



UTILITY RELOCATION AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 2012, by and between the **CITY OF BILLINGS, MONTANA**, a municipal corporation organized and existing under the laws of the State of Montana, P.O. Box 1178, Billings, Montana 59103, hereinafter referred to as “City,” and **Northwestern Energy, Inc.**, hereinafter referred to as “Contractor.”

In consideration of the mutual covenants and agreements herein contained, the receipt and sufficiency whereof being hereby acknowledged, the parties hereto agree as follows:

1. Purpose: City agrees to hire Contractor as an independent contractor to perform the services of underground utility relocation described in the Scope of Work attached hereto as Exhibit “A”, labeled “Customer Agreement” and by this reference made a part hereof.

2. Effective Date: This Agreement is effective upon the date of its execution and will terminate on upon the anticipated completion of the utility relocation by Contractor which is anticipated to be June 1, 2012. The parties may extend the duration of this contract, by written agreement prior to its termination.

3. Scope of Work: The Contractor shall perform the services outlined in Exhibit “A”. In performing these services, the Contractor shall at all times comply with all federal, state and local statutes, rules and ordinances applicable. These services and all duties incidental or necessary therefor, shall be performed diligently and completely and in accordance with professional standards of conduct and performance.

4. Payment: City agrees to pay Contractor \$170,055.69 for the work described in the Scope of Work in Exhibit “A”. Any alteration or deviation from the described work that involves extra costs will be executed only upon written request by the City to Contractor and will become an extra charge over and above the contract amount. The parties must agree upon any extra charges in writing.

If partial payment is requested by Contractor, it shall be made upon invoice and said estimate being proportioned to the work completed by the Contractor. City shall deduct five percent (5%) from each pay estimate to be held until the completion of the final scope of work. The final payment shall be made only after acceptance of final invoice by the City, and determination has been made by the City that the scope of work has been satisfactorily completed.



5. Independent Contractor Status: The parties agree that Contractor is an independent contractor for purposes of this Agreement and is not to be considered an employee of the City for any purpose. Contractor is not subject to the terms and provisions of the City's personnel policies handbook and may not be considered a City employee for workers' compensation or any other purpose. Contractor is not authorized to represent the City or otherwise bind the City in any dealings between Contractor and any third parties.

Contractor shall comply with the applicable requirements of the Workers' Compensation Act, Title 39, Chapter 71, MCA, and the Occupational Disease Act of Montana, Title 39, Chapter 71, MCA. Contractor shall maintain workers' compensation insurance coverage for all members and employees of Contractor's business, except for those members who are exempted as independent contractors under the provisions of §39-71-401, MCA.

Contractor shall furnish City with copies showing one of the following: **(1)** proof of registration as a registered contractor under Title 39, Chapter 9, MCA; **(2)** a binder for workers' compensation coverage by an insurer licensed and authorized to provide workers' compensation insurance in the State of Montana; or **(3)** proof of exemption from workers' compensation granted by law for independent contractors.

6. Indemnity and Insurance: Contractor agrees to indemnify, defend and save City, its officers, agents and employees harmless from any and all losses, damage and liability occasioned by, growing out of, or in any way arising or resulting from any intentional or negligent act on the part of Contractor or its agents or employees. **For this purpose, Contractor shall provide City with proof of Commercial General liability insurance issued by a reliable company or companies for personal injury and property damage, in an amount not less than \$1.5 million per occurrence and naming the City as an additional insured. The insurance must be in a form suitable to City.**

7. Warranty: Contractor warrants that all services and work will be performed in a good workman-like manner. Contractor acknowledges that it will be liable for any breach of this warranty for the lesser for a period of one (1) year from the time services are completed or any warranty described in the Scope of Work in Exhibit "A".

8. Compliance with Laws: Contractor agrees to comply with all federal, state, and local laws, ordinances, rules and regulations. Contractor agrees to purchase a City business license.

9. Contractors' Gross Receipts Tax: Contractor understands that all contractors or subcontractors working on a publicly funded construction project, including any work requiring the installation, addition, placement, replacement, or removal of any equipment, parts, structures, or materials of any kind whatsoever, are required to pay or have withheld from earnings one percent



(1%) of the gross contract price if the gross contract price is Five Thousand Dollars (\$5,000) or more.

10. Nondiscrimination: Contractor agrees that all hiring by Contractor of persons performing this Agreement will be on the basis of merit and qualification and will not discriminate on the basis of race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin.

