

888-832-5734 or 507-647-6602

April 13, 2016

VIA ELECTRONIC FILING

Mr. Daniel P. Wolf Executive Secretary Minnesota Public Utilities Commission 121 7th Place East, Suite 350 St. Paul, MN 55101-2147

Re: Petition for Approval of Firm Transportation Agreement Initial Filing

Dear Mr. Wolf:

Attached hereto, please find United Natural Gas, LLC's Petition for Approval of a Firm Gas Transportation Agreement.

UNG has served a copy of this filing on the Office of Attorney General – Residential Utilities Division. All individuals on the attached service list have been electronically served as appropriate.

Thank you for your assistance. Please do not hesitate to contact me should you have any questions or concerns or if you require additional information.

Sincerely,

United Natural Gas, LLC

Joel Dahlgren, General Counsel

CERTIFICATE OF SERVICE

I, Joel Dahlgren, hereby certify that I have this day served a true and correct copy of the following document to all persons at the addresses indicated on the attached list by electronic filing, electronic mail, or by depositing the same enveloped with postage paid in the United States Mail at Winthrop, Minnesota:

United Natural Gas, LLC's Petition for Approval of Firm Gas Transportation Agreement

Filed this 13th day of April, 2016.

/s/ Joel Dahlgren
Joel Dahlgren, Esq.
General Counsel
United Natural Gas, LLC

First Name	Last Name	Email	Company Name	Access	Delivery Medico	A 10th Library Special	Contino they Leaving
Julia	Anderson	Julia Anderson@ag.state.m Office of the Attorney n.us General-DOC	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	No	GEN_SI_United Natural Gas, LLC_Service List for Initial Filings
Joel	Dahlgren	joel.dahlgren@ufcmn.com	United Natural Gas, LLC	PO Box 461	Electronic Service	No	GEN_St_United Natural Gas_LLC Service List for
				Winthrop, MN 55396			Initial Filings
Sharon	Ferguson	sharon.ferguson@state.mn Department of Commerce	Department of Commerce	85 7th Place E Ste 500	Electronic Service	No	GEN_St_United Natural Gas, LLC_Service List for
				Saint Paul, MN 551012198			Initial Fitings
John	Lindell	agonud.ect@ag.state.mn.us Office of the Attorney General-RUD	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN	Electronic Service	Z	GEN_SL_United Natural Gas, LLC_Service List for Initial Filings
				301012100			
Douglas	Lund	doug.lund@ufcmn.com	United Natural Gas, LLC	705 E. 4th Skreet PO Box 461 Winthrop, MN 55396	Electronic Service	₹ No.	GEN_SL_United Natural Gas, LLC_Service List for Initial Filings
Daniel P	Wolf	dan.wolf@slate.mn.us	Public Uillities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	8	GEN St_United Natural Gas, LLC, Service List for Initial Filings

STATE OF MINNESOTA

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger Chair
Nancy Lange Commissioner
Dan Lipschultz Commissioner
Matt Schuerger Commissioner
John Tuma Commissioner

Docket No.	
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In the Matter of United Natural Gas, LLC's Petition for Approval of a Firm Gas Transportation Agreement with City of Brownton

SUMMARY OF FILING

Please take notice that on April 13, 2016 United Natural Gas, LLC. ("UNG") filed with the Minnesota Public Utilities Commission a Petition for Approval of a Firm Gas Transportation Agreement pursuant to Minnesota Statutes Section 216B.045 regarding an intrastate pipeline contract. UNG requests the Commission's approval of this agreement by which the City of Brownton purchased transport service from UNG.

Dated: April 13, 2016

/s/ Joel Dahlgren
Joel Dahlgren
General Counsel
United Natural Gas, LLC
705 E. 4th Street
Winthrop, MN 55396
Phone: 507-647-6600

STATE OF MINNESOTA

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger
Nancy Lange
Commissioner
Dan Lipschultz
Commissioner
Matt Schuerger
John Tuma
Commissioner

Docket No.	

In the Matter of United Natural Gas, LLC's Petition for Approval of a Firm Gas Transportation Agreement with City of Brownton PETITION FOR APPROVAL OF FIRM GAS TRANSPORTATION AGREEMENT

OVERVIEW

United Natural Gas, LLC ("UNG") submits this filing to the Minnesota Public Utilities Commission ("Commission") to request that the Commission approve a Firm Gas Transportation Agreement ("the Agreement") between UNG and City of Brownton ("The City") pursuant to Minnesota Statutes section 216B.045.

SUMMARY OF FILING

UNG is petitioning the Commission for approval of a transportation agreement for an intrastate pipeline. A Summary of Filing has been filed contemporaneously with this Petition.

SERVICE ON REQUIRED AND INTERESTED PARTIES

UNG served a copy of this Petition on the Residential Utilities Division of the Office of the Attorney General and on all parties reflected on the accompanying Certificate of Service and Service List.

GENERAL FILING INFORMATION

UNG provides the following information I pursuant to Minnesota Rule Part 7829.1300, Subp. 4:

A. Name, Address and Telephone Number of the Utility

United Natural Gas, LLC 705 E. 4th Street Winthrop, Minnesota 55396 Telephone: (507) 647-6601

B. Name, Address and Telephone Number of the Attorney for Utility

In-House Corporate Attorney: Joel Dahlgren, Esq. United Natural Gas, Inc. 705 E. 4th Street Winthrop, Minnesota 55396

Telephone: (507) 647-6600

C. Date of Filing and Proposed Effective Date of Rate Change

Date Filed: April 13, 2016

Proposed Effective Date: Upon Commission approval, retroactive to June, 2013.

D. Statute Controlling Time Frame for Processing Filing

Minnesota Statutes § 216B.045, subd. 4 requires the filing and approval by the Commission of the Firm Gas Transportation Agreement at issue; but, it does not include any explicit time limit for processing the application by the Commission. UNG is unaware of any other statute that controls the time frame for processing this filing.

E. Utility Employee Responsible for this Filing (and Signature):

/s/ Joel Dahlgren Joel Dahlgren, Esq. General Counsel

DISCUSSION AND ANALYSIS

UNG and the City of Brownton entered a contract for UNG to transport gas for the City of Brownton in order for city residents to obtain the benefit of natural gas service. A copy of the Agreement is appended hereto as Exhibit A¹ and is incorporated herein by reference. UNG respectfully requests that the Commission grant approval of the Agreement at issue. UNG now understands that the Agreement should have been presented for the review and approval of the Commission during the summer of 2013; however, at that time, UNG was unaware of this legal requirement and its deficiency in timely petitioning for approval of the agreement was not intentional.

¹ The Agreement has numerous parties to it, but United Natural Gas, LLC and the City of Brownton are the two significant parties, with UNG transporting natural gas for the City of Brownton.

