

ORDINANCE #35

AN ORDINANCE GRANTING TO SOUTHEASTERN MICHIGAN GAS COMPANY, A MICHIGAN CORPORATION, ITS SUCCESSORS AND ASSIGNS, A FRANCHISE AND LICENSE TO DO BUSINESS WITHIN THE VILLAGE OF SPRINGPORT OF COUNTY OF JACKSON, MICHIGAN, INCLUDING THE RIGHT, PRIVILEGE, PERMISSION, CONSENT AND AUTHORITY TO USE THE STREETS, HIGHWAYS, ALLEYS, BRIDGES AND OTHER PUBLIC PLACES OF SAID VILLAGE TO CONSTRUCT, LAY, EXTEND, MAINTAIN, OPERATE, REPAIR, OWN AND REMOVE WORKS, WIRES, POLES, REGUALTEORS, MAINS, VAVES, PIPES, CONDUITS AND OTHER APPARTUS, FACILITIES OR EQUIPMENT FOR THE PURPOSE OF PRODUCING, STORING, TRANSPORTING, DISTRIBUTING GAS FOR THE PURPOSES OF LIGHTING, HEATING AND POWER TO PERSONS, FIRMS AND CORPORATIONS AND TO EXERCISE THE RIGHT TO TRANSACT A LOCAL BUSINESS IN SAID VILLAGE FOR A PERIOD OF THIRTY YEARS.

THE VILLAGE OF SPRINGPORT ORDAINS:

Section 1. The Village of Springport, County of Jackson, Michigan, ordains that shall be and is hereby granted to the Southeastern Michigan Gas Company, its successors and assigns (hereinafter styled "Company"), the franchise, right and privilege to use the streets, highways, alleys, bridges and other public places of the Village of Springport, County of Jackson, Michigan to construct, lay, extend, maintain, operate, repair, own and remove works, wires, poles, regulators, mains valves, pipes and other apparatus and facilities or equipment necessary or useful for the purpose of producing, transporting , distributing, storing, supplying and delivering gas (whether natural, artificial or mixed), for the purposes of furnishing lighting, heating and power to person, firms and corporations within and without said Village and to exercise the right to transact a local business in said Village of Springport for a period of 30 years from and after the date this franchise is confirmed as hereinafter provided.

Section 2. The Company after doing any excavating shall replace all material or pavement which has been removed and shall leave the completed excavation in the condition in which the Company found the same before excavating began. All costs of repair or replacement shall be borne by the Company. All work in laying or repairing any of the apparatus, facilities or equipment shall be prosecuted in such a manner so as not to interfere with the public use or travel upon such street or other public place in any

greater degree than shall be necessary and, if such streets or other public places are completely obstructed by the actions of the Company, the Company shall with all reasonable dispatch, proceed so that the same shall not be obstructed beyond a reasonable time.

Section 3. The Company shall construct and lay its mains, pipes, regulators, valves and other apparatus, facilities or equipment deep enough in the earth so as not to interfere with the present grade of any street or other public place and so that the same shall not interfere with any sewers, water mains, or underground construction. The proposed grade and or locations of its regulators, mains and pipes, valves and other apparatus, facilities, or equipment shall be furnished by the Company to the Village Council and the Village Council and the Jackson County Road Commission for approval before any construction is begun.

Section 4. The Company shall have full and exclusive control of plumbing and, or tapping any of its gas works, mains, regulations, pipes, valves and other apparatus. Facilities or equipment and no other persons, companies or corporations shall at any time tap, alter, change, interfere with or otherwise do any act in connecting with said works, mains, regulators, valves, pipes or other apparatus, facilities or equipment for any purpose whatsoever under the express direction, control and permission of the Company.

Section 5. The Company shall have the right to shut off gas supplied hereunder for the purpose of making repairs or extensions to any works, mains, pipes, valves, regulators or other apparatus, facilities or equipment or for any reason deemed by the Company necessary to prevent damage to said works, mains, regulators, valves, pipes or other apparatus, facilities or equipment or to promote the safety of the inhabitants of said village. The Company shall not be liable to said Village or to any customers residing therein for any damage resulting from the temporary suspension of the supply of gas.

Section 6. The Company, its successors and assigns, shall, at all times, hold and save the Village of Springport, Michigan, and the Jackson County Road Commission harmless from any and all liability, loss, damage, and expenses which may accrue to said Village of Springport or the Jackson County Road Commission by reason of the neglect, default, or misconduct of the Company in the construction, operation or maintenance of its facilities hereunder.

Section 7. The rates and charges for gas furnished and sold by the Company under this ordinance shall at all times be just and reasonable. The following schedule and charges shall be in full force and effect for the first five (5) years after acceptance of this ordinance and shall be deemed just and

reasonable; thereafter, the rates set forth below may be changed by agreement between the Company and the Springport Village Council or in such other matter which may at the time be lawful.

GENERAL SERVICE RATE

Available to all classes of customers in said Village of Springport, Michigan.

Gas supplied under this rate shall be (1) Natural Gas, (2) Manufactured Gas, (3) Propane-Air Gas, or (4) A mixture of any two or all of the foregoing.