11. Default and Termination: If either party fails to comply with any condition of this Agreement at the time or in the manner provided for, the other party may, at its option, terminate this Agreement and be released from all obligations if the default is not cured within ten (10) calendar days after written notice is provided to the defaulting party. Said notice shall set forth the items to be cured. Additionally, the non-defaulting party may bring suit for damages, specific performance, and any other remedy provided by law. These remedies are cumulative and not exclusive. Use of one remedy does not preclude use of the others. Notices shall be provided in writing and hand-delivered or mailed to the parties at the addresses set forth in the first paragraph of this Agreement.

12. Liaison: City's designated liaison with Contractor is Chris Hertz and Contractor's designated liaison with City is Walt Backer.

13. Governing Law and Venue: This Agreement shall be construed and enforced in accordance with the laws of the State of Montana. Venue for any suit between the parties arising out of this Agreement shall be the State of Montana Thirteenth Judicial District Court, Yellowstone County.

14. Severability: Any provision or part of the Agreement held to be void or unenforceable under any law or regulation shall be deemed stricken and all remaining provisions shall continue to be valid and binding upon the City and the Contractor, who agree that the Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

15. Successors and Assigns: Neither the City nor the Contractor shall assign, transfer or encumber any rights, duties or interests accruing from this Agreement without the written consent of the other.

16. Ownership of Documents: All documents, data, drawings, specifications, software applications and other products or materials produced by the Contractor in connection with the services rendered under this Agreement shall be the property of the City whether the project for which they are made is executed or not. All such documents, products and materials shall be forwarded to the City at its request and may be used by the City as it sees fit. The City agrees that if



the documents, products and materials prepared by the Contractor are used for purposes other than those intended by the Agreement, the City does so at its sole risk and agrees to hold the Contractor harmless for such use. All or any portions of materials, products and documents produced under this Agreement may be used by the Contractor upon confirmation from the City that they are subject to disclosure under the Public Disclosure Act. All services performed under this Agreement will be conducted solely for the benefit of the City and will not be used for any other purpose without written consent of the City. Any information relating to the services will not be released without the written permission of the City. The Contractor shall preserve the confidentiality of all City documents and data accessed for use in Contractor's work product.

IN WITNESS WHEREOF, the parties hereto have executed this instrument the day and year first above written.

CITY OF BILLINGS, MONTANA

**NORTHWESTERN ENERGY, Inc.
CONTRACTOR**

By _____
Thomas W. Hanel, Mayor

By _____

Print Name _____

Print Title _____

APPROVED AS TO FORM:

By _____
BRENT BROOKS, City Attorney

Is this a Residential Electric Advance?

- N/A - CIAC
 10 YR. Residential Advance
 5 YR. Advance

CUSTOMER AGREEMENT

THIS AGREEMENT is made and entered into on 02/07/2012, by and between NorthWestern Energy "Company" and CITY OF BILLINGS of PO BOX 1178 , BILLINGS, MT 59103, "Customer".

I. THE COMPANY AGREES:

1. To install, operate and maintain utility facilities to provide services to the Customer at 510 N BROADWAY - NEW LIBRARY, BILLINGS, MT 59101 in accordance with the applicable rules and regulations and at rates set by the Montana Public Service Commission (MPSC). The Company shall locate lines and facilities on right of way provided and initially prepared and cleared as necessary by Customer. The lines and facilities shall remain the Company's property.
2. To abide by the general conditions and terms described in sections III and IV.

II. THE CUSTOMER AGREES:

1. To make a Contribution in Aid of Construction in the sum of \$ 5,049.69 , USD for construction of Transformer Removal. Customer shall make payment prior to Company scheduling the project for a construction start date. It is agreed that the Company will not refund any part of this sum.
2. To make a Contribution in Aid of Construction in the sum of \$ 12,422.00 , USD for construction of OH Primary Removal. Customer shall make payment prior to Company scheduling the project for a construction start date. It is agreed that the Company will not refund any part of this sum.
3. To make a Contribution in Aid of Construction in the sum of \$ 103,280.00 , USD for construction of Primary UG 3 Phase. Customer shall make payment prior to Company scheduling the project for a construction start date. It is agreed that the Company will not refund any part of this sum.
4. To make a Contribution in Aid of Construction in the sum of \$ 41,046.00 , USD for construction of Primary OH 3 Phase. Customer shall make payment prior to Company scheduling the project for a construction start date. It is agreed that the Company will not refund any part of this sum.
5. To make a Contribution in Aid of Construction in the sum of \$ 8,258.00 , USD for construction of Transformer Multi Phase OH. Customer shall make payment prior to Company scheduling the project for a construction start date. It is agreed that the Company will not refund any part of this sum.
6. To general conditions and terms as explained in sections III and IV.
7. Total Amount for this agreement \$ 170,055.69

III. GENERAL CONDITIONS:

1. All terms, prices and conditions set forth in this Agreement are subject to changes or additions due to rules, regulations, ordinances, changes in scope of project, and laws that may be amended or enacted.
2. Prices set forth in this agreement are in effect for 4 months from the agreement date entered into between the customer and NorthWestern Energy.
3. The Customer shall pay the costs of moving Company facilities or making other modifications required to meet city, state, or national codes.