Pursuant to Minnesota Statutes Section 216B.045, Subd. 4, UNG must obtain the Commission's approval of any contract establishing the rates, terms, and conditions of service and facilities being provided by an intrastate pipeline in order for such a contract to be effective. UNG now understands that the pipeline identified in the Agreement at issue herein constitutes an intrastate pipeline within the meaning of the statute. See, Minn. Stat. § 216B.045, Subd. 1.

In May of 2012, UNG filed an "Information Book for Owners and Tenants of Property along the Brownton Natural Gas Pipeline Route in McLeod County". The pipeline was built to supply natural gas to United Grain Systems, LLC ("UGS") for drying grain. Because UNG anticipated that UGS's drying capabilities could double over the next decade, in which case UGS would need a second 10,000 / bushel grain dryer, UNG designed the system with a high pressure line. It was not obvious at the time that UNG would ever transport gas for the City of Brownton.

Early in 2013, the City of Brownton approached UNG about transportation of natural gas. The City was interested in bringing natural gas to its residents. Because UNG had available transportation capacity and was interested in being a good neighbor to the community, UNG agreed. A transportation agreement was negotiated between UNG and the City of Brownton under which the City was responsible for designing and constructing a pipeline. During the summer of 2013, the City constructed a natural gas line from the terminus of UNG's pipeline approximately one mile outside of Brownton into the City of Brownton. Page 3 of the Agreement, specifically paragraphs 2.1.1 and 2.1.2 describe the City's construction of the pipeline.

UNG recognizes that its Agreement with the City must be just and reasonable and that it is prohibited from providing intrastate pipeline services in a manner that unreasonably discriminates among customers receiving like or contemporaneous services pursuant to Minnesota Statutes Section 216B.045, Subd. 2. Generally, rates are considered just and reasonable when they are not unreasonably preferential, unreasonably prejudicial, or discriminatory; and, when they are sufficient, equitable and consistent in application. Minn. Stat. § 216B.03.

The Agreement between UNG and the City at issue herein facilitated a natural gas system in the City of Brownton because its residents did not previously have natural gas service. The City of Brownton constructed approximately one mile of pipeline from the terminus of UNG's pipeline at the grain elevator, running from there into the City of Brownton. Residents and business in Brownton were previously unable to avail themselves of the benefits of natural gas service and were forced to rely on alternate heating sources such as propane and wood.

As explained in the agreement, UNG takes delivery of the City's gas at its receipt point and redelivers the gas to the City's distribution line at the grain elevator, thereby facilitating the City's ability to serve its retail customers in Brownton. The Agreement is the result of the City of Brownton's efforts to provide its residents with natural gas and UNG's ability to provide transport for the City's gas. It is the result of an arm's length negotiated transaction between UNG and the City. Since both UNG and the City executed the Agreement as reflected in Exhibit A, it is a foregone conclusion that both UNG and the City determined that each party will benefit from the Agreement. In addition, given the mutual execution of the Agreement, a reasonable inference can be made that the rates identified therein are both reasonable and borne of market-based negotiation.

Additionally, since the pipeline to the City of Brownton was built by the City and can only benefit the City, and because UNG is unaware of any other similarly situated distribution entities who would want similar cooperative arrangements that would serve the public interest in other respective communities, there is no discriminatory element to the Agreement. Nonetheless, if UNG was approached with a similar request and if UNG had available transport capacity, UNG would entertain negotiations based on similar terms.

UNG's existing customers have not sustained any adverse impact as a result of the proposal. Moreover, UNG benefits from the Agreement by increasing its gross revenue which ultimate benefit the members of UNG's parent cooperative.

The Agreement reflects a positive partnership between the City of Brownton and a community partner, UNG, working together to serve the public interest. It benefits the City and, in turn, the City's customers, and the local economy.

REQUEST FOR COMMISSION ACTION

UNG apologizes for its oversight in not seeking Commission approval of the agreement at its outset. UNG was confident then, and remains confident, that the Agreement serves the City of Brownton and hence the public interest. As the discussion and analysis demonstrates, UNG and the City carefully contemplated and negotiated a reasonable, fair, and market-based agreement that allowed previously unserved Minnesotans in the City of Brownton the ability to obtain natural gas without adverse effects. Therefore, UNG respectfully requests that the Commission approve the Firm Gas Transportation Agreement ("the Agreement") between UNG and the City, and to do so retroactively to June 26, 2013.

Dated: April 13, 2016

Respectfully submitted, /s/ Joel Dahlgren General Counsel United Natural Gas, LLC 705 E. 4th Street Winthrop, MN 55396

GISLASON&HUNTER LLP

COPY

OF COUNSEL Daniel A. Gislason[†]

Marlin R. Kunard David R. Hoelmer²

C. Thomas Wilson David D. Alsop Barry G. Vermeer^{1*} Gary W. Koch^{1,2} Timothy P. Tobin2* Roger H. Gross1* David W. Sturges3† R. Stephen Tillitt* Mark S. Ullery Jeff C. Braegelmann Reed H. Glawe¹ Wade R. Wacholz1 Noel L. Phifer Laura L. Myslis¹ Andrew A. Willaert1 Daniel A. Beckman Michael S. Dove Dustan J. Cross1* Loree A. Nelson⁴ Christopher E. Sandquist¹ Sara N. Wilson David C. Kim Angela M. Nelson² Justin P. Weinberg^{1,2†} Andrew M. Tatge Cory A. Genelin¹ Matthew C. Berger Brock P. Alton² Matthew S. Frantzen Jennifer M. Waterworth² Peter J. Hemberger Kaitlin M. Pals1 Amanda K. Lindent John M. Schmid Abbie S. Olson Sarah K. Grotha⁴

NEW ULM OFFICE 2700 South Broadway

2700 South Broadway New Ulm, MN 56073

MAILING ADDRESS P.O. Box 458 New Ulm, MN 56073-0458

PHONE: 507-354-3111 FAX: 507-354-8447 WEB SITE: <u>www.gislason.com</u>

Also admitted in: 1 Iowa

² Wisconsin ³ Admitted only in Virginia

Admitted only in Virginia
Admitted only in Iowa

Civil Trial Specialist
 Oualified ADR Neutral

ATTORNEYS AT LAW

NEW ULM MINNEAPOLIS MANKATO MAPLETON DES MOINES

Sidney P. Gislason (1908-1985) Robert M. Halvorson (1945-1993) C. Allen Dosland (Retired) James H. Malecki (Retired) Donald F. Hunter (Retired)

September 13, 2013

Mr. John Webster Hutchinson Utility Commission 225 Michigan St SE Hutchinson, MN 55350

Re: C

City of Brownton

Our File No. 29410-001

Dear Mr. Webster:

Enclosed please find a fully executed copy of the Interconnect and Natural Gas Firm Transportation Agreement. United Natural Gas, LLC retained a set of originals for its files, and we will keep photocopies of the Agreement in our file as well. I have sent the other original of the Interconnect and Natural Gas Firm Transportation Capacity Agreement to the City of Brownton. Thus, everyone should now have a full set of original, fully-executed documents.

