

PEOPLE'S ORDINANCE NO. 29

AN ORDINANCE GRANTING A FRANCHISE BY THE CITY OF GRAND JUNCTION, MESA COUNTY, COLORADO, TO PUBLIC SERVICE COMPANY OF COLORADO, ITS SUCCESSORS AND ASSIGNS, FOR THE PURPOSE OF FURNISHING ELECTRICITY AND ELECTRIC SERVICE AND GAS AND GAS SERVICE TO THE CITY OF GRAND JUNCTION AND ITS INHABITANTS AND TO AUTHORIZE SAID COMPANY, ITS SUCCESSORS AND ASSIGNS, TO LOCATE, BUILD, CONSTRUCT, ACQUIRE, PURCHASE, EXTEND, MAINTAIN AND OPERATE INTO, WITHIN AND THROUGH SAID CITY OF GRAND JUNCTION, A PLANT OR PLANTS, SUBSTATIONS, AND WORKS, FOR THE PURCHASE, MANUFACTURE, GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRICITY AND GAS, EITHER NATURAL, ARTIFICIAL OR MIXED, AND TO FURNISH, DISTRIBUTE AND SELL SAID ELECTRICITY AND GAS TO THE CITY OF GRAND JUNCTION, AND THE INHABITANTS THEREOF, FOR LIGHT, HEAT AND POWER OR OTHER PURPOSES BY MEANS OF PIPES, MAINS, CONDUITS, CABLES, POLES AND WIRES STRUNG THEREON, OR OTHERWISE, ON, OVER, UNDER, ALONG, ACROSS AND THROUGH ALL STREETS, ALLEYS, VIADUCTS, BRIDGES, ROADS, LANES, AND OTHER PUBLIC WAYS AND PLACES IN SAID CITY OF GRAND JUNCTION, AND AUTHORIZING SAID COMPANY, ITS SUCCESSORS AND ASSIGNS, TO USE CERTAIN STREETS AND PUBLIC PLACES FOR THE PURPOSE OF FURNISHING SAID SERVICES: AND FIXING THE TERMS AND CONDITIONS THEREOF, AND PROVIDING FOR RATES AND STANDARDS OF SERVICE THEREFOR.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION, COLORADO, AND BE IT ORDAINED BY THE QUALIFIED TAXPAYING ELECTORS OF SAID CITY OF GRAND JUNCTION, COLORADO:

ARTICLE I

Section 1. A franchise is hereby granted by the City of Grand Junction, Mesa County, Colorado (hereinafter referred to as "City"), to Public Service Company of Colorado, a Colorado corporation (hereinafter referred to as "Company"), its successors and assigns, for the purpose of furnishing gas and gas service and electricity and electric service to the City and the inhabitants thereof, upon the terms and conditions, rates and standards for service as hereinafter provided.

ARTICLE II

Section 1. In the exercise of this franchise the right, privilege and authority is hereby granted by the City to the Company, its successors and assigns, to locate, build, construct, acquire, purchase, extend, maintain and operate into, within and through the City, a plant or plants, substations and works for the purchase, manufacture, generation, transmission and distribution of electrical energy and gas, either natural,

artificial or mixed, and to furnish, distribute and sell said electrical energy and gas to the City and the inhabitants thereof, for light, heat and power or other purposes by means of pipes, mains, conduits, cables, poles and wires strung thereon, or otherwise, on, over, under, along, across and through the streets, alleys, viaducts, bridges, roads, lanes, and other public ways and places in the City and over, under, along, across and through any extension, connection with or continuation of the same and/or on, over, under, along, across and through any and all such new streets, alleys, viaducts, bridges, roads, lanes and public ways and places as may be hereafter laid out, opened, located, or constructed within the territory now or hereafter included in the boundaries of the City.

The streets, avenues and alleys which are now laid out, constructed and opened and on which gas and electric transmission and distribution lines are or may be located are as follows:

