

ORDINANCE NO. 24 A

An Ordinance of the Town of Stratton, Colorado, granting to Peoples Natural Gas Company, Division of InterNorth, Inc., its lessees, successors and assigns a non-exclusive authority for a period of twenty (20) years to erect, maintain and operate, a gas distribution system and any and all necessary mains, pipes, services and other appurtenances thereunto appertaining in, upon, over, across and along the streets, alleys, bridges, and public places of the Town of Stratton, and for the transmission, distribution and sale of natural and/or mixed gas for lighting, heating, industrial and all other uses and purposes in said Town of Stratton and for the purpose of transmitting, transporting and conveying such gas into, through or beyond the immediate limits of said Town to other towns, cities and customers, and prescribing the terms and conditions under which the said Company is to operate, and repealing Ordinance No. 93 of said Town of Stratton. BE IT ORDAINED BY THE GOVERNING BODY OF THE TOWN OF Stratton, COLORADO.

SECTION 1

That Peoples Natural Gas Company, Division of InterNorth, Inc., its lessees, successors and assigns, hereinafter referred to as Grantee, be and are hereby granted a non-exclusive authority for a period of twenty (20) years, to erect, construct, maintain and operate, a gas distribution system and any and all necessary mains, pipes, services and other appurtenances and equipment thereunto appertaining, in, upon, over, across and along the streets, alleys, bridges and public places in the Town of Stratton for the transmission, distribution and sale of natural and/or mixed gas for lighting,

heating, industrial and other uses and purposes in said Town of Stratton
 , Colorado, and for the purpose of transmitting, transporting and
conveying such gas into, through or beyond the immediate limits of said Town
to other towns, cities and customers.

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 place, within the boundaries of said Town, the same shall be done in
a manner so as not to unduly 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 Town.
In the event that the Grantee shall fail to comply with the provisions of
this section after having been given reasonable notice, the Town may do such
work as may be needed to properly repair said thoroughfare and the cost there-
of shall be repaid to the Town by the Grantee.

SECTION 3

The Grantee in constructing and maintaining said gas distribution system,
and in entering and using said streets, highways, avenues, alleys and public
places in said Town and in laying and installing its mains, services, piping,
and related appurtenances and equipment, shall not in any manner interfere
with or injure any improvement which said Town now has or may hereafter have
upon any of its streets, alleys, highways or public places.

SECTION 4

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 Town an adequate, modern, standard and sufficient gas system and equipment and to maintain and operate the same in a modern and adequate fashion.

Grantee will from time to time during the term of this Ordinance make such enlargements and extensions of its distribution system as the business of the Grantee and the growth of said Town justify, in accordance with its Rules and Regulations relating to customer connections and main and service line extensions currently in effect and on file from time to time with the Colorado Public Utilities Commission or other competent authority having jurisdiction in the premises; provided, however, that no obligation shall extend to, or be binding upon the Grantee, to construct or extend its mains or furnish natural gas or natural gas service within said Town if Grantee is, for any reason, unable to obtain delivery of natural gas at or near the boundaries of said Town or an adequate supply thereof to warrant to 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 Town limits of said Town is insufficient to meet the 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 firm requirements to domestic, commercial and industrial consumers in that order or priority.

SECTION 5

This Ordinance is granted subject to all conditions, limitations and

immunities now provided for and applicable to the operations of a public utility, by the laws of the State of Colorado. The rates to be charged for natural gas service within said Town and the rules and regulations with reference to the character, quality and standards of service to be furnished by Grantee shall be under the jurisdiction and control of such regulatory body as may, from time to time during this grant, be vested by law with authority and jurisdiction of the rates, regulations and quality and standards of service to be supplied by Grantee.

SECTION 6

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 than that prescribed in its Rules and Regulations relating thereto in effect and on file from time to time with the Colorado Public Utilities Commission or other competent authority having jurisdiction in the premises. Should the British Thermal Units fall below the limitation set forth in its appropriate Rules and Regulations, 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. The Town shall have the privilege of requesting Grantee to furnish satisfactory proof of British Thermal Unit content of the gas.

SECTION 7

The Grantee shall hold the Town 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 boundaries of the Town 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 Town shall be served by the Town upon the Grantee. The Grantee shall have the right to defend in the name of the Town and to employ counsel for such purpose.

SECTION 8

If the Grantee shall be in default in the performance of any of the terms and conditions of this Ordinance and shall continue in default for more than thirty (30) days after receiving notice from the Governing Body of said Town of such default, the said Governing Body 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 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 Colorado for the service of original notices in civil actions.

