended to survive termination of this
28 Franchise.

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1 **Section 20. Limitation On Privileges.**

2 All rights and authority granted to Grantee by the City are conditioned on the understanding and
3 agreement that the privileges in the Public right-of-way are not to operate in any way so as to be
4 an enhancement of Grantee's properties or values or to be an asset or item of ownership in any
5 appraisal thereof.

6 **Section 21. Franchise Not Exclusive.**

7 This franchise is not exclusive and shall not be construed to limit the City from granting rights,
8 privileges and authority to other persons or corporations similar to or different from those set
9 forth in this Franchise.

10 **Section 22. Remedies and Penalties Not Exclusive.**

11 All remedies and penalties under this Franchise, including termination of the Franchise, are
12 cumulative and not exclusive, and the recovery or enforcement by one available remedy or
13 imposition of any penalty is not a bar to recovery or enforcement by any other such remedy or
14 imposition of any other penalty. The City reserves the right to enforce the penal provisions of
15 any ordinance or resolution and to avail itself of any and all remedies available at law or in
16 equity. Failure to enforce shall not be construed as a waiver of a breach of any term, condition
17 or obligation imposed upon Grantee under this ordinance. A specific waiver of a particular
18 breach of any term condition or obligation imposed upon Grantee under this ordinance shall not
19 be a waiver of any other or subsequent or future breach of the same or any other term, condition
20 or obligation, or a waiver of the term, condition or obligation itself.

21 **Section 23. Severability Clause.**

22 If any Section, subsection, sentence, clause, phrase, or other portion of this ordinance is, for any
23 reason, held to be invalid or unconstitutional by a court of competent jurisdiction, all portions of
24 the Franchise that are not held to be invalid or unconstitutional shall remain in effect until the
25 Franchise is terminated or expired. After any declaration of invalidity or unconstitutionality of a
26 portion of this Franchise, either party may demand that the other party meet to discuss amending
27 the Franchise to adjust the relationship of the parties to conform to their original intent in
28 entering into this Franchise. If the parties are unable to agree on a revised franchise agreement
29 within ninety (90) days after a portion of the Franchise is found to be invalid or unconstitutional,
30

1 either party may terminate the Franchise on one hundred and eighty (180) days' notice to the
2 other party.

3 **Section 24. Acceptance.**

4 Within thirty (30) days after its adoption by the City Council, Grantee shall provide the City
5 Recorder its unconditional acceptance of this Franchise as detailed in this ordinance, signed by a
6 duly authorized representative of Grantee. If Grantee fails to do so, the Franchise granted by this
7 ordinance shall be null and void.

8 **Section 25. Notice.**

9 Any notice provided for under this Franchise shall be sufficient if in writing and (1) delivered
10 personally to the following addressee or deposited in the United States Mail, postage prepaid,
11 certified mail, return receipt requested, (2) sent by overnight or commercial air courier (such as
12 Federal Express), or (3) sent by facsimile transmission with verification of receipt, addressed as
13 follows, or to such other address as the receiving party hereafter shall specify in writing:

14 If to the City: City Manager
15 City of Salem, Oregon
16 555 Liberty Street, SE, Room 220
17 Salem, Oregon 97301-3503
 FAX# (503) 588-6354

18 With a copy to: Franchise Administrator
19 City of Salem, Oregon
20 555 Liberty Street, SE, Room 220
21 Salem, Oregon 97301-3503
 FAX# (503) 588-6354

22 City Attorney
23 City of Salem, Oregon
24 555 Liberty Street, SE, Room 205
25 Salem, Oregon 97301-3503
 FAX # (503) 361-2202

26 If to the Grantee: Local Governmental Affairs
27 Portland General Electric Company
28 121 SW Salmon Street, 1WTC0303
29 Portland, Oregon 97204
 FAX# (503) 464-2354

30 With a copy to: Portland General Electric Company
 Legal Counsel

One World Trade Center, 13th Floor
Portland, Oregon 97204
FAX# (503) 464-2200

Any such notice, communication or delivery shall be deemed effective and delivered upon the earliest to occur of actual delivery, three (3) business days after depositing in the United States mail as aforesaid, one (1) business day after shipment by commercial air courier as aforesaid or the same day as facsimile transmission (or the first business day thereafter if faxed on a Saturday, Sunday or legal holiday).

Section 26. Emergency Clause.

This act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this ordinance shall be in full force and effect from and after the date of its passage.

PASSED by the Council this 23rd day of November, 2015.