Very truly yours,

Kaitlin M. Pals

kpals@gislason.com

KMP:jah Enc.

Cc: City of Brownton

United Farms Cooperative

United Natural Gas

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INTERCONNECT AND NATURAL GAS FIRM TRANSPORTATION CAPACITY AGREEMENT

THIS INTERCONNECT AND NATURAL GAS FIRM TRANSPORTATION CAPACITY AGREEMENT (hereinafter the "Agreement") is made and entered into this ____ day of June, 2013, by and between the City of Brownton (the "City"); United Natural Gas LLC ("UNG"). The City and UNG shall hereinafter from time to time be referred to separately as "Party" or jointly as "Parties." Hutchinson Utilities Commission acknowledges the terms and conditions set forth herein. United Farmers Cooperative is a signatory to this Agreement for the limited purpose of guarantying the performance of UNG's obligations hereunder.

RECITALS

WHEREAS, the Hutchinson Utilities Commission ("Hutchinson") owns and operates an existing natural gas pipeline system which commences from a point on the Northern Border Pipeline near Trimont, Minnesota, to a point of terminus near Hutchinson, Minnesota (the "Hutchinson Transmission Pipeline");

WHEREAS, UNG owns and operates an existing intrastate natural gas pipeline system which commences from a point on Hutchinson Transmission Pipeline to a point of terminus approximately one mile from Brownton, Minnesota (the "UNG Pipeline Facilities).

WHEREAS, the City will own intrastate pipeline facilities which are located within the State of Minnesota;

WHEREAS, the City desires to establish an interconnection between its pipeline facilities (the "City Pipeline Facilities") and the UNG Pipeline Facilities, and UNG is willing to establish such interconnection under the terms and conditions set forth herein;

WHEREAS, the City, on the one hand, and UNG, on the other hand, desire to have the interconnection between their respective facilities in service on or before August 1, 2013 (the "Service Connection Date");

WHEREAS, the City desires to contract with UNG for the provision of long-term firm transportation capacity by UNG to the City;

WHEREAS, UNG has the capability to provide the City with long-term firm transportation capacity;

WHEREAS, the Parties desire Hutchinson's acknowledgment of the terms of this Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements set forth herein, the Parties hereby agree as follows:

ARTICLE I INTERCONNECTION POINT

The point of interconnection between the UNG Interconnect Facility and the City Interconnect Facility, as defined herein, shall be located on property in McLeod County, Minnesota, legally described to-wit:

A 25.00 foot easement for utility purposes and the installation and maintenance of a gas line, over, under, and across part of the North Half of the Northeast Quarter of Section 36, Township 115 North, Range 30 West, and that part of the Northwest Quarter of the Northwest Quarter of Section 31, Township 115 North, Range 29 West, all in McLeod County, Minnesota. Said easement being 12.50 feet to the right and 12.50 feet to the left of a line, hereinafter described as "Line A".

Together with an easement 40.00 feet in width over, under, and across said Northwest Quarter of the Northwest Quarter, being 12.50 feet to the right and 27.50 feet to the left of a line, hereinafter described as "Line B".

"Line A" is described as commencing at the northeast corner of said North Half of the Northeast Quarter of Section 36; thence South 00 degrees 10 minutes 47 seconds West, assumed bearing, along the east line of said North Half of the Northeast Quarter 576.10 feet; thence South 21 degrees 29 minutes 28 seconds West 32.56 feet; thence South 49 degrees 14 minutes 19 seconds West 419.05 feet; thence North 36 degrees 20 minutes 22 seconds West 12.54 feet to the point of beginning of said "Line A"; thence South 36 degrees 20 minutes 22 seconds East 223.71 feet, to a point distant 12.50 feet northerly, measured at right angles to, the northerly right of way line of Twin Cities and Western Railroad Co.; thence North 83 degrees 37 minutes 20 seconds East, along a line parallel, distant 12.50 feet northerly of said right of way line, 217.72 feet; thence northeasterly 1123.07 feet, along a tangential curve, concave to the north, central angle 11 degrees 21 minutes 16 seconds, radius 5667.15 feet, along said parallel line, and said "Line A" there terminating.

"Line B" is described as beginning at the terminus of said "Line A"; thence northeasterly 66.19 feet along the prolongation of said "Line A", having a central angle of 00 degrees 40 minutes 09 seconds; thence North 71 degrees 35 minutes 55 seconds East 30.83 feet to a point on the westerly right of way line of Trunk Highway No. 15, as shown on MINNESOTA DEPARTMENT OF TRANSPORTATION RIGHT OF WAY PLAT NO. 43-9, according to the recorded plat thereof, McLeod County, Minnesota, and said "Line B" there terminating.

The easterly side line of said "Line B" easement shall be prolonged or shortened to terminate on said westerly right of way line.

(the "Interconnect Station").

ARTICLE II UNG INTERCONNECT FACILITY

- 2.1 UNG shall own and maintain the following components of the Interconnect Station (hereinafter, the "UNG Interconnect Facility"):
 - 2.1.1 Piping from T Intersection to Custody Transfer Point. The City or its agents shall purchase, design, construct, and install pipeline from the point at which UNG's existing pipeline shall connect with pipeline running to the Interconnect Station (said point hereinafter referred to as the "T Intersection"), to the Custody Transfer Point. On or before the Service Connection Date, the City shall deed, convey, and transfer all right, title, and interest in the piping running from the T Intersection to the Custody Transfer Point to UNG. From the date of the conveyance and thereafter, the T Intersection and the piping conveyed to UNG under this Section 2.1.1 shall be deemed a part of the UNG Interconnect Facility, and all maintenance, repair, and compliance with Federal, state, and local regulations related to said piping shall be the sole responsibility of UNG. UNG shall grant the City all temporary easements to their property necessary and expedient for the construction of the T Intersection and said piping. The T Intersection and the pipeline to be constructed and installed by the City and subsequently transferred to UNG is described in greater detail on the attached Exhibit A.
 - 2.1.2 <u>Upstream Piping and Related Equipment</u>. The City shall purchase, construct, install, and maintain any additional or replacement connecting pipeline or ancillary equipment (for example, natural gas heaters), if any, required upstream from the T Intersection to facilitate the City's purchases of natural gas.

