

## ORDINANCE NO 31

An ordinance of the Village of Finlayson, Minnesota granting to Northern Natural Gas Company, a corporation (operating as Peoples Natural Gas Division ), its lessees, successors and assigns, a non-exclusive authority for a period of twenty five (25) years to erect and maintain a gas plant and/or gas system and any and all necessary mains, pipes, services and other appliances thereunto appertaining in, upon, over, across and along the streets, alleys, bridges, public places of the Village of Finlayson, Minnesota for the transmission, distribution, and sale of natural gas for heating, industrial and all other uses and purposes in said Village and prescribing the terms and conditions under which the said Company is to operate.

The Village Council of the Village of Finlayson does ordain as follows:

Section 1: That Northern Natural Gas Company, a corporation (operating as Peoples Natural Gas Division), its lessees, successors, and assigns, hereinafter referred to as grantee, be and are hereby granted a non exclusive authority for a period of twenty five (25) years to erect and maintain a gas plant and/or gas system and any and all necessary mains, pipes, services, and other appliances thereunto appertaining in, upon, over, across and along the streets, alleys, bridges and public places in the Village of Finlayson, Minnesota, for the transmission, distribution and sale of natural gas for heating, industrial and all other uses and purposes in said village.

Section 2: Whenever the grantee, in the construction or maintenance of its system or in the installation of any extension thereto, shall cut into or take up any pavement or shall make any excavation in any street, avenue, alley, or public places, within the corporate limits of the Village, the same shall be done in a manner so as not to interfere with the use of such thorough fares by the public. The grantee shall use such safeguards as may be necessary to prevent injury to persons or property during such construction work, and upon its completion, all pavement shall be replaced in as good condition as it was before taken up. All excavations shall be refilled and all obstructions shall be removed at the expense of the grantee and to the satisfaction of the grantor. In the event that the grantee shall fail to comply with the provisions of this section after having been given reasonable notice, the grantor may do such work as may be needed to properly repair said thorough fare and the cost thereof shall be repaid to the grantor by the grantee.

Section 3: The grantee in erecting and maintaining said gas distribution system and in entering and using said streets, highways, avenues, alleys, and public places in said Village and in laying its gas equipment, shall not in any manner, interfere with or injure any improvement which said Village of Finlayson, Minnesota, now has or may hereafter have upon any of its streets, alleys, highways, or public places.

Section 4: Grantee agrees for an in behalf of itself, its lessees, successors and assigns, that for and during the term and period of this grant, it will maintain in the Village of Finlayson, Minnesota, an adequate, modern, standard and sufficient gas system and equipment and to maintain and operate the same in a modern and adequate fashion and in a manner adequate to meet the necessities and requirements of the Village of Finlayson, its industries and inhabitants; provided, however, that grantee shall not be required to extend its gas distribution system more than 100 feet for each customer to be served from any extension thereof.(Unless the customer agrees to pay for the cost of the extensions

beyond the 100 feet). And provided further, that no obligation shall extend to, or be binding upon the grantee, to construct or extend its mains or furnish natural gas or gas service within said Village if grantee is for any reason, unable to obtain delivery of natural gas at or near the corporate limits of said Village or an adequate supply thereof to warrant the construction or extension of its mains for the furnishing of such natural gas or gas service, provided further that when the amount of natural gas supplied to grantee at or near the Village limits of said Village is insufficient to meet the additional firm requirements of connected or new consumers, grantee shall have the right to prescribe reasonable rules and regulations for allocating the available supply of natural gas for such additional firm requirements to domestic commercial and industrial consumers in that under of priority.

Section 5: Grantee 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 rights, power and authority now or hereafter possessed by said Village of Finlayson, Minnesota, to regulate rates, control and direct or otherwise by ordinance or resolution legislate concerning the franchise herein granted and concerning the manner in which grantee shall use the streets, alleys, bridges, and public places of said Village and concerning the manner in which grantee shall use and enjoy the franchise herein granted.

Section 6: The grantee shall, at all times, maintain an adequate pressure and adequate supply of clean, standard gas of the British Thermal Unit heating value of not less the Nine hundred (900) British Thermal Units per cubic Foot of Gas. Should the British Thermal Units fall below nine hundred (900), the rate then in effect shall be automatically and correspondingly lowered and reduced during any period or periods of time in which such lower British Thermal Unit value shall be furnished.

Section 7: The grantee shall hold the grantor harmless from any and all claims and actions, litigation or damage, arising out of the passage of this Ordinance or of the construction, erection, installation, maintenance or operation of its properties operated by authority of this ordinance within the corporate limits of the Village or the negligence of its employees in the operation thereof, including the court costs and reasonable attorney fees in making defense against such claims. A copy of the process served upon the grantor shall be served by the grantor upon the grantee. The grantee shall have the right to defend in the name of the grantor and to employ counsel for such process.

Section 8: The grantee shall not be required to extend its gas distribution system more than one hundred (100) feet for each customer to be served from any such extension thereof. Unless the customer agrees to pay for the cost of the extensions beyond the 100 feet.

Section 9: If the grantee shall be in default in the performances of any of the terms and conditions of this ordinance and shall continue in default for more than thirty days after receiving notice from the Village Council of such default, the village Council may, by ordinance duly passed and adopted, terminate all rights granted under this ordinance to the grantee. The said notice of default shall specify the provision or provision in the performance of which it is claimed the grantee is in default. Said notice shall be in writing and served in the manner provided by the laws of Minnesota for the service of original notices in civil actions.

Section 10: The right and authority herein granted shall be non exclusive and shall be and continue for a period of twenty five (25) years from and after the date of the legal enactment of this ordinance and the acceptance thereof by the grantee.

Section 11: This ordinance shall be in full force and effect from and after its passage and publication as required by law, and the acceptance thereof by the grantee.

Passed, adopted and approve this 7<sup>th</sup> day of October 1960.

V.E. Shafer  
Mayor

Roland C. Theis  
Village Clerk