Belford Avenue, Bunting Avenue, Cannell Avenue, Cedar Avenue, Chipeta Avenue, Chuluota Avenue, College Place, Colorado Avenue, Crawford Avenue, Eighth Street, Eighteenth Street, Eleventh Street, Elm Avenue, Fairview Avenue, Fifteenth Street, Fifth Street, First Avenue, First Street, Fourth Avenue, Fourth Street, Fourteenth Street, Glenwood Avenue, Grand Avenue, Gunnison Avenue, Hale Avenue, Hall Avenue, Hill Avenue, Hoesch Street, Houston Avenue, Kimball Avenue, Kennedy Avenue, Kennedy Lane, Lawrence Avenue, Main Street, Mesa Avenue, Mulberry Street, Nineteenth Street, Ninth Street, Noland Avenue, North Avenue, North Plaza Court, Orchard Avenue, Ouray Avenue, Park Avenue, Pinyon Avenue, Pitkin Avenue, Rockaway Avenue, Rood Avenue, Second Avenue, Second Street, Seventeenth Street, Seventh Street, Sixteenth Street, Sixth Street, Spruce Street, South Avenue, Struthers Avenue, Teller Avenue, Tenth Street, Texas Avenue, Third Avenue, Third Street, Thirteenth Street, Twelfth Street, Twentieth Street, Twenty-fifth Street, Twenty-first Street, Twenty-fourth Street, Twenty-Second Street, Twenty-seventh Street, Twenty-third Street, Ute Avenue, Vine Street, Walnut Avenue, West Street, White Avenue, Winters Avenue.

All alleys in Blocks 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 139, 141, 142, 143, 145, 146, 147, 148, 149, 150,

151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163 and 164 of the original town site of Grand Junction.

All alleys in the following additions and subdivisions:

Arcadia Village, Blocks 1, 2, 3, 4, 5, and 6, Benton Canon's First Subdivision, Blocks 1, 2, 3, 6, 7, 8, 9, 10, 11, 13, 14, 15 and 16, Bookcliff Park, Blocks 1 and 8, Bower's Subdivision of Lot 3, Block 9, Mobley's Subdivision, Capitol Hill Subdivision, Blocks 10, 18, 19, 20, 21 and 22; Carpenter's Subdivision No. 1, Carpenter's Subdivision No. 2, Blocks 6 and 7; College Subdivision, Blocks A, B and C; Craig's Subdivision, Blocks 1 and 2; Crawford Subdivision, Blocks 2, 3, 4 and 5; Delmar Park, Blocks 1, 2 and 3; De Voe Subdivision, Blocks 1 and 2; Dundee Place, Blocks 1, 2, 3, 4, 5 and 6; East Main Street Addition, Blocks A, B, C, D, 2, 3, 4, 5, 6, 7 and 8; Elm Avenue Subdivision, Elmwood Plaza Subdivision, Blocks 1, 2, 3, 4, 5, 6 and 7; Garfield Park Subdivision, Blocks 1, 2, 3, 4, 5 and 6; Grand River Subdivision, Blocks 1, 2, 5 and 6; Haggerty's Subdivision, Harr's Addition, Henderson Heights Subdivision, Blocks 1, 2, 3 and 4; High School Addition, Blocks 1 and 2; Keith's Addition, Blocks A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, and S; Lincoln Park Addition, Blocks 1, 2 and 3; McMullin & Gormley Subdivision, Blocks 1, 2, 3, 4, 5 and 6; Mesa Subdivision, Blocks 1, 2, 3 and 4; Milldale Subdivision, Blocks 2, 3, 10, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22 and 23; Mobley's Subdivision, Blocks 1, 3, 4, 7, 8, and 9; Prospect Park, Blocks 1, 2, 3 and 4; Rose Park, Blocks 1, 2, 3 and 4; Slocomb's Addition, Blocks 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12; South Fifth Street Subdivision, Blocks 1 and 2; South Mesa Subdivision, Blocks 1 and 2; Sundial Gardens, Block 1; Sunnyvale Acres, Blocks 1 and 2; Teller Acres, Blocks 1, 2 and 3; Tope School Subdivision, West Elmwood Plaza, Blocks 1 and 2; Wilcox and Bixby Subdivision, Blocks 1, 2, 3 and 4; Wilson's Subdivision of Block 2, Mobley's Subdivision; Winnie's Subdivision of Lots 3, 4 and 5, Block 12, Mobley's Subdivision; also alleys in the Nursery Tract lying north of Main Street and adjacent to and on the southwesterly side of the D. & R.G.W. R.R. right-of-way.