ARTICLE III CITY INTERCONNECT FACILITY

- 3.1 The City shall own, design, purchase, construct, maintain, and operate the following components of the Interconnect Station (hereinafter the "City Interconnect Facility"):
 - 3.1.1 Meter and Meter Run. The City or its agents shall install one 16M rotary meter with pressure and temperature corrector and associated meter run piping at the Interconnect Station, which shall be used for custody transfer gas volume measurement (the "Meter").
 - 3.1.2 <u>Filter/Meter Skid</u>. The Meter assembly will contain the meter and a bypass line around the Meter for meter maintenance. The filter assembly will contain the filter and a bypass line around the filter for filter maintenance. Monitoring the bypass line shall be the responsibility of the City.

- 3.1.3 <u>Valves and Related Piping</u>. Piping shall be installed from the Custody Transfer Point (as defined herein) to the emergency valve. The emergency valve shall be manually operated. Piping shall be installed from the emergency valve to the piping on the filter run, regulator run (with overpressure protection and pilot heaters), and meter run. All buried piping shall be installed at a minimum depth of five feet. All piping upstream of the regulator run shall be designed for a maximum pressure of 285 psig. All piping downstream of the regulator run shall be designed for a pressure of 100 psig.
- 3.1.4 <u>Pressure and Temperature Transmitters.</u> The City shall have SCADA installed for continuous monitoring of the gas pressure and temperature at the meter run, and be responsible for providing continuous monitoring of the meter run.

3.1.5 Reserved

- 3.1.6 <u>Electronic Flow Measurement Device</u>. The City shall install an electronic flow measurement device at the Interconnect Station, including all cables, conduit, and appurtenances, with a communication interface (collectively, the "EFM Device"). Such cable and conduit shall be galvanized and rigid above ground and PVC coated rigid below ground.
- 3.1.7 <u>Signage and Line Markers.</u> The City or its agents shall install, maintain, and otherwise be responsible for all signage and line markers required by Federal, state, or local law or regulations at the Interconnect Station, as defined hereafter.

3.1.8 Reserved.

3.1.9 <u>Downstream Piping and Related Equipment</u>. The City or its agents shall install connecting 2-inch steel line with overprotection pressure as required downstream of the Custody Transfer Point, as defined herein.

ARTICLE IV INTERCONNECT STATION

- 4.1 <u>Custody Transfer Point</u>. The point at which custody of natural gas flowing through the UNG Interconnect Facility and Interconnect Station shall transfer from UNG to the City shall be located where UNG's outer flange makes contact with the upstream flange of the emergency valve (the "Custody Transfer Point"), which point is described in greater detail on the attached Exhibit A.
- 4.2 <u>Engineering Standards.</u> Each Party covenants and agrees that all piping and other materials and equipment shall be designed in compliance with industry engineering standards and applicable law.
- 4.3 <u>Right-of-Way; Permits</u>. The City shall obtain all of the property or right-of-way necessary for the construction, operation, and access to the Interconnect Station. The City shall

obtain all applicable regulatory and/or environmental permits, clearances, and consents necessary for the construction and operation of the Interconnect Station.

4.4 Operation; General Maintenance. The City shall operate and maintain the Interconnect Station, including but not limited to: (i) general maintenance and monthly testing of the Interconnect Station; (ii) performing monthly calibration of pressure and temperature transmitters and EFM maintenance and annual meter proving and inspection on the Meter; and (iii) general maintenance of the site immediately surrounding the Interconnect Station (including painting, weed control, and general building and ground maintenance).

ARTICLE V DATA AND METERING

- 5.1 <u>Data Sharing.</u> The EFM Device will collect data on a continuous basis. The Parties each reserve the right to request particular data concerning their respective gas flow at the Interconnect Station, and authorize the other Party to review such data.
- 5.2 <u>Power and Telecommunications Connection.</u> The City shall be responsible for connecting the Interconnect Station to a power source and for providing electric or other power necessary to operating the Interconnect Station and its appurtenances.
- 5.3 No Warranty. Neither the City nor UNG make any warranties as to the accuracy or completeness of any data from the EFM Device provided pursuant to this Agreement.
- 5.4 Odorant Data. UNG is responsible to maintain adequate levels of odorization. UNG shall provide odorization data on a monthly basis to the City, including, but not limited to, the amount of odorant used (in pounds) per MMCF of gas odorized (the "Odorization Rate"). The City reserves the right to require UNG to adjust the Odorization Rate if testing anywhere within the City's pipeline system indicates that odorant is not detectable at one-fifth of the lower explosive limit by a person with a normal sense of smell, as defined in Part 192 of the federal Pipeline Safety Regulations.
- 5.5 <u>Meter Inspection</u>. The Meter will undergo a flow calibration prior to delivery. A meter calibration report shall be provided to any Party upon written request. The Parties shall also have the right to audit the records of the measurement equipment at the metering facilities.
- 5.6 <u>Metering Standards.</u> All measurement of gas quantities delivered from the Interconnect Station to the City shall be done by Hutchinson under the Natural Gas Firm Transportation Capacity Agreement between Hutchinson and the City, using the EFM Device. Flowing volumes shall be calculated in accordance with industry standards. Measured gas volumes shall be converted to gas heating values in decatherms (Dth) using Hutchinson-determined gas quality data.
- 5.7 <u>Parties Bound by Meter Reading.</u> Except for the Parties' audit right set forth in Section 5.3, the Parties agree to be bound by the readings of the Meter for all purposes related to

this Agreement, unless testing demonstrates that the Meter reading deviates more than two percent from the actual amount.

- 5.8 <u>UNG Gas Loss; Negligence</u>. UNG shall be responsible for any gas lost due to the UNG Pipeline Facilities and/or the UNG Interconnect Facility. UNG shall be liable for all loss and damage to the City Interconnect Facility, City Pipeline Facilities, and any other property of the City which results from the negligent acts or omissions of UNG or its or their agents, employees, representatives or contractors in the design, construction, operation or maintenance of the UNG Interconnect Facility or UNG Pipeline Facilities.
- 5.9 <u>City Gas Loss; Negligence.</u> The City shall be responsible for any gas lost due to the City Interconnect Facility and/or the City Pipeline Facilities. The City shall be responsible for all loss and damage to the UNG Interconnect Facility, UNG Pipeline Facilities, and any other property of UNG which results from the negligent acts or omissions of the City or its agents, employees, representatives or contractors in the design, construction, operation or maintenance of the City Interconnect Facility or City Pipeline Facilities.