ATTEST:

City Recorder

Approved by City Attorney:

Checked by: Ryan Zink

ORDINANCE BILL NO. 25-15

Ordinance Bill No. 25-15 Granting a Franchise to Portland General Electric Company and Authorizing the placement of Electric Light and Power Facilities in the Public Rights-of-Way; and Declaring an Emergency

1 st Reading:	November 9, 2015
Public Hearing:	N/A
2 nd Reading:	November 23, 2015
Effective Date:	November 23, 2015
Copy to:	Ryan Zink

Council Vote	Yes	No
Mayor Peterson	X	
Bennett (Ward 1)	X	
Andersen (Ward 2)	X	
Nanke (Ward 3)	X	
McCoid (Ward 4)	X	
Dickey (Ward 5)		A
Benjamin (Ward 6)	X	
Bednarz (Ward 7)	X	
Lewis (Ward 8)	X	

*A = Absent

FOR CITY COUNCIL MEETING OF: November 9, 2015
AGENDA ITEM NO.: 8.1(a)

TO: MAYOR AND CITY COUNCIL
THROUGH: *Kacey Duncan*
KACEY DUNCAN, INTERIM CITY MANAGER
FROM: RYAN ZINK, FRANCHISE ADMINISTRATOR *RZ*
SUBJECT: ORDINANCE GRANTING A FRANCHISE WITH PORTLAND
GENERAL ELECTRIC FOR PLACEMENT OF FACILITIES IN THE
PUBLIC RIGHT-OF-WAY

ISSUE:

Shall City Council advance Ordinance No. 25-15, granting a franchise to Portland General Electric (PGE) to construct and operate an electric power system in the City, including the right to place facilities necessary for operation of PGE's system within the City's public right-of-way, to second reading for enactment?

RECOMMENDATION:

Advance Ordinance No. 25-15, granting a franchise to Portland General Electric (PGE) to construct and operate an electric power system in the City, including the right to place facilities necessary for operation of PGE's system within the City's public right-of-way, to second reading for enactment.

SUMMARY AND BACKGROUND:

PGE currently operates a non-exclusive electric light and power distribution system in the City of Salem. Granting this franchise to PGE will allow them to continue to operate this system and give them continued authorization to place the facilities necessary for operation of their system within the City's public right-of-way.

Pursuant to Salem Revised Code (SRC) Chapter 35.020, public utilities with facilities occupying the public right-of-way, such as PGE, are required to have a franchise with the City. On November 7, 2005, City Council passed Ordinance No. 73-05 establishing a franchise with PGE to construct and operate an electric light and power system within the City and place the necessary facilities in the public right-of-way. This franchise expires December 7, 2015.

FACTS AND FINDINGS:

The existing franchise has operated for many years with no major conflicts or issues raised by either party. However, both parties were interested in making minor changes

to the document. Following a series of negotiations between PGE and the City of Salem, the parties agreed to the language in the proposed franchise. As proposed, City of Salem will grant to PGE a new ten-year franchise to erect, construct, maintain, and operate an electric light and power system within the City. The franchise may be automatically renewed for an additional five-year term if no party gives notice to terminate prior to the end of the original ten-year term. In exchange for authorizing PGE to operate in the City and utilize the City's right-of-way, the franchise provides a mechanism for the City to be compensated for PGE's use of the right-of-way, and regulates its use.

Significant changes from the prior version of this agreement include:

- Section 2. One automatic five-year renewal of the franchise, unless either party gives notice of its desire to not renew the franchise. This change reduces future franchise administration costs by extending the total franchise period, but retains the City of Salem's ability to renegotiate the franchise in 10 years if so desired.
- Section 4. Changes were made to clarify the roles and responsibilities for construction projects affecting PGE facilities in the public right-of-way.
- Section 7. Where required by the Americans with Disabilities Act (ADA), PGE has agreed to make any necessary improvements resulting from their construction activities on existing City streets, sidewalks, or curbs.
- Section 8. Language was added to clarify which party is responsible for the cost of relocating PGE facilities in the public right-of-way.
- Section 11. PGE has agreed to provide the City of Salem with an annual report listing any persons using or attaching to PGE's facilities located in the public right-of-way. This change allows the City of Salem to better manage the use of the public right-of-way.
- Section 18. PGE agreed to increase workers' compensation insurance coverage from \$2 million to \$5 million per line.



RYAN ZINK
FRANCHISE ADMINISTRATOR

Ward: All

November 2, 2015



Portland General Electric Company
121 SW Salmon Street • Portland, Oregon 97204
PortlandGeneral.com

December 4, 2015


Steve Powers
City Manager
City of Salem, Oregon
555 Liberty Street, SE, Room 220
Salem, OR 97301-3503

Re: Franchise Agreement

Dear Mr. Powers:

Pursuant to Section 25 of the fully-executed Franchise Agreement between the City of Salem and Portland General Electric Company (PGE), PGE hereby unconditionally accepts the Franchise Agreement with the determined effective date to be December 4, 2015, that was approved by Ordinance No. 25-15 of the City of Salem on November 23, 2015.

Sincerely,

Bill Nicholson 
Senior Vice President
Customer Service, Transmission, and Distribution

cc: Ryan Zink, Franchise Administrator
Ryan Sudbury, Assistant City Attorney
Dan Atchison, City Attorney