

12.600

**QUEST ENERGY, L.L.C
ELECTRIC FRANCHISE ORDINANCE
Eff. September 14, 2000**

An Ordinance, granting to Quest Energy, L.L.C. the right, power and authority to transmit, supply, deliver and distribute electricity and electrical services as specifically set forth herein, along, over and under the highways, streets, alleys, bridges, waterways and other public places to customers in the City of Gaylord, Otsego County, Michigan, and to otherwise do business therein, for a period of ten (10) years.

THE CITY OF GAYLORD, ORDAINS:

12.601

Sec. 1. GRANT, TERM.

The City of Gaylord, Otsego County, Michigan hereby grants the right, power and authority to Quest Energy, L.L.C., hereinafter called the Grantee, to transmit, supply, deliver and distribute electricity and electrical services as part of a direct access program approved or authorized by a state or federal agency, or otherwise permitted by law, along, over and under the highways, streets, alleys, bridges, waterways and other public places to residents/customers in the City of Gaylord, Otsego County, Michigan, and to otherwise do business therein, for a period of ten years. Grantee does not have the right, power or authority to construct or maintain electric lines consisting of towers, masts, poles, crossarms, guys, braces, feeders, transmission and distribution wires, transformers and other electrical appliances along, over or under the highways, streets, alleys, bridges, waterways and other public places in the City of Gaylord.

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Sec. 2. CONSIDERATION.

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

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Sec. 3. CONDITIONS.

1. As an electric power marketer and third supplier of electricity, Grantee will not directly transmit or supply electricity, nor impair or attempt to control or occupy any street, alley, public place, nor engage in any construction in any public street, alley, or other public place or right-of-way.
2. Grantee shall indemnify and hold harmless the City from any and all judgments, damages, decrees, losses, costs and expenses which the City may incur or which may be legally obtained against the City for or by reason of the wrongful or negligent construction, maintenance or repair of the structures and equipment, or the use and occupation of any highway, street, alley, or other public place in the City by the Grantee pursuant to the terms of this Ordinance or resulting from the exercise by the Grantee of any of these privileges.
3. The City may establish reasonable standards of service, prevent unjust

discrimination in service, and impose any other regulations as may be determined by the City to be conducive to the safety, welfare and accommodation of the public. Grantee shall be and remain subject to all ordinances, rules and regulations of the City now in effect, or which might be adopted in the future.

4. Grantee shall reimburse the City for the City's cost associated with issuance of this Franchise, including reasonable and documented attorney fees.

12.604 **Sec. 4. INSURANCE.**

Grantee shall obtain and maintain in full force and effect the following insurance covering all insurable risks associated with its exercise of the rights granted by this ordinance. Comprehensive General Liability, including Completed Operations Liability, an amount no less than One Million (\$1,000,000) Dollars.

All insurance policies shall provide that they shall not be canceled or modified unless thirty (30) days prior written notice is given to the City. If so requested by the City, Grantee shall provide the City with a certificate of insurance evidencing such coverage and maintain a current certificate on file with the City.

12.605 **Sec. 5. LIMITATIONS.**

Nothing in this Ordinance shall be construed as a waiver by Grantee of any rights under state or federal law. Grantee shall, as to all other conditions and elements of service not addressed or fixed by this Ordinance, remain subject to the rules and regulations applicable to electric service by the Michigan Public Service Commission, or its successor. If so requested by the City, Grantee shall provide the City with copies of all documents, which Grantee sends to the Michigan Public Service Commission, and copies of all orders, decisions, or correspondence Grantee receives from the Michigan Public Service Commission that relate to this Franchise. Grantee shall permit City inspection and examination of all records that relate to this Franchise that Grantee is required to maintain or file under Michigan Public Service Commission rules and regulations.

12.606 **Sec. 6. ASSIGNMENT.**

This Franchise may not be sold, leased, assigned, transferred or used by any party other than the Grantee without the consent of the City.

12.607 **Sec. 7. HOLD HARMLESS.**

Said Grantee shall at all times keep and save the City free and harmless from all loss, costs and expense to which it may be subject by reason of the granting of this franchise. In case any action is commenced against the City on account of, or as a direct or indirect result of, the franchise herein given, said Grantee shall, upon notice, defend the City and save it free and harmless from all loss, cost and damage, including litigation costs and actual attorney fees, arising therefrom.

12.608 **Sec. 8. EXTENSIONS.**

Said Grantee may from time to time extend its services and furnish electricity to any and all residents within said City in accordance with applicable laws, rules and regulations. There are no limitations on the number of customers which Grantee may serve hereunder.

12.609 **Sec. 9. FRANCHISE NOT EXCLUSIVE.**

The rights, power and authority herein granted, are not exclusive.

12.610 **Sec. 10. RATES.**

In so long as customers in the City shall be able to freely elect Grantee as their electric service provider, said Grantee shall be entitled to charge its customers for the services and electricity at the rates contractually agreed upon with said customers. This section does not attempt to convey to Grantee any power and authority beyond that granted by applicable state or federal law, rule or regulation.

12.611 **Sec. 11. REVOCATION.**

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

12.612 **Sec. 12. OTHER REGULATION.**

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 provided by law over the services or electricity furnished by Grantee in said City.

12.613 **Sec. 13. 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 (30) days from its adoption unless within said period the Grantee shall accept the same in writing filed with the City Clerk. Upon acceptance and publication hereof, this ordinance shall constitute a contract between said City and said Grantee.