

CITY OF WEST CHICAGO

appearance of a site by requiring the more intensive site uses to be located in the rear and interior side yards of a site where they are typically visually screened from the right-of-way. Phase II is proposed to have four (4) loading docks, which will be used for access to dumpsters, and twenty-nine (29) semi-trailer parking (storage) spaces on the south side of the building, thus necessitating the loading and storage variances 1, 2, and 3 identified above.

Conformance with the City's existing loading dock and vehicle storage regulations is not feasible because the entire development (phases I and II) is surrounded on all sides by right-of-way. City staff, Dupage Airport Authority staff, and CenterPoint Properties staff all feel the most appropriate location of the loading docks and semi-trailer parking spaces is on the south side of the development as proposed. To help mitigate these site design aspects CenterPoint Properties is proposing a larger than required by Code landscape buffer along the south property line where a berm and additional landscaping will be installed to act as a buffer/screen for the parking and dock areas.

The requested variance to increase the maximum allowable height for rooftop equipment from ten (10) feet above the overall height of the building to fifteen (15) feet above the overall height of the building is required to accommodate specific equipment needed for DS Container's site operations. The maximum allowable building height in this portion of the DBC is fifty (50) feet. The maximum allowable height of the rooftop equipment is ten (10) feet above the overall height of the building. If the proposed building were constructed accordingly to these established maximums, then the overall combined height would be sixty (60) feet tall. However, the proposed building is only forty (40) feet tall and the proposed rooftop equipment is fifteen (15) feet tall, thus making the overall combined height only fifty-five (55) feet tall, which is collectively five (5) feet shorter than the combined permitted maximum height. City staff, Dupage Airport Authority staff, and CenterPoint Properties staff all feel the requested variance to increase the maximum allowable height of the rooftop equipment is acceptable because the proposed overall combined height is less than the combined permitted maximum height.

In accordance with the Intergovernmental Agreement (IGA) with the DAA both the DAA and City shall approve any development proposal within the DBC. The DAA has approved the proposed final development plan and Centerpoint is now requesting City approval. The attached Resolution includes specific plans and elevations for phase II of the proposed DS Container site development. The terms of the IGA require the City Council to approve the final development plan if it is in conformance with all of the controlling documents (the City's Airport Zoning District regulations and the DAA's Minimum Design Standards). City staff acknowledges that the proposed phase II plans do comply, subject to approval of the aforementioned four site usage variances.

At its December 5, 2016 meeting, the Plan Commission/Zoning Board of Appeals (PC/ZBA) unanimously recommended approval of the four requested variances by a (4-0) vote. Their recommendation is included as Exhibit B to the attached variance ordinance. The Plan Commission did not consider the final development plan for the phase II of the development because it is not part of the Commission's established purview.

ACTION PROPOSED:

Consideration of a final development plan and four variances for phase II of the DS Container industrial development located at 2500 Enterprise Circle.

COMMITTEE RECOMMENDATION:

At its January 11, 2016 meeting, the Development Committee recommended approval of the resolution for final plan approval and the ordinance for four variances for the proposed phase II of DS Container.

CITY OF WEST CHICAGO

DEVELOPMENT COMMITTEE AGENDA ITEM SUMMARY

ITEM TITLE:

Plat of Resubdivision
909 W. Washington Street
Westgo Properties Fourth Resubdivision

Resolution No. 16-R-0002

AGENDA ITEM NUMBER: 8.E.

FILE NUMBER: _____

COMMITTEE AGENDA DATE: Jan. 11, 2016

COUNCIL AGENDA DATE: Jan. 18, 2016

STAFF REVIEW: John D. Said, AICP

SIGNATURE 

APPROVED BY CITY ADMINISTRATOR: Michael Guttman

SIGNATURE _____

ITEM SUMMARY:

The property owner of the proposed Lots 1 and 2 (Westgo Properties LLC) desires to resubdivide land within their development to sell the proposed Lot 2 to a developer as a buildable lot. Therefore, the property owner is requesting approval of a two lot plat of resubdivision for their property located on the north side of W. Washington Street between Town Road and Fenton Lane.

The Westgo Properties Subdivision was originally platted in 2000. Since then, the overall subdivision has been reconfigured three times (2005, 2011, and 2014) to accommodate development of some of the lots. Lot 1(909 W. Washington Street) was developed as a contractor's office with an outdoor storage yard in 2000. The proposed Lot 2 is currently vacant and is slated for future development, thus necessitating the proposed fourth resubdivision of the land.

The subject property is zoned Manufacturing and the total area to be resubdivided is approximately 5.7 acres. The City has no minimum lot area in the Manufacturing zoning district and the minimum lot width is 100 feet, measured at the front building setback line. The proposed Lot 1 is 4.6 acres in area and 308 feet in width at its narrowest point, as it has an irregular shape. All of the existing improvements (i.e. the building, parking lot, outdoor storage yard, and landscaping) on the proposed Lot 1 comply with the City's minimum Manufacturing zoning requirements with respect to their proximity to the newly proposed shared lot line. The proposed Lot 2 will be approximately 1.1 acres in area and 181 feet wide.

At its January 5, 2016 meeting, the Plan Commission/Zoning Board of Appeals (PC/ZBA) recommended approval of the requested plat of resubdivision by a (4-0) vote. Its recommendation is included as Exhibit "B" of the attached resolution.

ACTIONS PROPOSED:

Consideration of the Westgo Properties Fourth Plat of Resubdivision.

COMMITTEE RECOMMENDATION:

At its January 11, 2016 meeting, the Development Committee recommended approval of the resolution approving the Westgo Properties Fourth Plat of Resubdivision.

CITY OF WEST CHICAGO

DEVELOPMENT COMMITTEE AGENDA ITEM SUMMARY

ITEM TITLE:

Plat of Resubdivision
121 W. Lester Street
Rachus' Lester Street Resubdivision

Resolution No. 16-R-0001

AGENDA ITEM NUMBER: 8.F.

FILE NUMBER: _____

COMMITTEE AGENDA DATE: Jan. 11, 2016

COUNCIL AGENDA DATE: Jan. 18, 2016

STAFF REVIEW: John D. Said, AICP

SIGNATURE JDS

APPROVED BY CITY ADMINISTRATOR: Michael Guttman

SIGNATURE _____

ITEM SUMMARY:

The property owner of the proposed Lots 1 and 2 (David Rachus) desires to resubdivide the land commonly known as 121 W. Lester Street to make the proposed Lot 2 a buildable lot. Therefore, the property owner is requesting approval of a two lot plat of resubdivision for the property located on the north side of W. Lester Street between Joliet Street and Weyrauch Street.

The subject property was originally platted in 1893. The land is zoned R-5, Single Family Residential and the total area to be resubdivided is approximately 14,670 square feet (0.33 acres). The minimum lot area in the R-5 zoning district is 6,500 square feet and the minimum lot width is 50 feet, measured at the front building setback line. The proposed Lot 1 is 6,874 square feet in area and 52 feet wide. All of the existing improvements (i.e. the single family residence, gravel driveway, and fence) on the proposed Lot 1 comply with the City's minimum R-5 zoning requirements with respect to their proximity to the newly proposed shared lot line. The proposed Lot 2 is 7,796 square feet in area and 59 feet wide. The proposed Lot 2 is currently vacant, although it does have a concrete driveway that can be utilized once a single family residence is constructed on-site. The proposed Lot 2 is bound to the east by an existing 16 foot wide gravel alley and both lots are bound by an unimproved 16 foot wide alley right-of-way to the north.