Section 2. The Company is further granted the right, privilege and authority to excavate in, occupy and use any and all streets, alleys, viaducts, bridges, roads, lanes, parkways, and public ways and places, under the supervision of properly constituted authority and subject to the City Charter, for the purpose of bringing electrical energy and gas into, within and through the City and supplying electrical energy and gas to the City and the inhabitants thereof and in the territory adjacent thereto, provided, however, that the Company shall locate its plants, works, transmission and distribution structures, equipment, mains and pipes within the City as to cause minimum interference with the proper use of streets, alleys, and other

public ways and places and to cause minimum interference with the rights or reasonable convenience of property owners whose property adjoins any of the said streets, alleys or other public ways and places. Should it become necessary for the Company, in exercising its rights and performing its duties hereunder, to interfere with any sidewalk, graveled or paved streets, roads or alleys, or any other public or private improvement, the Company shall repair in a workmanlike manner such sidewalk, graveled or paved street, road, alley, or other improvement after the installation of its pipes, structures, or equipment. The Company shall use due care not to interfere with or damage any water mains, sewers, or other structures now in or which may hereafter be placed in said streets, alleys or public places.

Section 3. If at any time it shall be necessary to change the position of any pole, gas main or service connection of the Company to permit the City to lay, make or change street grades, pavements, sewers, water mains or other City works, such changes shall be made by the Company at its own expense.

Section 4. The City shall have the right to use, without cost, all poles of the Company within said City for the purpose of stringing wires thereon for its fire alarm and police signal systems, and the right to affix to said poles any municipal signs and street signs which shall not interfere with the use of said poles by the Company; provided, that the Company shall not assume or be subject to liability for any damages resulting from the use of said poles by the City and shall not be subjected to additional expense in connection therewith.

Section 5. The City reserves the right by Ordinance to require the Company or its assigns to allow the use of any of its poles, wires, conduits, electrical current, gas distribution facilities or gas by any other person or corporation to which the City shall grant a franchise, upon the payment of a reasonable rental therefor to the Company, as provided by Sec. 120 of the City Charter.

### ARTICLE III

Section 1. The following facts and representations are agreed and understood as the basis for and as conditions of the gas service portion of this franchise:

a. The Company is negotiating a contract, conditioned upon the obtaining by Company of this franchise, for a supply of natural gas from the Piceance Creek Field, in Rio Blanco County, which supply is deemed sufficient to supply the City and its inhabitants during the entire period of this franchise, and the Company will proceed with reasonable diligence to make such

service available within a period of eighteen (18) months from the date this franchise shall become effective. It is expressly understood, however, that the Company may supply natural gas from other economically feasible sources that may subsequently become available.

b. During the interval between the date when this franchise shall become effective and the date natural gas is made available to the City and its inhabitants the Company will furnish manufactured or artificial gas at the rates now charged for such gas in accordance with the schedules on file in the office of the City Clerk of the City.

c. In the event that, during the period of this franchise, it should become apparent that a supply of natural gas from the above source sufficient to supply the requirements of the City under this franchise is commencing to fail, the Company shall take all possible steps to procure a supply of natural gas from other economically feasible sources, and if unable to procure the same, the Company shall furnish manufactured or artificial gas.

d. The Company shall defray all necessary expenses incident to the alteration or change of domestic appliances in making the substitution of natural gas for manufactured gas and shall also defray such expenses in the event it should later be necessary to revert to manufactured or artificial gas.

e. Natural gas shall be furnished to the City in its natural state with the exception that natural gas gasoline may be extracted therefrom in any manner which will not change the chemical composition of any of its component parts and which will not in anywise dilute it.

#### ARTICLE IV

Section 1. The Company shall use due diligence to maintain its gas and electric plant equipment and distribution systems in condition to furnish good, safe, adequate and continuous service in compliance with its standards for service, as set forth in its service rules and regulations to be kept on file at the offices of the City Clerk and the Company. The City and its duly constituted representatives shall have full authority to enforce the provisions of this franchise and to supervise the service herein provided. They shall have access at all reasonable times to any part of the plant or plants of the Company to make inspections and tests that may be required in supervising the fulfillment by the Company of the terms of this franchise.

Section 2. The City may designate a meter inspector who shall have full power to inspect all meters of the Company within

the City or at any plant or works of the Company. In the event that any meter is found defective, it shall not again be used until repaired and adjusted under the supervision of the inspector, and shall be repaired by and at the cost of the Company, and if found in error, proper adjustment will be made upon the bill of the customer.

Section 3. Statements of the Company to the customers shall contain information showing the quantity of natural gas and electrical service furnished and the charge made therefor.

Section 4. The natural gas to be supplied hereunder shall contain a monthly average gross heating value of not less than 900 B.t.u. per cubic foot when tested at 60° F., saturated with water vapor and under a pressure of 30 inches of mercury.