ARTICLE VI INTERCONNECT CONSTRUCTION COSTS

- 6.1 <u>Interconnect Station Construction.</u> The City shall reimburse UNG for all of the costs for the design, purchase, construction, and installation of the UNG Interconnect Facility. The City shall also reimburse UNG for all taxes incurred by UNG in connection with the construction, maintenance, and operation of the UNG Interconnect Facility.
- 6.2 <u>Construction Damages</u>. The City shall be responsible for all costs for damages to the property of UNG or any third party due to construction of the T Intersection and the City Interconnect Facility, including, but not limited to, any damage to growing crops.
- 6.3 <u>Railroad Crossing Permit.</u> The City shall pay when due the cost of any and all railroad right-of-way use permits required for the Interconnect Station.

ARTICLE VII NATURAL GAS FIRM TRANSPORTATION CAPACITY

7.1. Character of Service, Availability and Conditions.

7.1.1 Firm Natural Gas Transportation Service. UNG shall provide to the City volumetric firm natural gas transportation capacity in the amount of no more than 60,000 Dth per year (the "Maximum Annual Quantity"), and 600 Dth per day (the "Maximum Daily Quantity"), at a maximum pressure of 250 psig, for 365 days per year, commencing on the 1st day of August, 2013, and continuing for an initial period of nine years and one month, through the last day of August, 2022, and under the rates, terms and conditions set forth in this Agreement (the "Initial Term"). This service shall always be available to the

City unless curtailed or interrupted pursuant to the terms of this Agreement, and such service may not be curtailed or interrupted except pursuant to the terms of this Agreement.

- 7.1.2 <u>Delivery.</u> UNG shall provide such firm natural gas transportation capacity from the point at which the UNG Pipeline Facilities connect to the Hutchinson Transmission Pipeline operated by Hutchinson (the "Uptake Point") to the Custody Transfer Point. UNG shall have the sole responsibility for transporting natural gas supplies from the Uptake Point to the Custody Transfer Point. The City shall have the sole responsibility for transporting natural gas from the Custody Transfer Point.
- 7.1.3 No Obligation to Provide Natural Gas Supply. UNG's sole obligation under this Article 7 is to provide firm capacity to the City over which the City may transport natural gas supplies purchased from an entity other than UNG. UNG shall have no obligation at any time or under any circumstances to provide any gas supplies to the City, and the City shall have no obligation at any time or under any circumstances to provide any gas supplies to UNG. It is the intention of the Parties that each Party shall remain solely responsible for obtaining its own natural gas supplies.
- 7.2 <u>Term.</u> The parties agree that this Agreement shall have an Initial Term as provided in Section 7.1.1, and that after such Initial Term, the City and UNG shall negotiate any renewals or extensions thereof on the basis that such extension or renewal of the term of this Agreement shall mirror the renewed or extended term of the Interconnect Agreement between Hutchinson and UNG, and that any extension or renewal of the Initial Term of this Agreement shall be contingent upon UNG renewing, extending, or entering into a new Agreement with Hutchinson for a term at least as long as the extended term of this Agreement.
- 7.3 <u>Transportation Charges.</u> The following charges shall apply to the firm transportation capacity to be provided to the City by UNG: \$0.90 per Dth of flow (the "Transportation Charges"). If the City exceeds 600 Dth per day or 60,000Dth per year, the City shall pay a rate equal to twice the transportation charge for the Dths in excess of the daily or annual rate.
 - 7.3.1 <u>Billing and Payment</u>. Invoices for the Transportation Charges shall be rendered to the City no later than the 15th day of the month following the month in which transportation service is rendered by UNG. Payment is due from the City on or before the 15th day of the month following the date the invoice is issued by UNG. A late payment charge of one and one-half percent per month, or the legally authorized maximum interest rate, whichever is lower, shall be levied on any unpaid balances.
 - 7.3.2 Good Faith Dispute. If the City, in good faith, disputes the amount of any invoice rendered by UNG, or any part thereof, the City shall pay the full amount of the invoice. UNG shall promptly provide, in writing to the City, supporting documentation acceptable in industry practice to support the amount invoiced, and the City shall promptly provide to UNG, in writing, the basis for any dispute, including supporting documentation acceptable in industry practice. In the event the Parties are unable to

resolve such dispute, either Party may pursue any remedy available at law or in equity to enforce its rights pursuant to this provision; provided, however, that all associated claims for overpayment shall be deemed waived unless such invoices are objected to, in writing, within two years after the invoice date.

- 7.3.3 Right to Inspect. Each Party shall have the right, at its own expense, upon reasonable notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books and records of the other Party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under this Agreement. This right to examine, audit, and to obtain copies shall not be available with respect to information not directly relevant to transactions under this Agreement.
- 7.3.4 <u>Third-Party Charges</u>. The City is responsible for any and all charges imposed by any supplier, broker, marketer, or any other third party for any service that is provided to, or on behalf of, the City. These charges include, but are not limited to, cost of gas, reservation charges, administrative fees, billing fees, minimum take charges, and any and all other types of charges from any such entity.
- 7.4 <u>Title to Gas.</u> Gas received by UNG on behalf of the City for delivery to the City shall remain the property of the City. Four the avoidance of doubt, the City shall take title to the gas transported under this Agreement at the Uptake Point. The City's gas may be commingled with other gas supplies in the UNG Pipeline Facilities.
- 7.5 <u>Insurance</u>. Except as otherwise provided in this Agreement, the City shall be responsible for maintaining sufficient insurance as necessary to protect its property and other interests in the gas prior to, during, and after its receipt from UNG. Except as otherwise provided in this Agreement, UNG shall be responsible for maintaining sufficient insurance as necessary to protect their property and other interests in providing transportation service under this Agreement to the City.

7.6 <u>Curtailment and Interruption</u>.

- 7.6.1 Permitted Curtailments and Interruptions. UNG shall be permitted to curtail or interrupt service to the City as necessary for inspection, maintenance, repair, Force Majeure events, and safety reasons concerning the UNG Pipeline Facilities and/or the Interconnect Station. Except for curtailments or service interruptions in response to emergencies, each Party shall provide the other Parties and Hutchinson reasonable advance notice of any intent or plan to curtail or interrupt service, and the City shall not cause service to UNG to be interrupted during any time that UNG is supplying gas for drying grain.
- 7.6.2 <u>Partial Curtailment; City's Priority.</u> If UNG is required to partially curtail or interrupt service for any reason, any services provided by UNG to third parties shall be curtailed completely before firm services to the City are curtailed, but the City will use its

best efforts to the extent permitted by applicable law to curtail grain drying within the City proportionately to the curtailment that UNG imposes on third parties.

7.6.3 <u>Unauthorized Taking During Curtailment or Interruption</u>. Provided that UNG have complied with the terms of this Agreement with respect to such curtailment or interruption, if the City fails to curtail or interrupt its use of gas when directed to do so by UNG, UNG shall have the right to disconnect the City's supply of gas. UNG must restore such service as soon as practicable following any such disconnection.