At its January 5, 2016 meeting, the Plan Commission/Zoning Board of Appeals (PC/ZBA) recommended approval of the requested plat of resubdivision by a (4-0) vote. Its recommendation is included as Exhibit "B" of the attached resolution.

ACTIONS PROPOSED:

Consideration of the Rachus' Lester Street Plat of Resubdivision.

COMMITTEE RECOMMENDATION:

At its January 11, 2016 meeting, the Development Committee recommended approval of the Rachus' Lester Street Plat of Resubdivision.

CITY OF WEST CHICAGO

DEVELOPMENT COMMITTEE AGENDA ITEM SUMMARY

ITEM TITLE:

First Amendment to a Special Use for a Cartage and Freight (Truck) Terminal
1401 Harvester Road
American Highway, Inc.

Ordinance No. 16-O-0001

AGENDA ITEM NUMBER: 8.G.

FILE NUMBER: _____

COMMITTEE AGENDA DATE: Jan. 11, 2016

COUNCIL AGENDA DATE: Jan. 12, 2016

STAFF REVIEW: John D. Said, AICP

SIGNATURE JDS

APPROVED BY CITY ADMINISTRATOR: Michael Guttman

SIGNATURE _____

ITEM SUMMARY:

The applicant, Andrzej Koczwara of American Highway, Inc., is requesting the approval of a special use amendment to expand his existing cartage and freight facility (truck terminal) located at 1401 Harvester Road. The subject property is approximately 6.2 acres in area and is located on the north side of Harvester Road between Hawthorne Lane and Nuclear Drive.

The subject property is located in the middle of an established industrial area near the intersection of Powis Road and Hawthorne Lane. The subject property was originally developed as a truck terminal, but was not occupied for several years prior to 2006. Because of the vacancy, which exceeded the one year maximum, the subject property lost its special use status as a truck terminal. In 2006 the applicant received approval of a new special use to allow the subject property to be used as a truck terminal again.

The property is currently zoned Manufacturing District. Cartage and freight terminals are allowed by special use in the Manufacturing zoning district. There is an existing nine thousand two hundred (9,200) square foot building centrally located on-site that has a total of nineteen (19) overhead raised dock doors. The applicant desires to construct an eight thousand (8,000) square foot addition to the existing building. The addition will consist of additional office space and three (3) semi-truck repairs bays. As part of the proposed site improvements the applicant will remove the three (3) existing overhead doors on the southernmost building façade and will add three (3) additional at grade overhead doors to the east and west facades for the proposed repair bays. There is also an existing six (6') foot chain link fence around the entire perimeter of the subject property. The site has one existing vehicle entrance off of Harvester Road for all site traffic. There is an existing drainage tributary of Kress Creek that runs along the north and east sides of the property creating a significant amount of floodplain on-site. There is also a railroad spur line immediately north of the property.

Approximately three (3) acres of the subject property (the southern half) is currently paved surface. The applicant is proposing to install an additional one and a half (1.5) acres of paved surface immediately north of the existing paved area to accommodate more truck and trailer parking. With the additional pavement the subject property will have sixty-five (65) truck-trailer parking spaces, twenty-three (23) semi-truck only parking spaces, and thirty (30) automobile parking spaces on-site. Because the majority of the subject property is located within an established floodplain the proposed pavement area will be designed with permeable brick pavers in compliance with the DuPage County's floodplain control regulations.

At its January 5, 2016 meeting, the Plan Commission/Zoning Board of Appeals (PC/ZBA) recommended approval of the requested first amendment to a special use for a cartage and freight terminal at 1401 Harvester Road by a (4-0) vote. Its recommendation is included as Exhibit "B" of the attached ordinance.

ACTIONS PROPOSED:

Consideration of a first amendment to a special use for a cartage and freight terminal at 1401 Harvester Road.

COMMITTEE RECOMMENDATION:

At its January 11, 2016 meeting, the Development Committee recommended approval of the ordinance amending the special use for a cartage and freight terminal at 1401 Harvester.

RESOLUTION NO. 16-R-0005

**A RESOLUTION MAKING A DETERMINATION RELATIVE TO THE
RELEASE OF EXECUTIVE SESSION MINUTES PURSUANT TO THE
ILLINOIS OPEN MEETINGS ACT**

WHEREAS, the City Council of the City of West Chicago met from time to time in executive session for purposes authorized by the Illinois Open Meetings Act; and,

WHEREAS, as required by the Act, the City Clerk has kept written minutes of all such executive sessions; and,

WHEREAS, pursuant to the requirements of the Open Meetings Act, the City Council has met in executive session to review all executive session minutes; and,

WHEREAS, the City Council, at its December 21, 2015 meeting, determined that no new minutes are to be released as a need for confidentiality still exists.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of West Chicago, Illinois, as follows:

SECTION 1. No new Executive Session Minutes are hereby released for public inspection.

SECTION 2. This resolution shall be in full force and effect from and after its adoption and approval.

APPROVED AND ADOPTED this 18th day of January, 2016.

AYES: _____

NAYS: _____

ABSTAIN: _____

ABSENT: _____

Ruben Pineda, Mayor

ATTEST: _____
Nancy M. Smith, City Clerk

RESOLUTION NO. 16-R-0006

**A RESOLUTION AUTHORIZING THE DESTRUCTION
OF AUDIO RECORDINGS OF CERTAIN CLOSED MEETINGS**

WHEREAS, Section 2.06 (a) of the Illinois Open Meetings Act, 5 ILCS 120/2.06 (a), requires public bodies to audio or video record their closed meetings; and

WHEREAS, the City Council of the City of West Chicago has complied with that requirement; and

WHEREAS, Section 2.06 (b) the Open Meetings Act, 5 ILCS 120/2.06 (b), permits a public body to destroy the verbatim record of closed meetings without notification to or the approval of a records commission or the State Archivist not less than eighteen (18) months after the completion of the meeting recorded, but only after:

1. It approves the destruction of a particular recording; and
2. It approves the written minutes of the closed meeting in compliance with Section 2.06 (a) of the Open Meetings Act.

WHEREAS, for the verbatim record by tape of the closed meeting(s) set forth in Section 2 below of this Resolution, at least eighteen (18) months have passed since the completion of those meetings, and, further, the City Council has approved written minutes for each of those meetings; and

WHEREAS, a body may order the destruction of the verbatim record even if it continues to withhold the approved written minutes of the closed meeting until some later period of time; and

WHEREAS, the City Council is unaware of any judicial or administrative causes of action imminent or pending that would require judicial examination pursuant to Section 2.06 (e), 5 ILCS 5/2.06 (e), of the verbatim record of the meetings set forth in Section 2 below.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WEST CHICAGO, DUPAGE COUNTY, ILLINOIS, in regular session assembled as follows:

Section 1. Foregoing recitals are incorporated herein by reference.

Section 2. Based upon said recitals, the City Council hereby orders the City Clerk to destroy the verbatim record being an audio tape of the following closed meetings:

2014

January 20, 2014

February 17, 2014

March 3, 2014

Section 3. This Resolution shall be in full force and effect immediately upon its passage.

APPROVED AND ADOPTED this 18th day of January, 2016.