4. The Customer shall provide service entrance and termination points as specified by the Company's installation standards in effect at the time construction begins.
5. The Company shall establish service within a reasonable period of time after the Customer's equipment passes inspection by the state and local authorities as required by law.
6. The Company will proceed with the survey, design and construction of its facilities in a normal manner using its existing work force and material supply sources. All work is to be done during normal working hours and the Company may reschedule the work to achieve efficient workload of Company forces. Availability of materials, weather conditions, frozen ground, access, or obtaining permits from governmental agencies or railroads may cause delays beyond the Company's or the Customer's control.
7. The customer requests utilities to be installed with the understanding that ground-level is to final grade. Should changes to grade be made in the future that result in NorthWestern Energy's facilities needing to be either raised or lowered, the customer is responsible for the costs associated with this change.
8. Prior to installation of facilities, the Customer is responsible for physically marking on the property any customer-owned facilities including, but not limited to, underground sprinkling systems, septic tanks, and satellite dish cabling. NorthWestern Energy is not responsible for repairing any unmarked customer-owned facilities. The NorthWestern Energy Construction Department can be contacted with questions on how to appropriately mark customer-owned facilities.
9. If the Customer requests that electric and gas facilities be installed in frozen ground, the Customer may be responsible for additional charges for installation. The Company will notify the Customer of these charges prior to installation.
10. The Customer is responsible for the restoration of private roadway(s) and/or landscaping. The Company will make a reasonable attempt to preserve the private roadway(s) and/or landscaping, but final compaction and restoration is the Customer's responsibility.
11. MPSC rules governing gas and electric line extensions are available upon request.

IV. DEFINITIONS

1. CONTRIBUTION IN AID OF CONSTRUCTION

A non-refundable payment made by a Customer to pay for costs beyond the free allowance when there are no more customers expected to connect to facilities installed by this Agreement.

2. CUSTOMER ADVANCE

A refundable payment made by a customer to pay for costs beyond the free allowance when more Customers are expected to connect to facilities installed under this Agreement.

New customers that attach to existing lines with a current Advance line protection may be required to share equitably in the outstanding payment amount if connecting within 5 years (10 years for Single Family Residential Electric Service - excluding new residential subdivision and townhouse connects) from the construction date of the original line.

Or

A refundable payment made by a Customer to pay for a line extension to a new load of uncertain duration

V. ADDITIONAL CONDITIONS:

Customer requested relocation of existing overhead primary distribution to make way for new library.

The cost of this project is based on the following conditions and may be adjusted at any time:

1. This estimate is valid for 4 months. After that point, the project will be reviewed for any changes in costs.
2. NWE will perform one line extension engineering cost estimate per year at this location free of charge. If subsequent estimates are requested, a charge of \$61.00/hour (minimum charge = \$61.00) will be assessed and is payable prior to the subsequent estimate being calculated. If the customer decides to proceed, fees paid would be credited toward the construction costs.
3. The electric meter base will be placed in a location approved by NWE prior to the installation of the customer's or NWE's facilities.
4. The customer is to install their facilities as specified in NWE's "New Service Guide" and "Electric Service Requirements & Guidelines" book.
5. The customer is to obtain an electrical permit for the above installation from the appropriate governmental agency, and will provide either a copy of the permit or the permit number to NWE.
6. Normal digging conditions (i.e. no frost or large rock). An additional fee will be assessed and collected prior to construction if either condition is anticipated at the time of construction.
7. Any required easements and/or permits can be obtained at no cost to Northwestern Energy. The customer agrees to grant NWE an easement along the route of the power line on his property, and must obtain easements/permission from any other landowners whose property the line will cross.
8. Restoration of asphalt, gravel, concrete and vegetation is the responsibility of the customer. NWE will not be responsible for any restoration.
9. All underground facilities belonging to the customer must be marked (i.e. septic lines, electric or phone lines to out buildings). NorthWestern Energy will not be responsible for repair if these lines are not accurately marked.

NorthWestern Energy must receive all fees, contracts, permits easements etc. prior to the ordering of materials, scheduling of crews or the start of construction by NorthWestern Energy crews.