



Oklahoma Natural Gas.

A Division of ONE Gas

5848 E. 15th Street
Tulsa, OK 74112-6402
oklahomanaturalgas.com

May 4, 2016

City of Broken Arrow
Mr. Michael Spurgeon
City Manager
P.O. Box 610
Broken Arrow, OK 74013-0610

Dear Mr. Spurgeon:

Oklahoma Natural Gas recently accepted a franchise agreement with another city that contains a four and one-quarter percent (4.25%) franchise fee. This exceeds the 4% fee we are currently paying the City of Broken Arrow. According to the "favored nations" clause in our existing franchise agreement, Broken Arrow now has the option to raise our ONG franchise fee to 4.25% also. According to Section 11.D. in the Franchise Ordinance, the city's governing body can direct us to increase our fee to match the higher 4.25% rate at its' discretion.

In the event your city council determines they would like to raise the franchise fee to 4.25% due to the "favored nations" provision, please sign, date and return this document to advise us accordingly.

1. The Broken Arrow City Council has voted, on _____, to increase the franchise fee from 4% to 4.25% as attested by the mayor, city clerk, and city attorney.

Mayor

City Clerk

City Attorney