AYES: _____

NAYS: _____

ABSTAIN: _____

ABSENT: _____

Ruben Pineda, Mayor

ATTEST: _____
Nancy M. Smith, City Clerk

CITY OF WEST CHICAGO

CITY COUNCIL AGENDA ITEM SUMMARY

ITEM TITLE:

Ordinance No. 16-O-0004 – Natural Gas Franchise
Ordinance – Nicor Gas

AGENDA ITEM NUMBER: 8.5.

FILE NUMBER: _____

COMMITTEE AGENDA DATE: N/A

COUNCIL AGENDA DATE: January 18, 2016

STAFF REVIEW:

SIGNATURE _____

APPROVED BY CITY ADMINISTRATOR:

SIGNATURE _____

ITEM SUMMARY:

The Northern Illinois Municipal Natural Gas Franchise Consortium's Negotiating Team has reached agreement with Nicor representatives on the terms of an updated franchise agreement. Attached is an Executive Summary provided by the attorney hired by the Consortium. The highlights include:

- (1) 25-year term with an Effective Date of January 1, 2016.
- (2) 20% more free therms (unbilled gas usage);
- (3) One time renewal payment equal to 75% of the value of the free therms per year (\$29,196); and
- (4) Nicor must adhere to our local regulations (e.g. permitting).

ACTIONS PROPOSED:

Staff recommends adoption of Ordinance No. 16-O-0004.

COMMITTEE RECOMMENDATION:

The members of the Consortium are being encouraged to take action in January, so Nicor can execute its Consent Agreement so that it is contractually bound to comply with the Ordinance, so this item was not presented to the Committee with the concurrence of the Finance Committee Chairperson.

ORDINANCE NO. 16-O-0004

**AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE
A NATURAL GAS FRANCHISE AGREEMENT WITH NICOR GAS**

BE IT ORDAINED by the City Council of the City of West Chicago, Du Page County, Illinois, in regular session assembled, as follows:

Section 1. That the Mayor is hereby authorized to execute a Natural Gas Franchise Agreement with Nicor Gas, which is attached hereto as Exhibit A.

Section 2. That all ordinances and resolutions, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, expressly repealed.

Section 3. That this Ordinance shall be in full force and effect after its passage, approval and publication in pamphlet form as provided by law.

PASSED this 18th day of January 2016.

Alderman L. Chassee	_____	Alderman J. Beifuss	_____
Alderman D. Earley	_____	Alderman J. Sheahan	_____
Alderman L. Grodoski	_____	Alderman A. Hallett	_____
Alderman S. Dimas	_____	Alderman M. Ferguson	_____
Alderman J.C. Smith, Jr.	_____	Alderman K. Meissner	_____
Alderman M. Edwalds	_____	Alderman R. Stout	_____
Alderman J. Banas	_____	Alderman N. Ligino-Kubinski	_____

APPROVED as to form: _____
City Attorney

APPROVED this 18th day of January 2016.

Mayor Ruben Pineda

ATTEST:

City Clerk Nancy M. Smith

PUBLISHED: _____

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MEMORANDUM

Date: December 30, 2015
To: Northern Illinois Municipal Natural Gas Franchise Consortium Members
From: Peter M. Friedman, Consortium Counsel
Re: Executive Summary -- Model Franchise Ordinance

On December 14, 2015, the Steering Committee of the Northern Illinois Municipal Natural Gas Franchise Consortium ("**Consortium**") unanimously approved a new model Natural Gas Franchise Ordinance ("**Model Ordinance**"). The Model Ordinance was negotiated on behalf of the Consortium with the Northern Illinois Gas Company (d/b/a Nicor Gas Company) ("**Nicor**").

This memorandum provides (i) important information regarding the required timing and approval of the Model Ordinance by Consortium members and (ii) a summary of the key financial and operational provisions of the Model Ordinance.

If you have any questions about any of these matters, please contact Mark Baloga (630-571-0480, ext. 223 or mbaloga@dmmc-cog.org) or Kate Buggy (630-571-0480, ext. 225 or kbuggy@dmmc-cog.org).

Adoption

- For each Model Ordinance to take effect, the Ordinance must be adopted by the Consortium member and Nicor must sign a Consent Agreement that is attached to the Ordinance as Exhibit A. As described further below, the important compensation provisions of the Model Ordinance are triggered by the Ordinance taking effect. Further, it is important for Nicor to see that the Model Ordinance is being adopted by the Consortium members. Accordingly, the Steering Committee requests that Consortium members adopt the Model Ordinance in January 2016.
- Each Consortium member has been provided a word version of the Model Ordinance, tailored to the extent possible for each specific member.
- One addition that will have to be made by each member prior to adoption is to insert in Section 12 of the Ordinance the appropriate contact information for purposes of notices under the Ordinance.
- Each Consortium member must adopt the Model Ordinance pursuant to the member's standard procedures for adoption of ordinances.

- After the Ordinance is adopted, the certification (the second to last page of the document) should be completed and fully executed.
- As soon as the Model Ordinance has been adopted and certified, each Consortium member should notify and provide a copy of the adopted Ordinance to their respective Nicor representative.
- Also, please email Kate Buggy at kbuggy@dmmc-cog.org to confirm adoption of the Ordinance.

Background

- Most gas franchises either have expired recently or are expiring soon.
- Almost all of these franchises are very old, with writing styles often unclear, incomplete, and difficult to understand.
- These franchises include only basic, and now outdated, provisions. They do not adequately address many of the issues that arise with modern utility facilities located in crowded public rights-of-way.
- These franchises do not adequately protect the public health and safety. Nor do they adequately protect the public rights-of-way.

Key Points Regarding Model Ordinance

- A municipality's rights-of-way are among its most important resources and most valuable assets. The Model Ordinance includes new provisions designed to protect the municipality's rights-of-way, including requirements on construction, restoration, and maintenance.
- One of a municipality's foremost responsibilities is to protect the public's safety and welfare. The Model Ordinance includes new provisions designed to better protect the public health and safety, including emergency notice and response standards.
- The compensation provisions in the Model Ordinance better reflect the value of the municipality's right-of-way. The municipality may choose among free gas for municipal facilities or annual cash payments.
- The Model Ordinance includes modern provisions relating to annual meetings with Nicor, capital improvement plans, information sharing, triggers for future amendments based on Model Ordinance terms subsequently agreed to by Nicor.
- By working together as the Consortium, the member municipalities have been able to negotiate with Nicor a new, standard franchise document that is clear, comprehensive, and protective of the interests of both the municipalities and the gas companies.

Summary of Key Provisions of Model Ordinance

- **Term (Section 3).** The new franchise is for a term of 25 years (until January 1, 2041).
- **Effective Date and Consent Agreement (Section 15).** The effective date of the Model Ordinance will be as of January 1, 2016, even though the Ordinance will not be adopted

until after that date. The Ordinance must be adopted no later than March 1, 2016. However, as explained above, the Steering Committee urges each member to adopt the Ordinance in January 2016.

Within 90 days of the Effective Date (March 31, 2016), Nicor is required to execute the Consent Agreement attached to the Model Ordinance as Exhibit A. The purpose of this Consent Agreement is to ensure that Nicor is contractually bound to comply with the Model Ordinance.

- **Compensation for Use of Rights-of-Way (Section 5).** There are two options for compensation for Nicor's use of the public rights-of-way under the Model Ordinance.

