

## CHAPTER XIV: NATURAL GAS SYSTEM

1401.01. GRANTING RIGHTS: There be and hereby is granted to Northwest Natural Gas Company, a corporation, 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 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 City of Henderson, Minnesota, for the transmission, distribution, and sale of natural and/or propane gas for heating, industrial, and all other uses and purposes in said City.

1401.02. CONSTRUCTION/EXCAVATION: Whenever the grantee, in 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 City, the same shall be done in a manner as not to interfere with the use of such thoroughfares 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 thoroughfare and the cost thereof shall be repaid to the grantor by the grantee.

1401.03. NON-INTERFERENCE: 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 City and in laying it gas equipment, shall not in any manner interfere with or injure any improvement which said City of Henderson, Minnesota, now has or may hereafter have upon any of its streets, alleys, highways, or public places.

1401.04. MAINTENANCE AND OPERATION: Grantee agrees for and 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 City of Henderson, 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 City of Henderson, its industries, and inhabitants. Provided, however, that no obligation shall extend to, or be binding upon the Grantee, to construct or extend its mains or furnish natural and/or propane gas or gas service within said city if Grantee is, for any reasons, unable to obtain delivery of natural and/or propane gas at or near the corporate limits of said City or an adequate supply thereof to warrant the construction or extension of its mains, for the furnishing of such natural and/or propane gas or gas service, provided, further that when the amount natural and/or propane gas supplied to Grantee at or near the City limits of said City is sufficient 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 and/or propane gas for such additional firm requirements to domestic, commercial, and industrial consumers in that order of priority.

1401.05. REGULATION AND CONTROL: 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 City of Henderson, 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 City and concerning the manner in which Grantee shall use and enjoy the franchise herein granted.

1401.06. PRESSURE MAINTENANCE: The grantee shall, at all times maintain an adequate pressure and supply of clean, standard gas of British Thermal Unit heating value as fixed in the rate schedule, plus or minus fifty (50) British Thermal Units per cubic foot of gas. Should the monthly average of British Thermal Units vary more than fifty (50) from the value in rate schedule, the rate then in effect shall be automatically and correspondingly adjusted during any period or periods of time in which such different British Thermal Unit value shall be furnished.

1401.07. HOLD HARMLESS: The Grantee shall hold the Grantor harmless for any and all claims, actions, litigation, or damage arising out of the passage of this Ordinance or of the construction, erection, installations, maintenance, or operation of it properties operated by authority of this ordinance within the corporate limits of the city 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 purposes.

1401.08. HOOK-UP EXTENSIONS: The grantee shall not be required to extend its gas distribution system more than two hundred (200) feet for each customer to be served from any such extension thereof.

1401.09. DEFAULT: 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 form more than thirty days after receiving notice from the City Council of such default, the City Council may, be 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 provisions 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.

If the grantee is in default as to any part of this franchise, the City may, after reasonable notice to the Company and the failure of the Company to cure the default within a reasonable time, take such action as may be reasonably necessary to abate the condition caused by the default, and the company agrees to reimburse the City for all its reasonable costs.

1401.10. TERM OF FRANCHISE: 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 acceptance thereof by Grantee.