ARTICLE VIII REPRESENTATIONS AND WARRANTIES

- 8.1 <u>City's Representations and Warranties.</u> The City hereby represents and warrants as follows:
 - 8.1.1 <u>Authorization</u>. The City is a municipal corporation duly existing under the laws of the State of Minnesota. The City has full power and authority to enter into and perform its obligations under this Agreement. The Agreement constitutes a valid and legally binding obligation of the City, enforceable in accordance with its terms and conditions.
 - 8.1.2 <u>Gopher State One Call</u>. The City shall register any underground portions of the City Interconnect Facility no later than upon completion of construction on the Interconnect Station.
 - 8.1.3 Third-Party Taps. The City shall have the right to authorize any third party to tap or otherwise access its natural gas pipe downstream of the City's Interconnect Station; provided, however, that neither the City nor any of its subsidiaries or affiliates shall authorize any grain drying facility located outside the April 1, 2013 city limits of the City of Brownton to tap or otherwise access its natural gas pipe without the prior written consent of UGS and UNG. The City warrants that any such third-party taps shall be the City's sole responsibility.
- 8.2 <u>UNG's Representations and Warranties.</u> UNG hereby jointly represent and warrant as follows:
 - 8.2.1 <u>Third-Party Taps.</u> UNG warrants that third-party taps, if any, whether now in existence or added hereafter, shall be UNG's sole responsibility, and that under no circumstances shall the City or Hutchinson have any liability related to such third-party taps or any third party's right to install or access such a tap, nor shall the existence or use of any such third party taps be an excuse to full performance by UNG of the terms and conditions of this Agreement.

- 8.2.2 <u>Firm Capacity Requirement</u>. UNG has and shall continue to have sufficient firm transportation capacity to provide the amount of firm transportation service to the City pursuant to the terms of this Agreement.
- 8.2.3 Right and Title to Related Real Property. UNG represents that said companies have all right, title, and interest in the real property in which any part of the UNG Pipeline Facilities is located and in which any part of the UNG Interconnect Facility shall be located. There are no matters affecting the right, title, and interest of UNG which would materially and adversely affect the City's rights or UNG's ability to perform its obligations under this Agreement.
- 8.2.4 <u>National Pipeline Mapping System.</u> UNG is currently in compliance with the National Pipeline Mapping System requirements of Section 15 of the Pipeline Safety Improvement Act of 2002 ("NPMS"). United Natural Gas warrant that the UNG Interconnect Facility and the UNG Pipeline Facilities shall remain in compliance with NPMS during the term of this Agreement. Copies of all of NPMS submissions made by UNG is attached hereto as <u>Schedule 8.2.4.</u> UNG warrants that they shall provide the City with any additional reports, modifications, or updates to said documentation during the term of this Agreement.
- 8.2.5 <u>Specifications</u>: Upon request, UNG will provide the City with a list of the make, model, size, and specifications of all equipment and materials used or to be used as part of the UNG Interconnect Facility, and, to the extent that any of the following exist, will provide upon request copies of operations and maintenance manuals related to such equipment and materials.
- 8.2.6 <u>Pipeline Installation Records</u>. To the extent that any of the following exist, true and correct copies of all pipeline inspection records (including, but not limited to, pressure test records; welder and welding procedure qualifications; anode locations; pipe mill test reports; coating, type and thickness of pipes; maximum allowable operating pressure establishment records; and pipeline class location studies) of the UNG Pipeline Facilities made in the past ten months are attached hereto as <u>Schedule 8.2.6</u>.
- 8.2.7 Gopher State One Call. UNG has registered all underground natural gas facilities it operates with the Gopher State One Call System and shall register any underground portions of the UNG Interconnect Facility no later than upon completion of construction on the Interconnect Station.
- 8.2.8 <u>Integrity Management.</u> UNG is currently in compliance with the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration Gas Transmission Integrity Management Program, including, but not limited to, the following: (1) UNG has developed an integrity management program or, if there are no high consequence areas ("HCAs") on pipeline or systems operated by UNG, UNG has a process in place to periodically evaluate its pipeline to determine if an HCA has been created; (2) UNG has submitted all performance measure reports in accordance with 49 C.F.R. § 192.945; and (3) UNG has implemented third-party damage enhanced protection

- if required under 49 C.F.R. § 192.935 (collectively, "Integrity Management Regulations"). UNG warrants that the UNG Interconnect Facility and the UNG Pipeline Facilities shall remain in compliance with all Integrity Management Regulations during the term of this Agreement. Copies of all of the plans, policies, reports, and other documents related to UNG's compliance with Integrity Management Regulations are attached hereto as Schedule 8.2.8. UNG warrants that it shall provide the City with any additional reports, modifications, or updates to said documentation during the term of this Agreement.
- 8.2.9 <u>Audits and Inspections.</u> To the extent that any of the following documents exist, true and correct copies of all Minnesota Office of Pipeline Safety audits of UNG and all United States Department of Transportation Pipeline and Hazardous Materials Safety Administration inspections (including, but not limited to, valve maintenance, test station readings, atmospheric corrosion, odorization records, regulator inspections, patrolling, leak surveys, external coating and pipe inspections, annual reports, public awareness records, damage prevention records, and contractor crossings) of the UNG Pipeline Facilities made in the past ten months are attached hereto as <u>Schedule 8.2.9.</u>
- 8.2.10 No Litigation. Except as disclosed in Schedule 8.2.10, (a) there is no claim, demand, suit, action, cause of action, dispute, bankruptcy, insolvency or other proceeding, litigation, investigation, grievance, arbitration, governmental proceeding or other proceeding including appeals and applications for review, in progress against, by or relating to UNG or affecting any part of the UNG Pipeline Facilities or UNG Interconnect Facility which would individually or in the aggregate prohibit or materially impair UNG's ability to perform its obligations under this Agreement; (b) there is not outstanding against UNG any order, judgment or decree of any court, tribunal or governmental authority that materially and adversely affects any portion of the UNG Pipeline Facilities or the UNG Interconnect Facility; (c) no facts exist which could reasonably provide a basis for any such claim, action, or proceeding; (d) no assignment has been made or taken for the benefit of creditors of UNG; and (e) no action has been taken with a view, or which would constitute the basis for, the restitution of any insolvency proceedings.
- 8.2.11 Environmental Matters. To UNG's knowledge, the use, maintenance, and operation of the UNG Pipeline Facilities have been and are in compliance in all material respects with all environmental, health, and safety requirements. UNG has complied with all reporting and monitoring requirements under all environmental, health, and safety requirements in respect of the UNG Pipeline Facilities. All permits, certificates, approvals, registrations and licenses necessary to own and operate the UNG Pipeline Facilities and the UNG Interconnect Facility in compliance with all environmental, health, and safety requirements have been obtained and are described in Schedule 8.2.11. To UNG's knowledge, the transactions and obligations contemplated herein will not result in the revocation, suspension, modification or amendment of any such permits, approvals, registrations or licenses.