The first option ("**Annual Payments**") is an annual lump sum payment that Nicor will make in cash to the municipality. The amount of the Annual Payment is based on the following formula -- generally described as the municipality's "**therm allocation**" times the "**gas cost per therm.**" A municipality's therm allocation is determined by the following parameters:

- 3.6 therms per person up to 10,000 of population
- 2.4 therms per person for the next 10,000 of population
- 1.2 therms per person for the next 80,000 of population
- 1.45 therms per person for the next 20,000 of population
- 1.8 therms per person for the population over 120,000

The gas cost per therm is the sum of (i) the actual three year average of the per therm cost of gas plus (ii) the then-current general gas service cost. Each member has been provided with the Annual Payment calculations based on the current population and gas cost per therm.

The second compensation option ("**Unbilled Gas**") is for the municipality to receive free gas for buildings, or parts thereof, used for municipal purposes. The maximum amount of free gas to be provided cannot exceed the municipality's therm allocation. Upon request, Nicor representatives will provide each municipality with historical usage information to assist in determining which compensation option is best.

Significantly, no later than March 1, 2016, each municipality must notify Nicor in writing whether it wants to receive Annual Payments or Unbilled Gas. If a municipality does not provide this required notice, it will receive Annual Payments. Thereafter, a municipality can change from Annual Payments to Unbilled Gas, or vice versa, every three years with notice to Nicor. If no notice of a change is provided to Nicor, the compensation option will remain unchanged for the subsequent three year period.

Annual Payments will be paid by Nicor during January of each year during the Term of the franchise, except for 2016 when the Annual Payments will be paid in March.

- **One-Time Renewal Payment (Section 5A1).** Each Consortium member adopting the Model Ordinance will receive a one-time cash renewal payment equal to 75 percent of the municipality's therm allocation multiplied by the gas cost per therm. These one-time renewal payments will be made by Nicor on or before March 31, 2016.

- **Municipal Regulations (Section 4B, 4C).** The Model Ordinance requires Nicor to utilize the public right-of-way in compliance with the Model Ordinance and with “Requirements of Law” – a term defined in the Model Ordinance (Section 1) as “any and all reasonable regulations which may now or hereafter be prescribed by general ordinance of the Municipality with respect to the use of the Public Right-of-Way or the conduct of Gas System Work”). This means that the Model Ordinance requires Nicor to comply with local, generally applicable right-of-way, building, and tree regulations.
- **Emergency Response (Section 4D).** The Model Ordinance requires Nicor to provide notice of emergencies to the municipality within 24 hours unless that is somehow not practicable. Nicor and the municipality will provide to each other emergency 24-hour contacts. Nicor is required to keep the municipality apprised of the status of the emergency and when the emergency has been resolved.
- **“Most Favored Nations” Clause (Section 7).** If Nicor enters into an agreement with another franchisor that includes compensation terms the municipality believes are more advantageous or protective than the provisions of the Model Ordinance, then the municipality can choose to incorporate those provisions into Model Ordinance.
- **Accounts and Records (Section 6).** The Model Ordinance requires Nicor to provide the municipality, upon request, with annual information on Nicor’s gross operating revenues within the municipality, broken down among various categories of users.
- **Insurance (Section 9).** The Model Ordinance requires Nicor to obtain and maintain various types of standard insurance against liabilities assumed under the Model Ordinance in the event that Nicor’s financial condition would significantly worsen to the extent that its stockholder equity falls below \$50 million.
- **Annual Meeting (Section 13).** The Model Ordinance requires Nicor to participate in an annual meeting upon the request of the municipality. The matters to be addressed at annual meetings include gas system work, current issues regarding Nicor’s use of the public right-of-way, efforts to promote energy efficiency and cost savings related to the use of gas supplied by Nicor, and anticipated capital improvement projects and coordination with the municipality related to those projects. Nicor and municipal representatives at annual meetings must have knowledge, experience, and authority to address and resolve issues discussed at the meeting. The Model Ordinance obligates the parties to work in good faith to resolve issues raised at the annual meetings.
- **Capital Improvement Plans and Information Sharing (Section 4E2).** The Model Ordinance requires Nicor to establish and maintain (and provide the municipality with access to) an information sharing platform for, among other things, capital improvement plans, gas system work, gas facility location information and maps, and work and maintenance status information.
- **Indemnification (Section 8).** The Model Ordinance contains mutual indemnification provisions. With regard to Nicor, these provisions require the gas company to protect the municipality against claims arising out of the gas company’s failure to comply with the Model Ordinance or any negligent, unlawful, or intentional wrongful acts related to work in and use of the public right-of-way.

NATURAL GAS FRANCHISE ORDINANCE

AN ORDINANCE AUTHORIZING AND GRANTING A FRANCHISE
TO NORTHERN ILLINOIS GAS COMPANY
(d/b/a NICOR GAS COMPANY) ITS SUCCESSORS AND ASSIGNS,
TO CONSTRUCT, OPERATE AND MAINTAIN A NATURAL GAS DISTRIBUTING SYSTEM
IN AND THROUGH THE CITY OF WEST CHICAGO, ILLINOIS

WHEREAS, Northern Illinois Gas Company (d/b/a Nicor Gas Company), an Illinois corporation ("**NICOR GAS**") and the Municipality of West Chicago ("**Municipality**") entered into franchise agreement effective January 1, 1981 that generally authorized NICOR GAS to construct, operate, and maintain a gas distribution system within the Municipality, and NICOR GAS provided the Municipality a letter dated November 30, 2011 that specifies the compensation to be paid to the Municipality by NICOR GAS in connection with such franchise agreement (such franchise agreement and letter are referred to collectively herein as the "**Previous Agreement**"); and

WHEREAS, NICOR GAS, along with its successors and permitted assigns (collectively, "**Grantee**"), and the Municipality desire to have this Ordinance adopted and to have it represent a new agreement between the Grantee and the Municipality to supersede the Previous Agreement ("**Franchise**"); and

WHEREAS, the Municipality has determined that it is in the best interests of the Municipality and its residents to adopt this Ordinance establishing a new Franchise with the Grantee;

WHEREAS, the Grantee has approved this Ordinance and authorized execution by its duly authorized representatives of the Consent Agreement provided pursuant to Section 15 of this Ordinance; and

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE MUNICIPALITY OF WEST CHICAGO, DUPAGE COUNTY, ILLINOIS, AS FOLLOWS:

SECTION 1. DEFINITIONS.

The following terms have the meaning ascribed to them in this Section:

Annual Meeting. The meeting provided under Subsection 13.A. of this Ordinance.

Assignee. The entity that accepts an assignment under this Ordinance from the Grantee with the authorization of the Municipality, as provided in Subsection 13.B of this Ordinance.

Corporate Authorities. The corporate authorities of the Municipality.

Effective Date. The effective date of this Ordinance, being January 1, 2016.

Emergency. An event involving the Gas System that (i) poses an imminent threat to the public health or safety within the Municipality or (ii) is likely to result in a prolonged and unplanned interruption of gas service to a significant number of customers within the Municipality.

Gas. Natural gas or manufactured gas, or a mixture of gases, that is distributed to the Grantee's customers in the Municipality through the Gas System.

Gas System. The Grantee's system of pipes, tubes, mains, conductors, and other devices, apparatus, appliances, and equipment for the production, distribution, and sale of gas for fuel, heating, power, processing, and other purposes within and outside the corporate limits of the Municipality.