#### ARTICLE V

Section 1. The Company shall make extensions of its gas and electric distribution facilities to applicants situate within the City upon the terms and conditions set forth following:

For residential and small commercial service of permanent character, Company shall install and maintain, subject to the Rate Schedule, Service Rules and Regulations applicable, free of charge to applicant, (1) for electric service the necessary electric meter and an overhead electric service loop not requiring additional poles, at the voltage and phase of its established distribution system for such service, to applicant's premises, or (2) for gas service the necessary gas meter and regulator and a gas service connection from its existing gas distribution main to abutting property line.

For this class of service also, Company shall install at its sole expense, if necessary, gas main construction or overhead primary or secondary electric line construction, equivalent in cost to One Hundred Dollars (\$100.00) for each applicant. Where the total cost of the extension and reinforcement of existing facilities is in excess of the free construction specified above, applicant or applicants shall advance to the Company all costs in excess of said free construction allowance, which shall be subject to refund by the Company as follows:

For each additional customer connected to said electric line or gas main extension within a period of five (5) years after completion of the extension, where service has not been previously rendered and where such connection to said extension

requires only an electric service or a gas service connection, a refund of One Hundred Dollars (\$100.00) shall be made, provided that in no case shall total refund exceed original deposit.

#### ARTICLE VI

Section 1. The Company agrees to supply and the City agrees to take all of its street and park lighting requirements during the term hereof subject to applicable Rules and Regulations of the Company and the following terms and conditions, to-wit:

1. The Company shall furnish and sell to the City, and the City shall take and purchase from the Company, under the terms and conditions herein stipulated, all the lighting service used by the City for the purpose of lighting the streets, avenues, boulevards, parks, parkways, alleys and public ways and places of the City, and any extensions thereof.

2. Subject to the provisions hereinafter set forth, street lighting service is to be rendered (a) by lamps suspended from brackets or mastarms mounted on wood poles and supplied from overhead non-ornamental street lighting distribution system of the Company or (b) by lamps mounted on ornamental standards or brackets supplied from underground or overhead lines of the Company. For lighting service supplied as provided in (a) above, the Company shall furnish all facilities and equipment. For lighting service supplied in (b) above, the City or property owners shall furnish at their expense the standards, foundations in place, brackets and lighting units complete, and the Company shall install said standards, brackets and lighting units furnished by the City and supply the necessary underground lines and facilities. Upon proper authorization and notification, for street lighting installations of a permanent character, the Company shall install additional non-ornamental street lights and ornamental street lights which can be served from the existing ornamental distribution system, provided the total expense to Company per installation, does not exceed twice its annual revenue therefrom.

3. The service to be rendered hereunder by the Company shall include, except as otherwise provided herein, installation as defined in Paragraph 2 of this Section, electrical energy, lamp and globe renewals, attendance and ordinary maintenance. The material and installation cost of all special installations and replacements thereof shall be borne by the City.

4. The schedule of rates and charges for the street lighting service furnished to the City pursuant to the provisions hereof shall be as follows:

RATE

Incandescent Lamps - Burning All Night:

Ornamental and Non-ornamental Service:

2500 lumen lamps, per lamp, per year . . . .	\$29.40
4000 lumen lamps, per lamp, per year . . . .	34.20
Special Park and Public Place Lighting Service:	
1000 lumen lamps, per lamp, per year . . . .	18.60

Incandescent Lamps - Burning Dusk to Midnight:

Ornamental Service Only:

2500 lumen lamps, per lamp, per year . . . .	24.00
4000 lumen lamps, per lamp, per year . . . .	30.00

Mercury Vapor High Power Factor Lamps - Burning All Night:

City Owned (Ornamental):

16,000 lumen mercury vapor lamps, per lamp, per year . . . .	66.00
16,000 lumen mercury vapor lamps with 2-1000 lumen incandescent lamps, per unit, per year . . . .	75.00

Company Owned (Non-ornamental):

16,000 lumen mercury vapor lamp, per lamp, per year . . . .	69.00
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It is understood that the rates set forth preceding are based upon the type of lighting units now in use in the City.

Charges for lamps of sizes or types or conditions of service other than those listed herein, shall be fixed by supplemental agreements between the City Council and the Company, such agreements to be effectuated by Ordinance of the Council; and, as nearly as may be, shall be in proportion to the rates above specified, taking into account the cost of such new or additional service.

