

ORDINANCE NO. 2023-1

CONSUMERS ENERGY COMPANY GAS FRANCHISE ORDINANCE

AN ORDINANCE, granting to CONSUMERS ENERGY COMPANY, its successors and assigns, the right and authority to lay, maintain and commercially operate gas lines and facilities including but not limited to mains, pipes, services and on, under, along, and across public places including but not limited to highways, streets, alleys, bridges, and waterways, and to conduct a local gas business in the CITY OF BAD AXE, HURON COUNTY, MICHIGAN, for a period of thirty years.

THE CITY OF BAD AXE ORDAINS:

SECTION 1. GRANT and TERM. The CITY OF BAD AXE, HURON COUNTY, MICHIGAN, hereby grants to Consumers Energy Company, its successors and assigns, hereinafter called "Consumers" the right and authority to lay, maintain and commercially operate gas lines and facilities including but not limited to mains, pipes, services and valves on, under, along, and across public places including but not limited to highways, streets, alleys, bridges, and waterways, and to conduct a local gas business in the CITY OF BAD AXE, HURON COUNTY, MICHIGAN, for a period of thirty years.

SECTION 2. CONDITIONS. No public place used by Consumers shall be obstructed longer than necessary during construction or repair, and shall be restored to the same order and condition as when work was commenced. All of Consumers' gas lines and related facilities shall be placed as not to unnecessarily interfere with the public's use of public places. Consumers shall have the right to trim or remove trees if necessary in the conducting of such business.

SECTION 3. HOLD HARMLESS. Consumers shall save the City free and harmless from all loss, costs and expense to which it may be subject by reason of the negligent construction and maintenance of the lines and related facilities hereby authorized. In case any action is commenced against the City on account of the permission herein given, Consumers shall, upon notice, defend the City and its representatives and hold them harmless from all loss, costs and damage arising out of such negligent construction and maintenance.

SECTION 4. EXTENSIONS. Consumers shall construct and extend its gas distribution system within said City, and shall furnish gas service to applicants residing therein in accordance with applicable laws, rules and regulations.

SECTION 5. FRANCHISE NOT EXCLUSIVE. The rights, power and authority herein granted, are not exclusive.

SECTION 6. RATES and CONDITIONS. Consumers shall be entitled to provide gas service to the inhabitants of the City at the rates and pursuant to the conditions as approved by the Michigan Public Service Commission. Such rates and conditions shall be subject to review and change upon petition to the Michigan Public Service Commission.

SECTION 7. REVOCATION. The franchise granted by this ordinance is subject to revocation upon sixty (60) days written notice by either party. Upon revocation this ordinance shall be considered repealed and of no effect past, present or future.

SECTION 8. MICHIGAN PUBLIC SERVICE COMMISSION JURISDICTION. Consumers remains subject to the reasonable rules and regulations of the Michigan Public Service Commission

applicable to gas service in the City and those rules and regulations preempt any term of any ordinance of the City to the contrary.

SECTION 9. REPEALER. This ordinance, when enacted, shall repeal and supersede the provisions of any previous Consumers' gas franchise ordinance adopted by the City including any amendments.

SECTION 10. EFFECTIVE DATE. This ordinance shall take effect on November 6, 2023.

We certify that the foregoing Franchise Ordinance was duly enacted by the City Council of the CITY OF BAD AXE, HURON COUNTY, MICHIGAN, on the 6TH day of November, 2023.

Rebecca Bachman  
Rebecca Bachman, City Manager

Attest:

I, Tara Zagorski, Clerk of the CITY OF BAD AXE, HURON COUNTY, MICHIGAN, DO HEREBY CERTIFY that the ordinance granting Consumers Energy Company, a gas franchise, was properly adopted by the City Council of the CITY OF BAD AXE, HURON COUNTY, MICHIGAN, and that all proceedings were regular and in accordance with all legal requirements.

Tara Zagorski, City Clerk  
Tara Zagorski, City Clerk

Dated: November 6<sup>th</sup>, 2023