Gas System Work. Any construction, operation, maintenance, repair, removal or replacement of the Gas System conducted by the Grantee within the Public Right-of-Way or conducted by the Grantee immediately adjacent to the Public Right-of-Way if such activity physically disturbs the Public Right-of-Way.

ICC. The Illinois Commerce Commission.

Public Right-of-Way. The Municipality's streets, alleys, sidewalks, parkways, easements, and other property of the Municipality used as right-of-way.

Requirements of Law. Any and all reasonable regulations which may now or hereafter be prescribed by general ordinance of the Municipality with respect to the use of the Public Right-of-Way or the conduct of Gas System Work.

Term. The term of the Franchise under Section 3 of this Ordinance.

SECTION 2. GRANT OF FRANCHISE.

The Municipality grants the right, permission and authority to the Grantee to construct, operate, maintain, repair, remove, and replace its Gas System within the corporate limits of the Municipality, subject to the conditions and regulations of this Ordinance. The right, permission and authority granted by the Municipality to the Grantee by this Franchise may not be exclusive to the Grantee, provided that any other such rights or authority granted by the Municipality may not interfere with the right, permission and authority granted to the Grantee pursuant to this Ordinance.

SECTION 3. TERM.

The Franchise authorized and granted pursuant to this Ordinance shall be for a term of 25 years, commencing on the Effective Date, and expiring on January 1, 2041 ("**Term**").

SECTION 4. USE OF PUBLIC RIGHT-OF-WAY.

The Grantee shall be authorized to use the Public Right-of-Way for the Gas System and Gas System Work subject to the provisions of this Ordinance, including without limitation the following provisions:

A. General Coordination, Location And Repair. Those portions of the Gas System in the Public Right-of-Way shall be installed and maintained under the general supervision of the Director of Public Works of the Municipality, or other duly authorized agent of the Municipality. The portions of the Gas System within the Public Right-of-Way shall be located as not to injure any drains, sewers, catch basins, water pipes, pavements or other like public improvements. If any drain, sewer, catch basin, water pipe, pavement or other like public

improvement is injured by the location of the portions of the Gas System within the Public Right-of-Way, the Grantee shall forthwith repair the damage to the satisfaction of the Municipality and in default thereof the Municipality may repair such damage and charge the cost thereof to, and collect the same from, the Grantee.

B. Compliance with Requirements of Law. The Grantee shall be subject to the specific standards provided in this Ordinance for work in the Public Right-of-Way and with all other Requirements of Law.

C. Conduct of Gas System Work; Restoration. The Grantee will conduct Gas System Work in accordance with the Requirements of Law. The Grantee will undertake to minimize the disturbance or obstruction of the Public Right-of-Way caused by Gas System Work, including, without limitation, having Gas System Work, once started, undertaken and completed without unreasonable delay. The Grantee will promptly restore Public Right-of-Way, as well as any fences, roads, pavements and other improvements in the Public Right-of-Way, disturbed by Gas System Work as nearly as reasonably practicable to its condition immediately before the Gas System Work.

D. Emergencies. In the case of an Emergency, the Grantee will notify the Municipality by the most practical, timely, and available means under the circumstances of the Emergency and the conditions that are affecting the Gas System and its customers. Notwithstanding Section 10, the notice will be no more than 24 hours after the Grantee learns of the Emergency, except if notice within 24 hours is not practicable under the circumstances of the Emergency, in which case the Grantee will provide the notice required under this Subsection as soon as is practicable under the circumstances. Each Party will provide the other Party with an Emergency contacts list, including 24-hour contact information for at least two representatives. The Grantee will keep the Municipality apprised of the status of the Emergency to the extent reasonably practicable and will advise the Municipality when the Emergency has been resolved.

E. Coordination Regarding Capital Improvements; System Information. The Grantee and the Municipality believe that it is in their mutual interests to be informed of their respective capital improvement programs, so that whenever practicable those programs can be undertaken to minimize the cost of construction and public inconvenience. To that end, the following provisions apply:

1. **Meeting.** At Annual Meetings (see Subsection 13.A of this Ordinance), representatives of the Grantee and the Municipality will be prepared to discuss significant known Gas System Work and Municipal projects that could impact the Gas System and that will or may be undertaken within the Municipality.

2. **Capital Improvement Plans and General System Information.** The Grantee will establish and maintain an information medium ("**Information Sharing System**"), at no cost to the Municipality, that will provide the Municipality access, on reasonable terms, to information identifying (a) anticipated Gas System Work, (b) Grantee's planned capital improvement plans and major maintenance work related to the Gas System within the Municipality, (c) maps or other documents showing the locations of gas distribution mains in or under Public Right-of-Way within the Municipality; and (d) the status of ongoing Gas System Work and capital improvement plans and major maintenance work related to the Gas System within the Municipality (collectively, "**General System Information**"). The Grantee reserves the right to modify or replace the Information Sharing System from time to time at its discretion.

Absent gross negligence or intentional misconduct by the Grantee, the Grantee shall have no monetary liability to the Municipality due to defects in the design or performance of the Information Sharing System or errors or omissions in the information disclosed through the Information Sharing System; provided, however, that this sentence does not change the Grantee's obligation under Paragraph 1 of this Subsection and Subsection 13.A of this Ordinance with respect to General System Information. As part of the Annual Meeting, the Parties may discuss the performance of the Information Sharing System and any adjustments and refinements to the Information Sharing System and, if requested by the Municipality, the Grantee will provide information regarding any updates or other operational changes or improvements to the Information Sharing System.

SECTION 5. CONSIDERATION FOR USE OF PUBLIC RIGHT-OF-WAY.

A. Payments; Provision of Gas. The Grantee shall make the Renewal Payment provided in Paragraph 1 of this Subsection and, commencing with calendar year 2016, either (but never both) (i) make the Annual Payments as provided and calculated in Paragraph 2 of this Subsection, or (ii) provide for Unbilled Gas as provided and calculated in Paragraphs 3 of this Subsection. The Municipality shall notify the Grantee in writing within sixty days after the Effective Date whether it has chosen to receive Annual Payments or Unbilled Gas. In the event the Municipality has not notified the Grantee in writing within sixty days after the Effective Date, the Municipality shall be deemed to have chosen to receive Annual Payments as provided and calculated in Paragraph 2 of this Subsection. Upon written notice to Grantee given on or before June 30 of the calendar year preceding the date of change, the Municipality may change the method of compensation from Annual Payments to Unbilled Gas, or vice versa, effective as of January 1 of any or all of the third, sixth, ninth, twelfth, fifteenth, eighteenth, twenty-first, or twenty-fourth calendar year following the Effective Date. In the event the Municipality has not so notified the Grantee of a change in the method of compensation by the applicable June 30, the method of compensation then in effect shall continue and may not be changed by the Municipality during the ensuing three calendar year period.

1. Renewal Payment. Within ninety days after the Effective Date, the Grantee will pay the Municipality, solely as consideration for renewal of the franchise granted under the Previous Agreement, a one-time franchise renewal payment ("**Renewal Payment**") of \$29,196, being equal to 75 percent of the value of (a) the "**Therm Allocation**" (as calculated under Paragraph 4 of this Subsection) as of the Effective Date multiplied by (b) the "**Gas Cost per Therm**" (as calculated under Paragraph 2 of this Subsection).