5. It is agreed that the rates set forth above are fair and equitable under present conditions of service and shall be subject to regulation as provided by the City Charter.

6. All street and park lighting shall be billed by the Company in accordance with the schedule of rates as provided in Paragraph 4 of this Article; provided, however, the minimum

monthly charge for street and park lighting service to be paid to the Company by the City shall be Fifteen Hundred Dollars (\$1500.00) plus 50% of the amount by which charges in any previous month during the term hereof exceed \$1500.00.

7. The Company agrees to change any non-ornamental street lamp covered herein, together with the necessary equipment, from one locality to another as directed by the City, the expense of such change to be borne equally by the City and the Company; provided, that the Company bear all expense incident to moving said lamps on account of regrading or widening streets, or similar municipal improvements.

8. The City shall at all reasonable times have the right and privilege of inspecting and testing all the wires, lamps and other appliances used by the Company in furnishing service under and by virtue of the terms hereof. The Company shall furnish the City a record of all lamps installed, which clearly specify the type furnished, voltage, amperage and the average watt consumption of lamps.

9. The Company agrees to operate all lamps at voltage and current for which they are designed, and that, in the event it shall at any time be determined, as a result of tests, that the illumination so contracted to be furnished by any lamp is less than eighty-five percent (85%) of the manufacturer's rated average life lumen output, the Company shall replace same.

10. On the first of each month, or as soon thereafter as possible the Company shall prepare a statement of the lamps in use, showing the amount due the Company from the City for each type and size of lamp.

11. The City agrees to pay the Company for service to be rendered hereunder at the charges and under the terms and conditions herein specified. Payment shall be made to the Company by the City on or before the twentieth day of each calendar month for the service rendered during the preceding month.

## ARTICLE VII

Section 1. It is agreed that the Company shall charge rates for gas and electric service which shall be fair and reasonable. Such rates shall be subject to regulation as provided by Sec. 108 of the City Charter.

The City shall have the right at all reasonable times to inspect the books of the Company and the Company agrees that the gross earnings shall be shown for purposes set forth in this ordinance separate from any other activity of the Company and not confused with the income of the Company from any other source.

Section 2. The Company shall not as to rates, charges, services, facilities, rules, regulations or in any other respect make or grant any preference or advantage to any corporation or person or subject any corporation or person to any prejudice or disadvantage; provided that nothing in this grant shall be taken to prohibit the establishment, from time to time of a graduated scale of charges and classified rate schedules to which any customer coming within an established classification would be entitled.

Section 3. The rates to be charged by the Company for industrial gas used in the City may be lower and different from those charged for gas used for other purposes, provided that contracts for industrial usage contain a "cut-off" clause which recognizes the preferred right of the other use over industrial uses. The Company shall make and file with the City Clerk a schedule or schedules of classifications for all industrial users, and the rates charged under the classifications shall be on the basis of the volume used and the load required.

Section 4. It is agreed by and between the Company and the City that the following rates for natural gas and electric service are fair and reasonable under existing conditions; and shall, until readjusted as provided by law, remain in full force and effect:

ELECTRIC SERVICE

Residential Service

First 15 kwh or less used per month . . . .	\$1.00
Next 30 kwh used per month, per kwh . . . .	.045
Next 40 kwh used per month, per kwh . . . .	.035
All additional kwh used per month, per kwh . .	.02
Minimum charge, per month . . . .	1.00

Commercial Lighting Service

First 150 kwh used per month, per kwh . . . .	\$0.045
Next 850 kwh used per month, per kwh . . . .	.035
Next 1,000 kwh used per month, per kwh . . . .	.03
Next 3,000 kwh used per month, per kwh . . . .	.028
Next 5,000 kwh used per month, per kwh . . . .	.023
Additional kwh used per month, per kwh . . . .	.02
Net monthly minimum charge per 100 watts of connected load . . . .	.05
but not less per meter, per month, than . . . .	1.00

General Secondary Power Service

First 20 kwh used per month, per Hp of billing demand, but not less than for the first 100 kwh used, per kwh . . . .	\$0.05
Next 40 kwh used per month, per Hp of billing demand, but not less than for the next 200 kwh used, per kwh . . . .	.04
All additional kwh used per month, per kwh . . .	.02
Net monthly minimum charge per horsepower of billing demand . . . .	1.00
But not less per meter, per month, than . . .	3.00

Municipal Power Service

All electric energy used, per kwh . . . .	\$0.025
Minimum charge per year . . . .	720.00