- 8.2.12 <u>Legal and Regulatory Compliance</u>. Except for those matters set forth on <u>Schedule 8.2.12</u>, no action, suit, proceeding, hearing, investigation, charge, complaint, claim, demand or notice has been filed or commenced against UNG alleging any failure to comply, UNG and its affiliates have complied and are in compliance with all applicable laws and regulations.
- 8. 2.13 <u>Authorization</u>. UNG is a limited liability company duly organized, validly existing, and in good standing under the laws of the state of Minnesota. UNG has full power and authority to enter into and perform its obligations under this Agreement. The Agreement constitutes a valid and legally binding obligation of UNG, enforceable in accordance with its terms and conditions.

ARTICLE IX INDEMNITY AND INSURANCE

- 9.1 <u>Indemnification by UNG.</u> Except as provided in Section 5.3, UNG shall, defend, protect, indemnify and hold harmless the City, its members, directors, officers, employees and agents from and against all liability, claims, liens, costs, expenses, demands, suits and causes of action of every kind and character arising in favor of any person or party, including the Parties hereto, and their employees and representatives, on account of personal injuries or death, or damages to property (including without limitation claims for pollution and environmental damage) in any way directly resulting from the negligent acts or omissions of UNG, or its agents, employees, representatives or contractors. This indemnity includes UNG's agreement to pay all costs of defense, including without limitation attorneys' fees, incurred by any person or party indemnified herein. UNG agrees that the obligations of indemnification herein include, but are not limited to, liens by third parties against the City and its property because of labor, services, materials, or any other subject of lien, furnished to UNG, or its assignees or subcontractors, in connection with any work performed by UNG hereunder.
- 9.2 <u>Indemnification by the City</u>. Except as provided in Section 5.3, the City shall defend, protect, indemnify and hold harmless UNG, and its members, directors, officers, employees and agents from and against all liability, claims, liens, costs, expenses, demands, suits and causes of action of every kind and character arising in favor of any person or party, including the Parties hereto, and their employees and representatives, on account of personal injuries or death, or damages to property (including without limitation claims for pollution and environmental damage) in any way directly resulting from the negligent acts or omissions of the City, its agents, employees, representatives or contractors. This indemnity includes the City's agreement to pay all costs of defense, including without limitation attorneys' fees, incurred by any person or party indemnified herein. The City agrees that the obligations of indemnification herein include, but are not limited to, liens by third parties against UNG and its property because of labor, services, materials, or any other subject of lien, furnished to the City, its assignees or subcontractors, in connection with the work performed by the City hereunder.

- 9.3 <u>Limitation on Damages.</u> Notwithstanding anything to the contrary, the Parties acknowledge and agree that:
- 9.3.1 UNG, its successors and assigns, shall be solely responsible and liable for UNG's obligations under the terms of this Agreement, and failure by UNG to meet such obligations shall not create or give rise to any claim, liability or obligation of Hutchinson; and
- 9.3.2 The City, its successors and assigns, shall be solely responsible and liable for the City's obligations under the terms of this Agreement, and failure by the City to meet such obligations shall not create or give rise to any claim, liability or obligation of Hutchinson.
- 9.3.3 Nothing in this Section 9.3 is intended to limit or modify the rights of the City or UNG under any separate agreements either the City or UNG has or may have with Hutchinson.
- 9.4 <u>Prior Construction.</u> Without limiting the foregoing, it is expressly understood and agreed that under no circumstances shall the City be responsible or liable for the failure of any natural gas facility, pipeline, or related equipment constructed by or contracted to be constructed by or for the benefit of UNG prior to the date of this Agreement to comply with any Federal, state, or local law, regulation, inspection, audit, order, or other requirement. The City makes no representation as to the soundness of such prior constructions of UNG or such prior-constructed facility, pipeline, or equipment's compliance with any applicable law or regulation, regardless of whether said facility, pipeline, or equipment is necessary to the transportation of natural gas from the Hutchinson Transmission Pipeline to the Interconnect Station.
- 9.5 Authorized Taps into City Pipeline. Without limiting the foregoing Section 9.2, and notwithstanding any other provision herein, UNG shall defend, protect, indemnify, and hold harmless the City, its citizens, directors, officers, employees, and agents from and against all liability, claims, liens, costs, expenses, demands, suits and causes of action of every kind and character arising in favor of any person or party, on account of any dispute as to the City's legal and contractual authority to authorize any third party to tap or otherwise access its natural gas pipe downstream of the Interconnect Station in compliance with the terms of Section 8.1.3 of this Agreement if such claim or challenge to the City's authority is based upon any agreement (including easements) between such person and UNG or any of its affiliated companies, including UFC. This indemnity includes UNG's agreement to pay all costs of defense including, without limitation, attorneys' fees incurred by any person or party indemnified herein.
- 9.6 <u>Insurance</u>. At all times during this Agreement, each Party, or their agents, shall obtain and maintain the following insurance:
 - 9.6.1 Worker's Compensation insurance in accordance with the State of Minnesota or such other state in which work is performed;
 - 9.6.2 Commercial general liability insurance for claims alleging bodily injury including death, and damage to property of others, with a combined single limit of One

Million Five Hundred Thousand Dollars (\$1,500,000) for bodily injury and property damage per occurrence and in the aggregate;

- 9.6.3 Automobile Liability Insurance covering owned, non-owned, and hired vehicles with minimum combined single limits for bodily injury and property damage for any single loss of One Million Five Hundred Thousand Dollars (\$1,500,000).
- 9.6.4 Excess liability insurance for claims alleging bodily injury including death and damage to property with a combined single limit of One Million Five Hundred Thousand Dollars (\$1,500,000) for bodily injury and property damage per occurrence and in the aggregate.

All insurance coverage described in this Section 9.6 must be endorsed with a Waiver of Subrogation Endorsement effectively waiving a party's right of subrogation with respect to the other Party. The insurance required under Paragraphs 9.6.2, 9.6.3, and 9.6.4 shall reflect that the other Party is an additional insured. Within thirty (30) days of the effective date of this Agreement, each Party shall furnish to the other Party certificates demonstrating that the insurance policies required under this Section 9.6 have been obtained. All insurance policies required under this Section 9.6 shall be endorsed to require the insurer to furnish 30 days written notice prior to the effective date of any modification or cancellation of such insurance to the certificate holder.

9.7 <u>No Consequential Damages.</u> Neither Party shall be liable to the other Party for any indirect, consequential, special, exemplary or punitive damages of any nature whatsoever arising out of or related to actions taken or omissions of such Party in connection with this Agreement.

