

# Quotation

| Customer   |         |
|--|---------|
| CITY OF BILLINGS<br>PO BOX 1178<br>BILLINGS MT 59103 |         |
| <b>Customer Contact:</b>                             |         |
| <b>Customer Number:</b>                              | 1002420 |

| Service Address                                     |
|---|
| CITY OF BILLINGS<br>911 CENTER<br>BILLINGS MT 59101 |

Quotation No. 25060558  
Notification No. 340083183

Document Date 05/08/2017  
Quotation Valid To: 09/05/2017

## Quotation Details

| Item | Material Description   | Quantity | Unit Price | Amount |
|------|--|----------|------------|--------|
|      | <p><i>THIS ORDER IS FOR THE COST OF BRINGING 2 PRIMARY FEEDS TO THE NEW 911 CALL CENTER ON THE CORNER OF 9TH AND N 24TH. THIS INCLUDES THE SWITCHING AND PRIMARY EXTENSTION TO FEED THE BUILDING FROM EASTSIDE 56 AS THE PRIMARY FEED WITH CITY 102 AS THE SECONDARY REDUNDANT FEED. A 200 AMP 3 PHASE SECTIONALIZING ENCLOSURE WILL BE INSTALLED AND NORTHWESTERN ENERGY WILL NEED TO BE NOTIFIED BY THE CUSTOMER TO SWITCH TO THE REDUNDANT FEED.</i></p> <p><i>The cost of this project is based on the following conditions and may be adjusted at any time:</i></p> <ol style="list-style-type: none"> <li><i>1. This estimate is valid for 4 months. After that point, the project will be reviewed for any changes in costs.</i></li> <li><i>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.</i></li> <li><i>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.</i></li> <li><i>4. The customer is to install their facilities as specified in NWE's "New Service Guide" and "Electric Service Requirements &amp; Guidelines" book.</i></li> <li><i>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.</i></li> <li><i>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.</i></li> <li><i>7. Any required easements and/or permits can be obtained at no</i></li> </ol> |          |            |        |

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|      | <p><i>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.</i></p> <p><i>8. Restoration of asphalt, gravel, concrete and vegetation is the responsibility of the customer. NWE will not be responsible for any restoration.</i></p> <p><i>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.</i></p> <p><i>10. Variable frequency drives or soft starts are required on motors over 30 hp.</i></p> <p><i>11. All new motors being served by Northwestern Energy's system will be required to meet IEEE 519 standards for harmonics distortion. If these requirements are not met Northwestern Energy reserves the right to disconnect the service until violations are resolved.</i></p> <p><i>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.</i></p> |          |            |  |
| 0010 | QT1140 Transformer SinglePhase OH<br>Transformer Allowance  | 1 EA     |            | 1,362.31<br>1,362.31-  |
| 0020 | QT1970 Transformer Removal  | 1 EA     |            | 340.58   |
| 0030 | QT1020 Primary UG 3 Phase<br>Bore<br>Admin/Engineering/Other<br>Revenue Allowance<br>Income Tax Surcharge   | 1 EA     |            | 28,061.82<br>25,100.00<br>9,569.13<br>8,500.00-<br>8,134.64<br>----- |

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|--|--|----------|------------|-----------------------------------|
| Item   | Material Description   | Quantity | Unit Price | Amount                            |
|  | Total Item Price   |          |            | 62,365.59                         |
| 0040   | QT1120 Primary OH 3 Phase<br>Admin/Engineering/Other<br>Income Tax Surcharge | 1 EA     |            | 14,473.64<br>2,605.26<br>2,561.84 |
|  | Total Item Price   |          |            | 19,640.74                         |
| 0050   | QT1170 Transformer Multi Phase UG<br>Transformer Allowance                   | 1 EA     |            | 1,388.86<br>1,388.86-             |
| 0060   | QT1910 OH Primary Removal<br>Admin/Engineering/Other                         | 1 EA     |            | 340.58<br>61.30                   |
|  | Total Item Price   |          |            | 401.88                            |
| 0070   | QT1200 Secondary<br>Admin/Engineering/Other<br>Income Tax Surcharge          | 1 EA     |            | 418.35<br>75.30<br>74.05          |
|  | Total Item Price   |          |            | 567.70                            |
|  | Items Total.....   |          |            | 83,316.49                         |
|  | Total before Taxes<br>Rounding   |          |            | 83,316.49<br>2.91-                |
|  | <b>Total Amount...</b>   |          |            | 83,313.58                         |
| Please contact JORDAN MCNAUGHT at 406-655-6432 if you have questions regarding this quote. |  |          |            |                                   |

**CUSTOMER AGREEMENT**

This Customer Agreement (the "Agreement") is made and entered into effective as of 05/08/2017 by and between NorthWestern Energy (the "Company") and CITY OF BILLINGS (the "Customer"). Sometimes in this Agreement, Company and Customer are collectively referred to as "Parties" or individually as a "Party." Capitalized terms have the meaning set forth in NorthWestern Energy's Electric Tariff and the NorthWestern Energy Natural Gas Tariff (collectively the "Tariffs" and individually the "Gas Tariff" or "Electric Tariff"), which sets forth service, installation and contribution rules and regulations established by the Montana Public Service Commission (the "MPSC"). The Tariffs are available for review at <http://www.northwesternenergy.com/residential-services/how-to-read-your-bill/tariffs-and-rates/montana-tariffs-and-rates>.