NATURAL GAS SERVICE

Residential Service

First 400 cubic feet or less used per month . . .	\$1.00
Next 1600 cubic feet used per month, per 100 cubic feet . . . .	.10
Next 2000 cubic feet used per month, per 100 cubic feet . . . .	.07
Additional cubic feet used per month, per 100 cubic feet . . . .	.045
Minimum monthly bill . . . .	1.00

Commercial Service

First 400 cubic feet or less used per month . . .	\$1.00
Next 1600 cubic feet used per month, per 100 cubic feet . . . .	.10
Next 2000 cubic feet used per month, per 100 cubic feet . . . .	.07
Additional cubic feet used per month, per 100 cubic feet . . . .	.045
Minimum monthly bill . . . .	1.00

Rates for the above electric and gas service and charges for all other classifications of service, together with conditions under which service shall be rendered and all rates shall be applied, shall be kept on file for inspection at the office of the City Clerk of the City and at the office of the Company.

Section 1. It is agreed that, in the event the Company shall purchase hydro-electric energy from the Colorado-Big Thompson Project or the Collbran Project of the Bureau of Reclamation or other similar Federal Projects with which the City and the consumers within the City may be supplied at a cost not in excess of the cost to the Company of supplying equivalent electrical energy from Company-owned facilities on its Central System, Company shall pass on to City and said consumers, in manner and form to be agreed upon between the City Council and the Company, any savings resulting therefrom in the proportion that the electrical requirements of the City and said consumers bear to the total electrical requirements of the Central System of the Company.

In the event of any disagreement with respect to the amount of savings to be passed on to the City and said consumers, the amount shall be determined by a Board of Arbitration, consisting of three engineers, one to be appointed by the City, one by the Company, and the third to be selected by said two arbitrators and their decision shall be binding upon the Company and the City.

#### ARTICLE IX

Section 1. The Company shall pay to the City as compensation for the rights and privileges granted by this franchise and for all occupancy and license taxes and all other special taxes, assessments, and excises upon the mains, pipes, poles, wires, meters, or other property of Company and other levies that might be imposed either as a franchise tax, occupancy tax, license tax and for the inspection of mains, pipes, and conduits, poles, wires, or other property of the Company a sum equal to one per cent (1%) of its gross revenues from the sale of gas and two percent (2%) of its gross revenues derived from the sale of electricity for electrical energy furnished for light, heat or power or other purposes within the corporate limits of the City during the first ten years of the term of this franchise, excluding the amount received from the City for gas service furnished it and excluding the revenue received from the sale of industrial gas, and after adjustment for the net write-off of uncollectible accounts and corrections of bills theretofore rendered; provided that for the remaining fifteen years of the term of this franchise, that the Company shall pay to the City a sum equal to two percent (2%) of its gross revenue from the sale of gas and two percent (2%) of its gross revenue from the sale of electricity, derived as above provided. Payments shall be made quarterly, within thirty (30) days after the close of each quarter in each calendar year. For the purpose of ascertaining or auditing the correct amount to be paid under the provisions of this Section, the City Auditor and/or any committee appointed by

the City Council of said City shall have access to the Books of the Company for the purpose of checking the gross revenue received from the operations within the City.

#### ARTICLE X

Section 1. The right to use and occupy the streets, alleys, viaducts, bridges, roads, lanes and other public ways and places for the purpose herein set forth shall not be exclusive, and the City reserves the right to grant a similar use in said streets and alleys to any other person or corporation. The manner of using the streets, alleys, bridges, public ways and places aforesaid by the Company shall be subject to reasonable regulation by the properly constituted authorities of the City in accordance with the provisions of Section 115 of the City Charter and the ordinances made in pursuance thereof.

Section 2. The Company shall so maintain its poles, wires, mains, pipes, structures, apparatus and other equipment as to afford all reasonable protection against injury or damage to persons or property therefrom, and the Company shall save the City harmless from all liability or damage and all reasonable expenses necessarily accruing against the City arising out of the negligent exercise by the Company of the rights and privileges hereby granted; provided that the Company shall have had notice of the pendency of any action against the City arising out of such exercise by the Company of said rights and privileges and be permitted at its own expense to appear and defend or assist in the defense of same.

Section 3. The Company shall submit to the City within sixty (60) days after the first (1st) day of January each year, an annual report, in such form as prescribed by Section 121 of the City Charter, setting forth the details of the Company's gas and electric operations within the City.