2. Annual Payment. In January of each year except 2016 and in March of 2016, the Grantee will pay the Municipality an annual payment ("**Annual Payment**") if the Municipality has chosen or has been deemed to have chosen to receive Annual Payments rather than Unbilled Gas for such calendar year. The amount of each Annual Payment will be calculated by the Grantee by multiplying (a) the "**Therm Allocation**" (as calculated under Paragraph 4 of this Subsection) times (b) the applicable Gas Cost per Therm. As used herein, the term "**Gas Cost per Therm**" means, with respect to a calendar year, the sum of (i) the average per therm gas cost for the preceding three calendar years, based on the Grantee's prudently incurred purchased gas cost and (ii) the per therm rate for general gas service under the Grantee's rate structure in effect as of the last day of the preceding calendar year.

3. Unbilled Gas. If the Municipality has chosen to receive Unbilled Gas, the Grantee shall supply, during each billing year (start and finish of each year shall begin and end with regular meter reading date nearest to January 1) that the Municipality's choice to receive

Unbilled Gas remains in effect, without charge to the Municipality, an amount of gas ("**Unbilled Gas**") not to exceed the Therm Allocation (as calculated under Paragraph 4 of this Subsection), to be used in buildings which may be occupied from time to time by the Municipality solely for municipal purposes, or such part of these buildings as may from time to time be occupied for ongoing municipal purposes, and not for purposes of revenue.

4. Therm Allocation. For purposes of determining the Annual Payment or the amount of Unbilled Gas under Paragraphs 2 and 3, respectively, of this Subsection, the Therm Allocation will be based on the following formula: 3.6 therms per person up to 10,000 of population; 2.4 therms per person for the next 10,000 of population; 1.2 therm per person for the next 80,000 of population; 1.45 therms per person for the next 20,000 of population; and 1.8 therms per person for the population over 120,000. For purposes of the Therm Allocation, the population of the Municipality as of the Effective Date shall be deemed to be the same as the population of the Municipality at the 2010 decennial census, which was 27,086. This population number will be adjusted by the Grantee based on each decennial census count. Between decennial census counts, the Therm Allocation may be increased prospectively on the basis of changes in population of the Municipality as shown by revised or special census. Upon the submission of a written request by the Municipality accompanied by the official State notification of census change, the Therm Allocation will be adjusted by the Grantee.

B. Limitations on Gas Use. None of Unbilled Gas to be supplied to the Municipality under Paragraph A3 of this Section, shall be resold by the Municipality for any purpose whatsoever. In the event the Municipality uses less than the amount of Unbilled Gas calculated and authorized under Paragraph A3 of this Section, there shall be no payment due to the Municipality from the Grantee for gas not used during that billing year, nor shall any such unused therms be carried over for the following billing year's use.

C. Offset. If the Municipality has chosen or has been deemed to have chosen to receive Annual Payments, the Grantee shall have the right to reduce the Annual Payment for a calendar year by the amount of any fees that the Municipality has been paid by the Grantee during the preceding calendar year for permits, street or parkway openings, or inspections related to the Gas System or Gas System Works. If the Municipality has chosen to receive Unbilled Gas, the Grantee shall have the right to reduce the Therm Allocation for a billing year by an amount of therms equal to (a) the amount of any fees that the Municipality has been paid by the Grantee during the preceding billing year divided by (b) the Gas Cost per Therm determined for the calendar year that begins with the January 1 nearest to the end of such billing year.

SECTION 6. ACCOUNTS AND RECORDS.

Within 90 days following a written request by the Municipality made no more frequently than once during each calendar year of the Term, the Grantee will provide the Municipality with a written statement showing the gross operating revenue generated during the immediately preceding calendar year by the Grantee from the distribution of gas to customers identified in the Grantee's billing records as located within the corporate limits of the Municipality, which statement will, if requested as part of the Municipality's request, show the distribution of such gross operating revenue among the following categories of users: Residential, Commercial, and Industrial, or by such other categories as may be agreed to by the Grantee and the Municipality.

SECTION 7. SUBSTITUTION OF MORE FAVORABLE PROVISIONS.

A. Amended Ordinance. If during the Term of this Franchise, the Municipality learns of a Grantee franchise ("**Grantee Franchise**") from any other municipality in Illinois ("**Other Franchisor**") adopted or otherwise provided by the Other Franchisor after the Effective Date and containing "*More Favorable Provisions*" (as defined in Subsection C of this Section), then the Municipality may adopt, no sooner than 30 days from the date of providing the notice to the Grantee required pursuant to Subsection B of this Section, an ordinance amending this Ordinance solely to substitute for the provisions of Section 5 of this Ordinance replacement provisions that are substantially identical to the More Favorable Provisions ("**Amended Ordinance**"). If the Municipality adopts an Amended Ordinance in conformity with this Section 7, the Grantee will accept the Amended Ordinance and execute a Consent Agreement consistent with Section 15 of this Ordinance.

B. Notice. At least 30 days before adopting an Amended Ordinance pursuant to this Section 7, the Municipality shall provide the Grantee with written notice that explicitly (i) states that the Municipality intends to invoke its right under this Section 7 to adopt an Amended Ordinance; (ii) identifies the Other Franchisor; (iii) states the date, time, and place of the meeting at which adoption of the Amended Ordinance will be considered; and (iv) includes the Amended Ordinance.

C. More Favorable Provisions. "*More Favorable Provisions*" means the provisions in a Grantee Franchise (i) establishing the compensation to be paid by the Grantee to the Other Franchisor, including, without limitation, the formulas and procedures utilized to determine the form and amount of such compensation ("**Compensation Formulas and Procedures**"); and (ii) that the Municipality has reasonably concluded are more advantageous to or protective of the public interest of the Other Franchisor than the existing provisions of Section 5 of this Ordinance are to the Municipality. "More Favorable Provisions" shall not include provisions providing consideration to the Other Franchisor for franchise renewal (it being understood that the exercise by the Municipality of its right under this Section 7 shall not be deemed a franchise renewal). Replacement provisions in a proposed Amended Ordinance shall not be deemed to be substantially identical to More Favorable Provisions if those replacement provisions do not utilize the Compensation Formulas and Procedures as applied to the Municipality to determine the form and amount of compensation to be paid by the Grantee to the Municipality. The Municipality shall not have the right to invoke this Section solely to effect a change in the form of compensation (between payments or unbilled gas) if that form of compensation had been available to the Municipality to select under Section 5 of this Ordinance, and neither the procedures for changing the form of compensation in Section 5 of this Ordinance nor those in the Compensation Formulas and Procedures would then have permitted the Municipality to make a change in the form of compensation.

D. No Notification Required. Nothing in this Section shall require the Grantee to notify the Municipality of new franchises that the Grantee obtains with other municipalities in Illinois or new provisions within any existing franchise agreements.

SECTION 8. INDEMNIFICATION.

