

GRANTING TO INTER-CITY GAS LIMITED, INC. ITS LESSERS, SUCCESSORS AND ASSIGNS, THE RIGHT TO MANUFACTURE, IMPORT, TRANSPORT, SELL AND DISTRIBUTE GAS FOR HEATING, ILLUMINATING AND OTHER PURPOSES IN THE CITY OF MOOSE LAKE, MINNESOTA, AND TO USE THE STREETS, AVENUES, AND ALLEYS THEREOF FOR THAT PURPOSE.

THE CITY COUNCIL OF MOOSE LAKE, MINNESOTA, DO ORDAIN AS FOLLOWS:

Section 1. GRANT OF AUTHORITY. There is hereby granted to Inter City Gas Limited, Inc, hereinafter called the "Company," its lessees, successors and assigns, for a period of twenty-two (22) years after the adoption hereof, the right to manufacture, import, transport, sell and distribute gas for heating, illuminating, and other purposes within the limits of this City, hereinafter called the "City", as the same now exist or as they may be extended in the future, and for that purpose to establish the necessary facilities and equipment, and to maintain a manufacturing plant, gas mains, service pipes, and any other appurtenances necessary to the manufacture, distribution, and sale of gas, whether natural, artificial or mixed, in and along the streets, alleys, avenues, and other public places of said municipality, and to do all things which are reasonable, necessary, or customary in the accomplishment of this objective, subject, however, that the further provisions of this franchise, provided, however, that before the said Company shall establish any plant in said City for the manufacture or production of gas, the approval of the City Council of the location thereof, in the exercise of a reasonable descretion by said Council, shall be first obtained by said Company.

Section 2. OBSTRUCTING STREETS. The Company shall exercise its privileges hereunder subject at all times to the police power of the City and shall not unnecessarily or unreasonably obstruct the use of or injure any street, avenue, or alley, and shall, upon completion of any construction or repair, restore all streets, avenues, and alleys of the municipality which shall be opened by it or its agent or employees for the purpose of laying, placing or repairing its aforesaid gas mains or service pipes to as nearly the same order and condition as they were before the excavation was made as is reasonably possible, and shall maintain, repair, and keep in good condition for a period of six (6) months all portions of said streets, avenues, and alleys disturbed by it or its agents; provided that the six-month period has expired the same shall continue for the stated period after the frost leaves the ground. Any obstruction of any street, alley, park, boulevard, bridge, or other public place, or any failure properly to fill and maintain a street after excavation, after proper notice demanding removal or repair, as the case may be, shall be taken care of by the City and the costs thereof shall be charged against the Company.

Section 3. PLATS. The Company, prior to the laying or relaying of any mains under this franchise, shall present to the Council for approval, a complete plat showing the location and size of all proposed mains, and upon such approval, such plat shall be filed with the City Clerk. Failure of the City to insist upon this provision shall not be deemed a waiver thereof.

Section 4. DAMAGE CLAIMS. The Company shall indemnify, keep and hold the City free and harmless from liability on account of injury or damages to persons, or property growing out of the construction, maintenance, repair or operation of its property, and in the event suit shall be brought against the City, either independently or jointly with the Company, on account thereof, the Company may elect to assume and undertake the defense of any such suit, and, upon notice to it by the City, shall assume and take over the defense of any such suit, all at the cost and expense of the Company, and in the event of a final judgement being obtained against the City, whether the latter be sued independently or jointly with the Company, the Company shall pay such judgment, together with all costs and expenses occasioned thereby, and hold the City free and harmless therefrom.

Section 5. STANDARDS OF SERVICE. The Company shall at all times provide and furnish and adequate, safe and continuous supply of gas to the City and its inhabitants, subject, however, to the further provisions of this section. The natural gas distributed by the Company is to be furnished by a pipe line system owned and operated by a "natural gas company", under the Federal Natural Gas Act, which subjects said natural gas company to the jurisdiction of the Federal Power Commission.

The Company shall not be liable to the City or its inhabitants, by reason of the failure of the Company to deliver, or of the City or a customer to receive, natural gas as a result of acts of God, or the public enemy, inability of pipe line supplier to furnish an adequate supply due to an emergency, an order or decision of a public regulatory body, or other acts beyond the control of the party affected.

Whenever any of the occurrences named above take place, the Company shall have the right and authority and it shall be its duty to adopt reasonable rules and regulations in connection with limiting, curtailing, or allocating extensions of service or supplying of gas to any customers or prospective customers, and withholding the supplying of gas to new customers, provided that such rules and regulations shall be uniform as applied to each class of customers or prospective customers, and shall be non-discriminatory as between communities receiving service from the Company.

The Company shall have the right to contract for the sale of gas for industrial use on an interruptible basis, requiring the customer to have standby equipment for use upon notice by the Company. The Company's rules, regulations, schedules, or contracts for curtailing interruptible gas services shall be uniform as applied to each class of interruptible customers.

If service is temporarily suspended because of any of the reasons set forth above, occurring through no fault or negligent act on the part of the Company, such suspension shall not be made the basis of any action or proceeding to terminate this franchise. The quality of gas sold in the City when supplied by the pipeline shall be the same as that sold to the Company by the natural gas company supplying such gas.

If for any reason the pipeline company is restricted or prevented from constructing or extending its proposed pipe line to supply natural gas to the Company, the latter shall have the right to supply artificial gas under the terms of this franchise.

Section 6. EXTENSIONS OF SERVICES. The Company, its lessees, successors, and assigns shall make such reasonable extensions of its mains from time to time as may be necessary thereto, provided, however, the Company, its lessees, successors and assigns shall not be required to make any extension of its mains for the purpose of serving any new consumer or consumers which shall necessitate the installation of more than one hundred (100) feet of main for each consumer to be served, nor where the estimated revenue to be derived from serving such new consumer or consumers is insufficient to show an adequate return upon the total investment required to serve such new consumer or consumers.

Section 7. RATES. The Company agrees for and in behalf of itself, its lessees, successors and assigns that all authority and rights in this ordinance contained shall at all times be subject to all right, power and authority now or hereafter possessed by said City or any other regulatory tribunal having jurisdiction thereover to regulate, fix and control just, reasonable and compensatory gas rates.