Section 4. This franchise shall become effective upon approval by the qualified taxpaying electors of the City, the final passage of this Ordinance by the City Council and the filing with the City Clerk by the Company of its written acceptance thereof. Immediately upon the filing of such acceptance the President of the Council and the City Clerk shall authenticate the same in triplicate by their signatures and by causing the corporate seal of the City to be affixed thereto, and the terms, conditions and covenants of this franchise shall thereupon become effective and shall continue in full force and effect for a period of twenty-five (25) years.

Section 5. It is agreed that in case of the failure of Company to perform and carry out any of the stipulations and

agreements herein set forth in any substantial particular, and with respect to which redress is not otherwise herein provided, the City acting by and through the Council may, after hearing, determine such substantial failure; and, thereupon, after notice given the Company of such determination, the Company shall have six (6) months' time in which to remedy the conditions respecting which such finding shall have been made. After the expiration of such six months' period and failure to correct such conditions, the Council may declare this franchise forfeited, and thereupon the Company shall have no further right or authority hereunder.

Section 6. Upon the expiration of this franchise, if the Company shall not have acquired an extension or renewal thereof and accepted same, it may have, and it is hereby granted, the right to enter upon the streets, alleys, bridges, viaducts, roads, lanes and other public places of the City, for the purpose of removing therefrom any or all of the plants, structures, pipes, mains, conduits, cables, poles and wire, or equipment pertaining thereto at any time after the City has had ample time and opportunity to purchase, condemn or replace them. In so removing said pipes, mains, conduits, cables, poles, wire and equipment, the Company shall, at its own expense and in a workmanlike manner, refill any excavations that shall be made by it in the graveled or paved streets, alleys, bridges, viaducts, roads, lanes and other public places after the removal of mains, pipes, conduits, poles or other structures.

Section 7. The City may, at any time during the period of this grant, upon payment therefor of its fair valuation, purchase and take over the property and plant or plants of the Company, either in whole or in part, which shall be used and useful within or outside of the territorial limits of the City. Such valuation shall not include any value of the franchise or right of way through the streets, as hereby granted or any earning power of such property, but shall be computed from the valuation placed upon the physical property, so taken as a going concern. In the event the City and the Company shall not agree upon the fair valuation of the property so purchased the City may, at its option, proceed to condemn such property in the manner specified by the Eminent Domain Statutes of the State of Colorado, or such valuation may be determined by a board of arbitration, consisting of an engineer selected by the City and an engineer selected by the Company, and if they cannot agree, then a third arbiter shall be selected by said two arbiters, and if they cannot agree upon such selection the third arbiter shall be selected by the then United States District Judge sitting in and for the District of Colorado at Denver, Colorado. Said question of valuation shall then be decided by a majority of said board of arbitration whose decision shall be binding upon both the Company and the City and shall be effective from the date of the award.

Section 8. Upon the payment by the City of such valuation, the plant or plants and property so valued, purchased and paid for shall become the property of the City by virtue of the grant and payment thereunder, and without the execution of any instrument of conveyance.

Section 9. It is agreed and understood that in the event the City shall elect to purchase and take over any or all of the property and plant of the Company, during the period this franchise is in full force and effect, then the City may purchase and take over either the electrical system or the natural gas system, or both, and for such purpose, this franchise shall be construed as two separate and independent franchises, one relating to the electrical system and the other relating to the natural gas system.

Section 10. Should the courts of this State declare any section, part or provision of this ordinance as unconstitutional or unauthorized or in conflict with any other section or provisions of this ordinance or the Charter of the City of Grand Junction, then such decision shall affect only the section, part or provision declared to be unconstitutional or unauthorized and shall not affect any other section or part of this ordinance.

Section 11. The Company shall issue no stock on account of this franchise.

Section 12. The right is hereby reserved to the City to adopt, from time to time, in addition to the provisions herein contained, such ordinances as may be deemed necessary in the exercise of its police power, provided that such regulations shall be reasonable and not destructive of the rights herein granted, and not in conflict with the laws of the State of Colorado and the Charter of the City.

Section 13. This ordinance and the rights granted hereby shall not be leased, assigned or otherwise alienated by the Company without the express consent of the City, to be exercised by ordinance of the City Council.

Section 14. This Franchise shall be subject to all the provisions of the City Charter, whether enumerated herein or not, and any and every ambiguity herein shall be construed in favor of the City and against the Claimant under this Ordinance.