THERM RATE:	<u>GROSS</u>	<u>NET</u>
First 5 therms or less per month.	\$1.60	\$1.50
Next 10 therms per month – per therm	.21	.20
Next 5 therms per month – per therm	.16	.15
Next 80 therms per month – per therm	.11	.10
Next 100 therms per month – per therm	.10	.095
Next 9,800 therms per month – per therm	.0875	.085
Next 10,000 therms per month – per therm	-----	.08
Next 20,000 therms per month – per therm	-----	.075
Next 20,000 therms per month – per therm	-----	.07
Next 20,000 therms per month – per therm	-----	.065
All use over 80,000 therms per month – per therm	-----	.06

The amount of the gross bill for gas consumed in excess of 10,000 therms per month is Equal to 102% of the amount of bill computed at the net rates shown.

One therm is equal to 100,000 BTU.

TERMS OF PAYMENT

Customers will be billed at gross and net rates. The difference between the gross and net amount of the bill will be allowed as a discount if bills are paid in full on or before the due date shown thereon.

- A. General Customers: Gross \$1.60 per month, Net - \$1.50 per month.
(Includes the use of 5 therms per month).
- B. Space Heating Customers: Gross \$3.25 per month, Net- \$3.00 per month.
(Includes the use of 12 therms per month).

BTU VALUE FOR BILLING PURPOSES

The BTU content per cubic foot of gas furnished at the establishment of service in the Village will determine the BTU value of gas for billing purposes. This value for billing purposes shall not thereafter be changed unless the average BTU content per cubic foot of

gas furnished during any monthly billing period varies from the initial BTU content (upwards or downwards) by more than 10%. If a variation of more than 10% occurs the new average BTU content for such period will establish the BTU value of gas for billing purposes for such period and thereafter until there is subsequent 10% variation.

THERM RATE:	<u>GROSS</u>	<u>NET</u>
First 5 therms or less per month.	\$1.60	\$1.50
Next 10 therms per month – per therm	.21	.20
Next 5 therms per month – per therm	.16	.15
Next 80 therms per month – per therm	.11	.10
Next 4,900 therms per month – per therm	.0725	.07
Next 5,000 therms per month – per therm	-----	.065
Next 10,000 therms per month – per therm	-----	.06
Next 20,000 therms per month – per therm	-----	.055
All use over 40,000 therms per month – per therm	-----	.05

The amount of the gross bill for gas consumed in excess of 5,000 therms per month is Equal to 102% of the amount of bill computed at the net rates shown.

One therm is equal to 100,000 BTU.

INTERRUPTIBLE SERVICE RATE

Available to all classes of customers. Subject to complete or partial curtailment, at the Option of the Company, upon the giving of eight (8) hours notice to the customer. Gas supplied under this rate shall be (1) Natural Gas, (2) Manufactured Gas, (3) Propane-Air Gas, or (4) A mixture of any two or all of the foregoing.

MINIMUM CHARGE

\$50.00 per month which shall include the use of the first 639 therms per month, the minimum charge shall be reduced in the amount of \$1.67 for each day of curtailment.

BTU VALUE FOR BILLING PURPOSES

The BTU content per cubic foot of gas furnished at the establishment of service in the Village will determine the BTU value of gas for billing purposes. This value for billing purposes shall not therefore be changed unless the average BTU content per cubic foot of gas furnished during any monthly billing period varies from the initial BTU content (upwards or downwards) by more than 10%. If a variation of more than 10% occurs the

new BTU content for such period shall establish the BTU value of gas for billing purposes for such period and thereafter until there is a subsequent 10% variation.

Section 8. The Company agrees to use its best efforts to bring natural gas to the inhabitants of the Village of Springport as soon as feasible and in connection therewith shall, furnish gas to all customers residing therein whenever the amount of gas to be furnished thereby shall provide an adequate and reasonable return upon the making of such extensions and providing such service and, provided further, the Company shall not be required to extend any main or service more than 100 lineal feet to render service to any customer.

Section 9. The Company shall have the power to make all needful rules and regulations pertaining to its operations including those pertaining to the collection of its revenues and the prevention of waste to its property and gas supply. The Company may conduct the management of its business in such manner as it deems necessary to protect it and its works and properties from damage imposition and fraud, and to otherwise prevent unnecessary waste of gas.

Section 10. This Ordinance adopted by the Village Council and accepted by the Company shall not take effect and be in force until confirmed by a three-fifths (3/5) vote of the electorate. This ordinance shall be submitted for ratification to the vote of the electors of said Village, and the same shall be and become valid and binding upon approval and ratification of this ordinance by the affirmative vote of at least three-fifths this ordinance by the affirmative vote of at least three-fifths (3/5) vote of the electors of said Village voting thereon at a regular or special Village election to be held in the manner provided by law. This ordinance shall not be submitted to the electors unless the Company shall, within thirty (30) days after the adoption hereof, file with the Village Clerk its written acceptance subject to the approval of the electors. Upon the confirmation of the electors as aforesaid, this ordinance shall constitute a contract between said Village and said Company for the full term of thirty (30) years from and after the date of approval by said electors. The cost of any special election for the purpose of acquiring or renewing the franchise shall be borne by the company.