A. Grantee. The Grantee must, and will, fully indemnify the Municipality (but not any other third party) against and from any and all claims, liabilities, actions, damages, judgments, and costs, including without limitation injury or death to any person and damage to any property or Public Right-of-Way and including without limitation attorneys' fees (collectively,

“Claims”) that the Municipality may incur or suffer, or that may be obtained against the Municipality, as a result of or related to the Grantee’s failure to perform any of its obligations under this Ordinance, or the Grantee’s negligent, unlawful, or intentional wrongful acts or omissions that relate to (i) the use or occupation by Grantee of the Public Right-of-Way under this Ordinance, or (ii) the construction, operation, maintenance, or repair of the Gas System located within the Public Right-of-Way. The Municipality must give the Grantee written notice within 30 calendar days after the Municipality has received written notice of a Claim. The Municipality may tender to the Grantee the defense of a Claim, in which case the Grantee must defend the Municipality against that Claim, or the Municipality may defend itself against that Claim at the Grantee’s expense. The Grantee shall not be required to indemnify, defend, or hold harmless the Municipality for any Claims to the extent the Municipality, its officers, agents, or employees are liable under the laws of the State of Illinois (including for conduct that constitutes gross negligence, malicious or intentional wrongful acts, or the willful misconduct of the Municipality, its officers, agents, or employees while acting on behalf of the Municipality).

B. Municipality.

1. The Municipality must, and will, fully indemnify the Grantee (but not any other third party) against any and all Claims arising as a result of damages to the Grantee’s Gas System caused by the conduct of the Municipality, its officers, employees, or agents for which the Municipality is liable under the laws of the State of Illinois (including for conduct that constitutes gross negligence, malicious or intentional wrongful acts, or the willful misconduct of the Municipality, its officers, agents, or employees while acting on behalf of the Municipality). The Municipality shall not be required to indemnify, defend, or hold harmless the Grantee for any damages to the extent the Grantee, its officers, agents, or employees are liable under the laws of the State of Illinois (including for conduct that constitutes gross negligence, malicious or intentional wrongful acts, or the willful misconduct of the Grantee, its officers, agents, or employees while acting on behalf of the Grantee).

2. The Grantee recognizes the Municipality’s right to exercise its police powers over the Public Right-of-Way in case of fire, disaster, or other emergency as reasonably determined by the Municipality. Notwithstanding Paragraph 1 of this Subsection, the Municipality shall not be liable to the Grantee for any damages to the Grantee’s Gas System when the damage results from the exercise by the Municipality of its police powers in order to protect the public in case of fire, disaster or other emergency. When practicable, as reasonably determined by the Municipality, the Municipality shall consult with the Grantee prior to the exercise by the Municipality of these police powers, where the exercise may affect the Grantee’s Gas System, and to permit the Grantee to take necessary action to protect the public and the Gas System.

SECTION 9. INSURANCE.

If the Grantee’s total stockholder equity as determined in accordance with generally accepted accounting principles (“*Stockholder Equity*”) as of the end of its most recently completed fiscal year is less than *fifty million dollars (\$50,000,000)*, the Grantee shall be obligated under this ordinance to maintain during its current fiscal year, at its sole cost and expense, insurance against the liabilities assumed under this ordinance consisting of the following coverages at the following minimum limits:

A. Comprehensive General Liability. Comprehensive general liability insurance with coverage written on an “occurrence” or “claims made” basis and with limits no less than: (1)

General Aggregate: \$2,000,000; (2) Bodily Injury: \$2,000,000 per person, \$2,000,000 per occurrence; and (3) Property Damage: \$2,000,000 per occurrence. Coverage must include: Premises Operations, Independent Contractors, Personal Injury (with Employment Exclusion deleted), Broad Form Property Damage Endorsement, Blanket Contractual Liability, and bodily injury and property damage. Exclusions "X," "C," and "U" must be deleted. Railroad exclusions must be deleted if any portion of the Gas System Work is within 50 feet of any railroad track. Every employee of the Grantee engaged in Gas System Work within the Municipality must be included as an insured.

B. Comprehensive Motor Vehicle Liability. Comprehensive motor vehicle liability insurance with a combined single limit of liability for bodily injury and property damage of not less than \$2,000,000 for vehicles owned, non-owned, or rented. The coverage required by this subsection shall include bodily injury and property damage for all motor vehicles engaged in Gas System Work within the Municipality that are operated by any employee, subcontractor, or agent of the Grantee.

C. Workers' Compensation. Workers' compensation coverage in accordance with applicable law.

D. General Standards for All Insurance. If obligated under this Section to maintain the foregoing insurance coverages, (i) the Grantee may satisfy that obligation, in whole or in part, through insurance provided by a captive insurance company affiliated with the Grantee to the extent permitted under applicable law if such captive insurance company and the Grantee are both controlled by a company with Stockholder Equity as of the end of its most recently completed fiscal year of at least *fifty million dollars (\$50,000,000)*, or through commercial insurance; (ii) all commercial insurance policies obtained by the Grantee to satisfy such obligation must be written by companies customarily used by public utilities for those purposes, including, if permitted by this Subsection, policies issued by a captive insurance company affiliated with the Grantee; (iii) the Grantee must provide the Municipality, upon request, with reasonable evidence of insurance and with certificates of insurance for commercial coverage designating the Municipality and its officers, boards, commissions, elected officials, agents, and employees as additional insured and demonstrating that the Grantee is maintaining the insurance required in this Section; and (iv) each policy shall provide that no change, modification, or cancellation of any insurance coverage required by this Section shall be effective until the expiration of 30 calendar days after written notice to the Municipality of any such change, modification, or cancellation and providing that there is no limitation of liability of the insurance if the Grantee fails to notify the Municipality of a policy cancellation.

SECTION 10. CURE.

In addition to every other right or remedy provided to the Municipality under this Ordinance, if the Grantee fails to comply in a material respect with any of its material obligations under this Ordinance (for reason other than force majeure), then the Municipality may give written notice to the Grantee specifying that failure. The Grantee will have 30 calendar days after the date of its receipt of that written notice to take all necessary steps to cure such material non-compliance, unless the cure cannot reasonably be achieved within 30 calendar days but the Grantee promptly commences the cure and diligently pursues the cure to completion.

SECTION 11. FORCE MAJEURE.

Neither the Grantee nor the Municipality will be held in violation or breach of this Ordinance when a violation or breach occurred or was caused by (a) riot, war, earthquake, flood, terrorism, or other catastrophic act beyond the respective Party's reasonable control or (b) governmental, administrative, or judicial order or regulation other than, in the case of the Municipality, an order or regulation issued by the Municipality not in the exercise of its police powers in order to protect the public in the case of fire, disaster or other emergency.

SECTION 12. NOTICE.

With respect to an Emergency, Grantee shall provide notice to the Municipality in accordance with Subsection 4.D. of this Ordinance. Any other notice that (a) requires a response or action from the Municipality or the Grantee within a specific time frame or (b) would trigger a timeline that would affect one or both of the parties' rights under this Ordinance must be made in writing and must be sufficiently given and served on the other party by hand delivery, first class mail, registered or certified, return receipt requested, postage prepaid, or by reputable overnight courier service and addressed as follows:

[insert contact information for Municipality]

If to Grantee:

**Northern Illinois Gas Company d/b/a Nicor Gas Company
1844 Ferry Road
Naperville, Illinois 60563
Attention: President**

with a copy to:

**Northern Illinois Gas Company d/b/a Nicor Gas Company
1844 Ferry Road
Naperville, Illinois 60563
Attention: Community Relations and Economic Development Department**

For other notices regarding the general business between the parties, e-mail messages and facsimiles will be acceptable when addressed to the persons of record specified above.

SECTION 13. GENERAL PROVISIONS.

