

STATE OF SOUTH CAROLINA)
COUNTY OF HORRY)
TOWN OF ATLANTIC BEACH)

**AN ORDINANCE
GRANTING UNTO THE SOUTH CAROLINA PUBLIC SERVICE AUTHORITY
A FRANCHISE TO OWN, OPERATE AND MAINTAIN
AN ELECTRIC UTILITY SYSTEM WITHIN THE CORPORATE LIMITS OF THE
TOWN OF ATLANTIC BEACH, SOUTH CAROLINA**

WHEREAS, the South Carolina Public Service Authority, a body corporate and politic of the State of South Carolina, (the "Authority" herein) has made a substantial investment in electric equipment and facilities (including the construction and acquisition of transmission and distribution lines and substations, property and property rights) for the purpose of providing electric service to the residents of the Town of Atlantic Beach, South Carolina, (the "Town" herein) and adjacent communities; and

WHEREAS, the Town has previously granted and amended a franchise agreement to the Authority, which is scheduled to expire June 15, 2025;

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND TOWN COUNCIL OF THE TOWN OF ATLANTIC BEACH, SOUTH CAROLINA, IN COUNCIL ASSEMBLED:

1. Section 4 of the Franchise and Ordinance effective July 1, 1975 shall be changed by this amendment to alter indemnification language no longer acceptable pursuant to South Carolina Attorney General Opinion. The franchise is hereby amended to read as follows:

South Carolina Public Service Authority shall assume any and all liability and responsibility for any and all claims or demands arising solely out of any negligent or intentional act or omission by it, its employees, contractors, consultants, agents and invitees, from or in connection with the exercise of its rights and privileges granted or confirmed by this Agreement.

2. Section 5-A of this franchise shall be added and shall read as follows:

SECTION 5-A. At any time during the term hereof, the Town may establish a fund to which both the Town and the Authority shall annually make matching payments based on the franchise fees paid. The fund shall be sustained with deposits by the Town which equals 40 percent (40%) of the franchise fees received by the City

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each year, such deposits shall be matched by an equal deposit by the Authority to the fund. With the consent of Council, the Authority shall act with due diligence as stewards of the fund, and shall oversee the establishment, accounting and disbursements of and from the fund. Simple interest at the rate then currently paid by the Authority on customer deposits will be paid annually on the amount contributed by the Town from the franchise fees. An accounting of the fund amount will be provided to the Town during January and July of each year or at any time the Town requests an accounting. This fund will be used solely for underground construction or conversion projects within the Town of Atlantic Beach as a cooperative endeavor between the Town and the Authority. A project includes all costs of materials and labor associated with the project including design, sidewalk and street construction expenses, ROW acquisition costs, and service drop installation costs. The Authority and the Town may cooperate in strategic planning with regards to projects. However, at the Town's sole discretion, the Town shall prioritize projects to be undertaken. The Town shall notify the Authority of any underground construction or conversion projects it wishes to have undertaken. The Authority shall complete the projects with due diligence.

The Town may use the fund at any time it desires for underground power projects. The Town may choose a project which exceeds the annual revenue by up to three times. The next project will be delayed until the cost of the previous project has been paid. If a project exceeds the three-year fund projections, the interest rate for the portion exceeding the three-year amount will be at the Authority's average system debt.

At the end of the term of this agreement, the Town and the Authority will true up any amounts owing or any amounts remaining in connection with the fund. If the Town owes the fund, it will make payment to the Authority for the Authority's portion of the fund. If amounts remain in the fund, the Authority will make payment to the Town for the Town's portion of the fund.

Project and construction management shall be provided by the Authority without cost. The Authority will in some cases make certain credits if a required overhead relocation project is chosen as an underground project and the project is on a right of way that was first owned and occupied by the Town or the State. The Authority will credit the project for the cost of the required overhead relocation so the Town will only pay the difference in the cost of the overhead relocation and the cost of placing the lines underground. The Authority will not make this type of credit if the project is on an Authority right of way or if the project is on a right of way which was first occupied by the Authority.

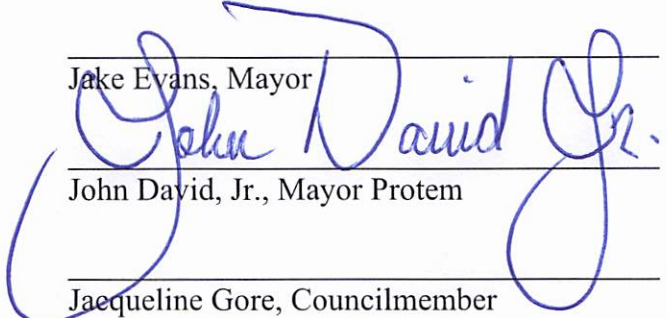
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3. All other provisions of the July 1, 1975 Franchise and Ordinance and the subsequent amendments of July 11, 1983, July 19, 2005 and June 15, 2015, between the Town and the Authority shall remain in full force and effect.
4. This franchise and ordinance shall take effect with billings rendered on or after June 15, 2025 and all the rights, powers, privileges, easements, licenses and franchises herein conferred and granted shall be non-exclusive and shall extend for a term of twenty (20) years from the effective date hereof, being 29th of April, 2045.
5. A signed, certified and sealed copy of this ordinance and amendment of franchise shall be delivered to the Authority and shall constitute a valid and binding amendment to the franchise granted by the Town to the Authority, its successors and assigns.

BE IT ORDERED AND ORDAINED by the Mayor and Town Council of the Town of Atlantic Beach, South Carolina, in assembly and by the authority thereof, this 29th day of April, 2025.

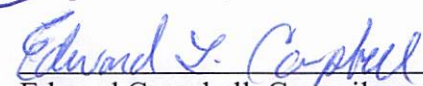
Atlantic Beach Town Council

Jake Evans, Mayor

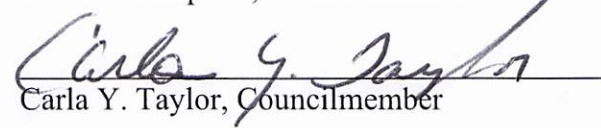


John David, Jr., Mayor Protem

Jaqueline Gore, Councilmember



Edward Campbell, Councilmember




Carla Y. Taylor, Councilmember

Attest:



Town Clerk



Town Manager