

1997 SEMCO ENERGY GAS FRANCHISE ORDINANCE

**TOWNSHIP OF BAINBRIDGE
BERRIEN COUNTY, MICHIGAN**

Ordinance No. 31

Franchise

Adopted: December 1, 1997

Effective: For 30 years

An Ordinance, granting to SEMCO ENERGY GAS COMPANY, its successors and assigns, the right, power and authority to lay, maintain and operate gas mains, pipes and services on, along, across and under the highways, streets, alleys, bridges, waterways, and other public places, and to do a local gas business in the Township of Bainbridge, Berrien County, Michigan, for a period of thirty years.

THE TOWNSHIP OF BAINBRIDGE ORDAINS:

SECTION I

Grant Term

The Township of Bainbridge, Berrien County, Michigan, hereby grants to SEMCO ENERGY GAS COMPANY, a Michigan corporation, its successors and assigns, hereinafter called the "Grantee," the right, power and authority to lay, maintain and operate gas mains, pipes and services on, along, across and under the highways, streets, alleys, bridges, waterways and other public places, and to do a local gas business in the Township of Bainbridge, Berrien County, Michigan, for a period of thirty years.

SECTION II

Consideration

In consideration of the rights, power and authority hereby granted, said Grantee shall faithfully perform all things required by the terms thereof.

SECTION III

Conditions

No highway, street, alley, bridge or other public place used by said Grantee shall be obstructed longer than necessary during the work of construction or repair, and shall be restored to the same order and condition as when the work was commenced. All of Grantee's pipes and mains

shall be so placed in the highways and other public places as not to unnecessarily interfere with the use thereof for highway purposes.

SECTION IV

Hold Harmless

Said Grantee shall at all times keep and save the Township free and harmless from all loss, costs and expense to which it may be subject by reason of the negligent construction and maintenance of the structures and equipment hereby authorized. In case any action is commenced against the Township on account of the permission herein given, said Grantee shall, upon notice defend the Township and save it free and harmless from all loss, cost and damage arising out of such negligent construction and maintenance.

SECTION V

Extensions

Said Grantee shall construct and extend its gas distribution system within said Township, and shall furnish gas to applicants residing therein in accordance with applicable laws, rules and regulations.

SECTION VI

Franchise not Exclusive

The rights, power and authority herein granted, are not exclusive. Either manufactured or natural gas may be furnished hereunder.

SECTION VII

Rates

Said Grantee shall be entitled to charge the inhabitants of said Township for gas furnished therein, the rates as approved by the Michigan Public Service Commission, to which Commission or its successors authority and jurisdiction to fix and regulate gas rates and rules regulating such service in said Township, are hereby granted for the term of this franchise. Such rates and rules shall be subject to review and change at any time upon petition therefore being made by either said Township, acting by its Township Board, or by said Grantee.

SECTION VIII

Revocation

The franchise granted by this ordinance is subject to revocation upon sixty (60) days written notice by the party desiring such revocation.

SECTION IX

Michigan Public Service Commission, Jurisdiction

Said Grantee shall, as to all other conditions and elements of service not herein fixed, be and remain subject to the reasonable rules and regulations of the Michigan Public Service Commission or its successors, applicable to gas service in said Township.

SECTION X

Assignment of Franchise

Grantee shall not assign this Franchise to any other person, firm or corporation without the prior written approval of the Township Board. The Township shall not unreasonably withhold its consent to an assignment if the Assignee is financially able to carry out the Grantee's obligations under this Franchise. The assignment of this Franchise to a subsidiary, division, or affiliated corporation of Grantee or its parent corporation shall not be considered an assignment requiring the consent of the Township Board.

SECTION XI

Effective Date

This ordinance shall take effect upon the day after the date of publication thereof; provided, however, it shall cease and be of no effect after thirty days from its adoption unless within said period the Grantee shall accept the same in writing filed with the Township Clerk. Upon acceptance and publication hereof, the ordinance shall constitute a contract between said Township and said Grantee.

We certify that the foregoing Franchise Ordinance was duly enacted by the Township Board of the Township of Bainbridge, Berrien County, Michigan, on the 1st day of December, 1997.

Leonard Smith, Supervisor
Bainbridge Township

Attest: James J. Lull
Beverly Koroch

MINUTES: DECEMBER 1, 1997

Motion by Weber/Lull to approve the SEMCO Energy Gas Company Franchise for a period of 30 years. Motion carried. The clerk called the roll. Yes: Weber, Baiers, Lull, Koroch, Smith. No: none.