**PIEDMONT ORDINANCE #2017-01**

**NATURAL GAS DISTRIBUTION SYSTEM FRANCHISE**

**AN ORDINANCE GRANTING TO MONTANA-DAKOTA UTILITIES CO., A DIVISION OF MDU RESOURCES GROUP, INC., A CORPORATION, ITS SUCCESSORS AND ASSIGNS, THE FRANCHISE AND RIGHT TO CONSTRUCT, MAINTAIN AND OPERATE WITHIN AND UPON, IN AND UNDER THE STREETS, ALLEYS AND PUBLIC GROUNDS OF THE MUNICIPALITY OF PIEDMONT**

**A GAS DISTRIBUTION SYSTEM FOR TRANSMITTING AND DISTRIBUTING NATURAL OR MANUFACTURED GAS, OR A MIXTURE OF BOTH, FOR PUBLIC AND PRIVATE USE.**

BE IT ORDAINED by the City of Piedmont there is hereby adopted the following ordinance granting Montana-Dakota Utilities Co. the franchise and right to construct, maintain and operate within and upon, in and under the streets, alleys and public grounds of the City of Piedmont a gas distribution system for transmitting and distributing natural or manufactured gas, or a mixture of both, for public and private use.

SECTION 1. For convenience, herein, said City of Piedmont is designated and referred to as “Municipality” and Montana-Dakota Utilities Co. is designated and referred to as “Grantee.” Any reference to either includes their respective successors and assigns.

SECTION 2. There is hereby granted to Montana-Dakota Utilities Co, a Division of MDU Resources Group, Inc., a corporation, its successors and assigns, subject to the limitations herein stated, the right and franchise to occupy and use the streets, alleys and public grounds of the municipality as now, or hereafter constituted, for the purpose of constructing, maintaining, and operating, within, upon, in and under the same, a gas distribution system for transmitting and distributing natural or manufactured gas, or a mixture of both, for public and private use.

SECTION 3. Grantee shall maintain an efficient distribution system for furnishing natural or manufactured gas, or a mixture of both for public and private use at such reasonable rates as may be approved by the Public Utilities Commission of the state wherein said municipality is located and under such orders, rules or regulations as may be issued by any federal or state agency having jurisdiction thereof.

SECTION 4. This franchise shall not be exclusive and shall not be construed to prevent the Municipality from granting to any other party the right to use the streets, alleys, and public grounds of the Municipality for like purposes.

SECTION 5. The Municipality reserves any right it may have, under its police power, or otherwise, to control or regulate the use of said streets, alleys, and public grounds by Grantee.

SECTION 6. Grantee shall comply with all other municipality ordinances including the municipality’s right-of-way ordinance, and state and federal law. This franchise ordinance shall not modify or amend any existing or subsequently passed municipal ordinance unless this ordinance specifically provides for such modification.

SECTION 7. Grantee shall indemnify and save and hold the Municipality harmless from any loss or damage due to the construction, installation, and maintenance of its distribution system, and its use of the streets, alleys, and public grounds of the Municipality.

SECTION 8. Grantee shall have the right to assign this franchise to any party, or corporation, but all obligations hereunder shall be binding upon its successors and assigns.

SECTION 9. Within thirty (30) days after Grantee is notified of passage and final approval of this Ordinance, Grantee shall file with the clerk or auditor of the Municipality its written acceptance of this franchise.

SECTION 10. This franchise shall continue and remain in full force and effect for a period of twenty (20) years from the date upon which this ordinance shall become effective as provided by law.

Passed the 7th day of February, 2017.

Effective this 6th day of March, 2017.

ATTEST:

Diana L. Evans Philip C. Anderson

Finance Officer Board President, Piedmont SD

(Seal)

First Reading: January 17, 2017

Second Reading: February 7, 2017

Published: February 15, 2017

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