Section 15. This Ordinance shall terminate and supersede the existing franchise held by the Company.

INTRODUCED, READ AND ORDERED PUBLISHED, this 21 day of June, A.D. 1950.

PASSED, ADOPTED AND APPROVED, THIS 21 day of June, A.D. 1950.

/s/ A. G. Martin  
President of the City Council

ATTEST:

/s/ Helen C. Tomlinson  
City Clerk

WE HEREBY CERTIFY That at a regular meeting of the City Council of the City of Grand Junction, Colorado, held June 21st, 1950, the above and foregoing ordinance was introduced, read and ordered published and submitted to a vote of the qualified taxpaying electors of said City for adoption or rejection at a special municipal election to be held August 22nd, 1950. Pursuant thereto said Ordinance was duly published on June 26th, July 3rd, July 10th, July 17th, July 24th and July 31st, 1950 in The Daily Sentinel of said City, and in further pursuance thereof and in accordance with the law in such case made and provided, said Ordinance was duly and regularly submitted to a vote of said qualified taxpaying electors for their adoption or rejection at a special municipal election held in said City on the 22nd day of August, 1950, at which election a majority of the votes of said taxpaying electors voting on said question were cast in favor of the adoption of said ordinance and said ordinance was thereby duly and regularly adopted.

Thereafter at a regular meeting of the City Council of the City of Grand Junction held September 6th, 1950, pursuant to the Charter of said City, said Ordinance was passed and adopted and was ordered recorded and numbered People's Ordinance No. 29, and was ordered published in The Daily Sentinel of said City.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed the official seal of said City this 6th day of September, 1950.

/s/ A. G. Martin  
President of the City Council

ATTEST:

/s/ Helen C. Tomlinson  
City Clerk

ACCEPTANCE OF PUBLIC SERVICE COMPANY OF COLORADO OF  
FRANCHISE GRANTED BY THE CITY OF GRAND JUNCTION, MESA  
COUNTY, COLORADO, BY PEOPLE'S ORDINANCE NO. 29

WHEREAS, the City Council of the City of Grand Junction, Mesa County, Colorado, did, on the 21st day of June, 1950, pass and approve People's Ordinance No. 29 of said City, granting to Public Service Company of Colorado a franchise "for the purpose of furnishing electricity and electric service and gas and gas service to the City of Grand Junction and its inhabitants and to authorize said Company, its successors and assigns, to locate, build, construct, acquire, purchase, extend, maintain and operate into, within and through said City of Grand Junction, a plant or plants, substations, and works, for the purchase, manufacture, generation, transmission and distribution of electricity and gas, either natural, artificial or mixed, and to furnish, distribute and sell said electricity and gas to the City of Grand Junction, and the inhabitants thereof, for light, heat and power or other purposes by means of pipes, mains, conduits, cables, poles and wires strung thereon, or otherwise, on, over, under, along, across and through all streets, alleys, viaducts, bridges, roads, lanes, and other public ways and places in said City of Grand Junction, and authorizing said Company, its successors and assigns, to use certain streets and public places for the purpose of furnishing said services; and fixing the terms and conditions thereof, and providing for rates and standards of service therefor;" and

WHEREAS, on the 22nd day of August, 1950, said Ordinance was submitted to the qualified taxpaying electors of said City at a special election duly held in accordance with the provisions of the law of the State of Colorado and the City Charter of said City and was approved by said taxpayers;

WHEREAS, on the 6th day of September 1950, said franchise Ordinance was finally passed and adopted by the City Council of said City,

NOW, THEREFORE, in consideration of the premises, and in pursuance of the provisions of said Ordinance No. 29 Public Service Company of Colorado hereby accepts the terms and conditions of Ordinance No. 29 of the City of Grand Junction, Mesa County, Colorado.

IN WITNESS WHEREOF, Public Service Company of Colorado has caused its corporate name to be hereunto subscribed by its Vice-President, and its corporate seal to be hereunto affixed, attested by its Assistant Secretary, this 7th day of September A.D. 1950.

PUBLIC SERVICE COMPANY OF COLORADO

By /s/ G. B. Buck  
Vice-President

ATTEST:

/s/ W. W. Howell  
Assistant Secretary

(SEAL)

FILED WITH THE CITY CLERK OF THE CITY OF GRAND JUNCTION THIS 7th  
DAY OF SEPTEMBER, 1950.

/s/ Helen C. Tomlinson  
City Clerk