ARTICLE X FORCE MAJEURE

10.1 <u>Definition</u>. The term "Force Majeure" as employed herein shall mean, but not by way of limitation, acts of God, the elements, strikes, lockouts or other labor or industrial disturbances, acts of the public enemy, arrests, wars, blockades, insurrections, riots, civil disturbances, criminal act, vandalism, terrorism or a terrorist act or acts and epidemics; landslides, lightning, earthquakes, fires, hurricanes, storms, floods and washouts; arrests, orders, directives, restraints and requirements, priority limitation or restraining orders of any government or governmental agencies, whether federal, state, civil or military; accident or obstructions involving a pipeline, machinery or lines of pipe; repairs or outages (shutdowns) of power plant equipment or lines of pipe for inspection, maintenance, change or repair; freezing of lines of pipe; tests, maintenance, or repairs to machinery, equipment, lines of pipe or other facilities; freezing of equipment, lines of pipe or other facilities; inability to obtain, or unavoidable delay in obtaining, material, equipment, rights-of-way or permits; and any other causes, whether of the kind herein enumerated or otherwise, not reasonably within the control of the Party claiming suspension. Failure to prevent or settle any strike or strikes or any dispute

leading to a lockout shall not be considered to be a matter within the control of the Party claiming relief.

- 10.2 Effect. In the event any Party is rendered unable, wholly or in part, by force majeure to carry out its obligations under this Agreement, except payment of money, it is agreed that, on such Party's giving notice concisely describing the cause of such Force Majeure, in writing to the other Party within a reasonable time after the occurrence of the cause relied on, the obligations of the Party giving such notice, to the extent they are affected by such Force Majeure, will be suspended during the continuance of any inability so caused, but for no longer period, and such cause will, so far as possible, be remedied with all reasonable dispatch. The affected Party shall keep the other Party apprised of the time, date, and circumstances upon which the affected Party's obligations under the Agreement shall be suspended.
- 10.3 <u>Limitations on Force Majeure</u>. Neither Party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the Party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (ii) economic hardship of either Party. Notwithstanding any other provision of this Agreement, the Party claiming Force Majeure shall not be excused from its responsibility for any imbalance charges.

ARTICLE XI MISCELLANEOUS

- Assignment. This Agreement shall not be assigned or transferred by any Party in any manner, by operation of law or otherwise, without the prior written consent of the other Parties, which consent shall not be unreasonably withheld; provided, however, any Party may, without the consent of the other Parties, transfer or assign its rights and obligations hereunder to any parent, affiliate, or subsidiary of such Party if such assignee shall agree in writing to be bound by the terms and conditions of this Agreement. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the successors, assigns, and legal representatives of the respective Parties.
- 11.2 <u>Governing Law</u>. This Agreement will be governed by and construed in accordance with the domestic laws of the State of Minnesota without giving effect to any choice or conflict of law provision or rule (whether of the State of Minnesota or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Minnesota.
- 11.3 <u>Notices</u>. All notices, requests, demands, claims and other communications under this Agreement will be in writing. Any notice, request, demand, claim or other communication under this Agreement will be deemed duly given two business days after it is sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the intended recipient as set forth below:

To UNG:

Copy to:

To the City:

City of Brownton Attn: Ella Kruse

335 3rd St. So.

Brownton, MN 55312 Phone: 335-328-5318

Email: ekruse@centurylink.net

Copy to:

Dustan J. Cross

Gislason & Hunter LLP 2700 South Broadway

P. O. Box 458

New Ulm, MN 56073 Phone: 507-354-3111

Email: dcross@gislason.com

Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Party notice in the manner set forth in this Agreement.

- 11.4 <u>Emergency Contacts.</u> The Parties shall supply to one another a 24-hour emergency telephone number.
- 11.5 Right of Inspection. To the extent permitted by law, each Party shall have the right to inspect and audit all books, records, and any other supporting evidence reasonably necessary in order to determine the other Party's compliance with this Agreement and with regulatory authorities, regulations, and laws. This right to audit shall extend through the term of this Agreement and for a period of three years thereafter, or longer if required by law.
- 11.6 <u>Entire Agreement.</u> This Agreement (including the documents referred to in this Agreement) constitutes the entire agreement between the Parties and supersedes any prior understandings, agreements or representations by or between the Parties, written or oral, to the extent they related in any way to the subject matter of this Agreement.
- 11.7 <u>Laws, Regulations, and Orders</u>. Service under this Agreement is subject to all present and future valid laws, orders, rules, and regulations issued by any federal, state, or local authority having jurisdiction over the matters set forth herein.

- 11.8 Amendments and Waivers. No amendment of any provision of this Agreement will be valid unless the same is in writing and signed by the City, UNG, UGS, and UNG. No waiver by any Party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, will be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant under this Agreement or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.
- 11.9 <u>Declaration of Invalidity</u>. If any provision of this Agreement is determined to be invalid, void, or unenforceable by any court or other entity having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Agreement; and the Parties agree to negotiate, in good faith, a replacement to such invalid, void or unenforceable provision and/or any other amendments as may be necessary to ensure that the Agreement, as a whole, reflects the original intentions of the Parties.
- 11.10 No Third-Party Beneficiary. There is no third-party beneficiary to this Agreement.
- 11.11 No Joint Venture. The Parties expressly acknowledge and agree that it is neither the purpose of this Agreement nor their intent to create a partnership, joint venture contract or company, association or trust, fiduciary relationship or partnership between them. Except as expressly provided herein, no Party shall have any authority to act for or assume any obligations, or responsibilities on behalf of, any other Party.
- 11.12 <u>Effective Date.</u> This Agreement shall be effective upon the date stated in the Preamble; provided, however, that notwithstanding any other provision herein, this Agreement shall not become effective until the City, on the one hand, and Hutchinson, on the other, have executed: (1) a Natural Gas Firm Transportation Capacity Agreement, (2) a Distribution Facilities Operating Agreement, and (3) a Natural Gas Commodity Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement in two duplicate originals.

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CITY OF BROWNTON

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Its

UNITED NATURAL GAS LLC

By

Its Goll'E

With Acknowledgment of Hutchinson Utilities Commission

	•	HUTCHINSON UTILITIES COMMISSION
Date _	6-26-13	By_ Jen John
	•	Its Vice President
	Guaranty by Unit	ted Farmers Cooperative
perform	United Farmers Cooperative herel mance of its obligations under the foreg	by guarantees United Natural Gas LLC's full going Agreement.
		UNITED FARMERS COOPERATIVE
Date _	September 10, 2013	By Juffrey Franta Its President

EXHIBIT A DIAGRAM OF CUSTODY TRANSFER POINT, UNG INTERCONNECT FACILITIES, AND CITY INTERCONNECT FACILITIES LOCATIONS

[Attached]

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