SECTION 9

That in consideration for said grant and in compensation for the use and occupancy of the streets, alleys and public grounds, the said Grantee, its licensees, successors and assigns, shall make a report of the gross receipts and shall pay into the treasury of said Town, semiannually, an amount equal to three percent (3 %) of the Grantee's gross receipts from the sale of natural gas to domestic and commercial consumers, within the corporate limits of said Town, who receive, are billed and pay for such gas at a rate provided for in the general rate schedule of the Grantee which is applicable to the sale of natural gas in said Town for domestic and commercial uses only. The Town may, after providing six (6) months written notice to the Company, by the passage of an Ordinance, decrease,

eliminate, or revive in whole or in part, said franchise tax. The Town may, after providing six (6) months prior written notice to the Company, by the passing of an Ordinance, increase the franchise tax to a maximum of five percent (5%) of the Grantee's gross receipts from the sale of natural gas, to domestic and commercial consumers within the corporate limits of said Town, who receive, are billed, and pay for such gas at a rate provided for in the general rate schedule of the Grantee which is applicable to the sale of gas in said Town to domestic and commercial users only. The Town further reserves the right to levy other and different taxes, assessments, and excises with respect to the Company and its business and properties, provided that the total amount of such taxes, assessments, and excises, together with any franchise tax, shall not exceed at any time the amount of the franchise tax as herein provided.

SECTION 10

Ordinance No. 93 of the Town of Stratton, Colorado, as the same has been amended, is hereby repealed as of the effective date hereof.

SECTION 11

This Ordinance shall be effective upon its acceptance by Grantee. If the Grantee does not within sixty (60) days following passage of this Ordinance express in writing its objections to any terms or provisions contained herein, or reject this Ordinance in its entirety, the Grantee shall be deemed to have accepted this Ordinance and the terms and conditions of the franchise contained therein.

This Ordinance was introduced, read on first reading, approved and ordered published by the Governing Body of the Town of Stratton,

Colorado, at a regular meeting on August 6, 1981.

Final passage and approval of the foregoing Ordinance was given and recorded by the Governing Body of the Town of Stratton, Colorado, this _____ day of _____, 19__.

Mayor

ATTEST:

Town Clerk

(SEAL)

TOWN OF STRATTON, COLORADO

Minutes of a regular meeting of the Governing Body of the Town of STRATTON, Colorado, held at the regular meeting place of the Governing Body on August 6, 1981.

Present at the meeting were the following:

E.L. Kerl
Mayor

UGENE BROWN
Trustee

Jim Shuldä
Trustee

Leo Isenbart
Trustee

Pal Hornung
Trustee

Trustee

Olen Brown presented a proposed Ordinance of the Town of STRATTON, Colorado, granting to PEOPLES NATURAL GAS COMPANY, Division of InterNorth, Inc., a 20 year non-exclusive natural gas franchise; which Ordinance was read in full for the first time and considered by the Governing Body.

Adjournment of the meeting took place on motion.

Minutes approved.

E.L. Kerl
Mayor

Attest: Jackie L. Garrett
Town Clerk

TOWN OF STRATTON, COLORADO

Minutes of a regular meeting of the Board of Trustees of the Town of STRATTON, Colorado, held at the regular meeting place of the Board of Trustees on Sept, 1933.

Present at the meeting were the following:

E L Kerl
Mayor

Pal Hornung
Member of the Board of Trustees

Virginia Hubbard
Member of the Board of Trustees

Audrey Eisenhart
Member of the Board of Trustees

Allen Brown
Member of the Board of Trustees

Jim Shulda
Member of the Board of Trustees

Leo Eisenhart

Allen Brown presented a proposed Ordinance of the Town of Stratton, Colorado, granting to PEOPLES NATURAL GAS COMPANY, Division of InterNorth, Inc., a 20 year non-exclusive natural gas franchise, which Ordinance was read in full for the second time. Upon motion by Audrey Eisenhart, seconded by Virginia Hubbard, said Ordinance was passed by the following vote, to-wit:

Virginia Hubbard
Mayor

For Against

Wylene Brown
Member of the Board of Trustees

For Against

Paul Hernung
Member of the Board of Trustees

For Against

Leo Eisenhart
Member of the Board of Trustees

For Against

Jim Shulla
Member of the Board of Trustees

For Against

Audrey Eisenhart
Member of the Board of Trustees

For Against

Upon the foregoing vote, constituting final passage of the Ordinance, the attached Ordinance, designated Ordinance No. 24A, was duly executed by the Mayor and Town Clerk on behalf of the Board of Trustees. A copy of said Ordinance is attached hereto and by this reference hereby incorporated into the minutes of all meetings at which read.

Adjournment of the meeting took place on motion.

Minutes approved.

E. L. Kull
Mayor

Attest: Jackie L. Garrett
Town Clerk