A. Communications and Annual Meeting.

1. **General Communications.** The Grantee and the Municipality believe that it is in their mutual interests to maintain consistent and reliable means of communications regarding all matters under this Franchise. Nothing in this Section precludes the parties in any way from conducting meetings and communications not specifically provided in this Section on any other dates and times during the Term as necessary, required, or otherwise desired.

2. **Annual Meeting.** Except as the Grantee and the Municipality may otherwise agree, upon 45 days prior written notice from the Municipality to the Grantee given no more frequently than once during each calendar year of the Term, the representatives of the Grantee and the Municipality will meet at the offices of the Municipality or another mutually acceptable location ("***Annual Meeting***").

3. **Annual Meeting Matters.** At the Annual Meetings the Parties will review, as necessary, any matters related to this Ordinance and the Franchise as generally identified by the Municipality in its written notice provided pursuant to Paragraph 2 of this Subsection related to (i) the Gas System and Gas System Work; (ii) issues that have arisen since the prior Annual Meeting regarding the Grantee's activities conducted under the authority granted by this Ordinance, (iii) efforts and initiatives by the Grantee or the Municipality, or both, to promote energy efficiency and cost savings related to the use of gas supplied by the Grantee; and (iv) identification of anticipated future capital improvement programs by the Municipality and the Grantee in an effort to coordinate those programs whenever practical in an effort to minimize costs for both the Municipality and the Grantee and to reduce public inconvenience (collectively, "***Annual Meeting Matters***"). The Grantee's and the Municipality's representatives at Annual Meetings shall include individuals with the knowledge, experience and authority required to address competently and to seek to resolve the Annual Meeting Matters identified from discussion at the Annual Meeting.

4. **Good Faith Efforts to Resolve Annual Meeting Matters.** The Municipality and the Grantee will constructively discuss the Annual Meeting Matters at the Annual Meetings. The goal of these discussions is to ensure that the Grantee and the Municipality have sufficient information to address and, if possible, resolve the Annual Meeting Matters and the Parties will share information reasonably necessary for those purposes; provided, however that neither the Grantee nor the Municipality will be required to respond to unduly burdensome information requests or to provide confidential or privileged information to the other party. The parties will work in good faith to resolve Annual Meeting Matters on mutually acceptable terms and to do so within a reasonable period of time. To the extent that resolution of an Annual Meeting Matter is not otherwise provided by the terms of this Franchise, the parties may memorialize their understandings related to resolution of Annual Meeting Matters through memoranda of understanding, supplemental agreements, or other arrangements mutually agreed to.

B. Assignments of Rights by Grantee. All provisions of this Ordinance that are obligatory upon, or which inure to the benefit of, NICOR GAS shall also be obligatory upon and shall inure to the benefit of any and all successors and permitted assigns of NICOR GAS, and the word "Grantee" wherever appearing in this Ordinance shall include and be taken to mean not only NICOR GAS, but also each and all of such successors and permitted assigns. The Grantee may not assign any right it has under this Ordinance without the prior express written authorization of the Municipality by ordinance or resolution of the Corporate Authorities. The

Municipality will not withhold that authorization if (a) the Assignee is technically and financially capable of operating and maintaining the Gas System in the reasonable judgment of the Municipality and (b) the Assignee assumes all of the obligations of the Grantee under this Ordinance except as they may be amended in writing and approved by the Municipality.

C. Entire Agreement; Interpretation. This Ordinance embodies the entire understanding and agreement of the Municipality and the Grantee with respect to the subject matter of this Ordinance and the Franchise. This Ordinance supersedes, cancels, repeals, and shall be in lieu of the Previous Agreement.

D. Governing Law; Venue. This Ordinance has been approved executed in the State of Illinois and will be governed in all respects, including validity, interpretation, and effect, and construed in accordance with, the laws of the State of Illinois. Any court action against the Municipality may be filed only in DuPage County, Illinois, in which the Municipality's principal office is located.

E. Amendments. Except as otherwise provided pursuant to Section 7 of this Ordinance, no provision of this Ordinance may be amended or otherwise modified, in whole or in part, to be contractually binding on Grantee, except by an instrument in writing duly approved and executed by the Municipality and accepted by the Grantee by execution of a Consent Agreement consistent with Section 15 of this Ordinance.

F. No Third-Party Beneficiaries. Nothing in this Ordinance is intended to confer third-party beneficiary status on any person, individual, corporation, or member of the public to enforce the terms of this Ordinance.

G. No Waiver of Rights. Nothing in this Ordinance may be construed as a waiver of any rights, substantive or procedural, the Grantee or the Municipality may have under federal or State of Illinois law unless such waiver is expressly stated in this Ordinance.

SECTION 14. MUNICIPALITY AUTHORITY RESERVATION.

The Municipality reserves, subject to the limitations of applicable federal and State of Illinois laws, (i) its powers necessary or convenient for the conduct of the Municipality's municipal affairs and for the public health, safety and general welfare; and (ii) its right to own and operate a gas utility in competition with the Grantee. Notwithstanding the foregoing, the Municipality will not take any such action that would have the effect of depriving Grantee of the rights, permissions and authorities granted to Grantee under this Ordinance.

SECTION 15. CONSENT AGREEMENT.

Within ninety days after the Effective Date, the Grantee will file with the Municipality a written agreement to accept and comply with the terms of this Ordinance as attached to this Ordinance as Exhibit A ("**Consent Agreement**"), duly executed by authorized representatives of the Grantee. The Grantee's failure to provide the Consent Agreement within ninety days after the Effective Date shall be deemed a rejection of this Ordinance by the Grantee, and the rights and privileges herein granted shall absolutely cease and terminate, unless, within ninety days after the Effective Date, the time period for the Grantee to file the Consent Agreement is extended by the Municipality by ordinance duly passed for that purpose and the Grantee has agreed in writing to such extension.

PASSED BY THE CITY COUNCIL OF THE CITY OF WEST CHICAGO, ILLINOIS, THIS
____ DAY OF _____, 201_.

City Clerk

APPROVED BY THE MAYOR OF THE CITY OF WEST CHICAGO, ILLINOIS, THIS
____ DAY OF _____, 201_.

Mayor

(Seal)

ATTEST:

City Clerk)
STATE OF ILLINOIS)
COUNTY OF DUPAGE) SS.
CITY OF WEST CHICAGO)

I, _____, City Clerk of the City of West Chicago, Illinois, do hereby certify that the foregoing is a true and correct copy of an Ordinance duly passed by the City Council of said City on the ____ day of _____, 201_, and duly approved by the Mayor of said City on the ____ day of _____, 201_, the original of which Ordinance is now on file in my office.

I do further certify that I am the legal custodian of all papers, contracts, documents and records of said City.

WITNESS my hand and the official seal of said City this ____ day of _____, 201_.

City Clerk
West Chicago, Illinois

(SEAL)

CONSENT AGREEMENT

Pursuant to Section 15 of that certain Natural Gas Franchise Ordinance duly passed by the City Council/Board of Trustees of _____ (the "Municipality") on _____ and duly approved by the Mayor/President of the Municipality on _____ (the "Ordinance"), a copy of which is attached hereto, Northern Illinois Gas Company d/b/a Nicor Gas Company, an Illinois corporation hereby accepts and agrees to comply with the Ordinance.

NORTHERN ILLINOIS GAS COMPANY D/B/A NICOR GAS COMPANY

By: _____

Name: _____

Title: _____

Date: _____