**RECITALS**

WHEREAS, Customer applied for natural gas or electrical service from the Company; and  
 WHEREAS, in accordance with the Tariffs, Customer must execute this Agreement and contribute to the cost of installing the facilities required to provide service to Customer's premises because the distance of the new service line is greater than the permitted free extension allowance;  
 NOW, THEREFORE, in consideration of the covenants and conditions contained in this Agreement, the Parties agree as follows:

**AGREEMENT**

1. **SERVICE AND CONTRIBUTION REQUIREMENTS.**

The Company agrees to install, operate and maintain facilities generally described as Transformer SinglePhase OH, Transformer Removal, Primary UG 3 Phase, Primary OH 3 Phase, Transformer Multi Phase UG, OH Primary Removal, Secondary and is specifically described in Quote 25060558, which is incorporated herein by this reference (the "Quote"), to serve Customer at 911 CENTER, BILLINGS, MT 59101 in accordance with the requirements of the Tariffs. Customer agrees to comply with the terms and conditions of this Agreement and remit to Company the total contribution of \$ 83,313.58 , which may include a federal tax surcharge and administrative/engineering fees and is more fully described as follows:

1.1 Advance. In consideration of the Company's agreement to install facilities, Customer agrees to pay an Advance in the sum of \$ 0.00 for construction of the facilities identified in the Quote.

**ELECTRICAL**

- Single Family Residential  
(Electrical Tariff 6-2)
- General Service or Non-Single Residential  
(Electrical Tariff Rule 6-2)
- Loads of Uncertain Duration  
(Electrical Tariff Rule 5-7)
- New Subdivision or Housing Project  
(Electrical Tariff Rule 6-7)

**NATURAL GAS**

- Residential/Other Core Customers  
(Gas Tariff Rule 6-2)
- New Subdivision or Housing Project  
(Gas Tariff Rule 6-6)
- Loads of Uncertain Duration  
(Gas Tariff Rule 5-7)

For clarification, an "Advance" is a refundable contribution to the installation costs of the Company's facilities, and is made by the applicant prior to the initial installation. A portion of that advance, up to but not exceeding the full amount, may be refunded when additional residences or properties requiring service may connect to the facilities installed under this Agreement within the applicable 5 year (all natural gas customers, General Service electric, non-Single Family Residential electric, all new residential subdivision and townhouse connects) or 10 year (for Single Family Residential electric) periods after Company's completion of the line extension for the Customer. Future applicants attaching to existing facilities that carry Advance line extension designation within the time periods referenced above share in cost of the installation of the original line extension. Any future attachments will result in a refund to Customer in an amount determined by the Company in accordance with the Tariff. No refund will be made after the applicable 5 or 10 year period.

**AND/OR**

1.2 Contribution in Aid of Construction. In consideration of the Company's agreement to install service facilities, Customer agrees to pay a CIAC in the sum of \$ 83,313.58 for construction of the facilities identified in the Quote.

For clarification, a "CIAC" is a non-refundable payment made by a customer to pay for costs in excess of the free allowance set forth in the Tariffs.

2. **CONDITIONS TO INSTALLATION.**

2.1 Payment. Customer shall make payment of the Advance or the CIAC prior to Company scheduling a construction start date. Company must receive payment and satisfactory evidence of required permits and right-of-way authority prior to ordering materials, scheduling crews or starting construction.

2.2 Right-of-Way. Customer shall provide the right-of-way required for the installation of the Company's service facilities. Customer shall grant or obtain for the Company an easement along the route of the line extension in a form satisfactory to the Company.

2.3 Permits. Customer shall provide all required permits from appropriate governmental agencies for the construction work and installation of the Company's facilities and Customer's equipment. Copies of all permits must be provided to the Company.

2.4 Additional Costs. If the Customer requests facilities be installed in frozen, rocky or hard ground, the Customer may be responsible for additional charges for installation. The Company will notify the Customer of these charges prior to installation when feasible, and otherwise when encountered during the installation work. If the Company requires additional charges prior to installation, and the basis for such extra cost is not encountered during the performance of the work, Company shall refund such charges to Customer.

2.5 Storm Water. Customer is solely responsible for compliance with all Montana Department of Environmental Quality storm water regulations. All soil disturbing activities deemed necessary by the Company for the installation, operation and maintenance of the facilities must be incorporated by Customer in the Storm Water Pollution Prevention Plan. Customer shall operate and maintain all storm water best management practices at all times.

2.6 Underground Facilities. Prior to construction, all customer-owned, rented or leased underground facilities (including but not limited to sprinkler systems, septic systems propane tanks and associated lines, and communication and electric lines) must be properly identified and physically marked by Customer. The Company is not responsible for damages resulting from mismarked or unidentified customer facilities. Contact the Company's Construction Department with questions related to appropriately marking Customer-owned facilities.

2.7 Customer's Equipment. Customer shall install Customer's facilities in accordance with the Company's "New Service Guide" and "Electric Service Requirements & Guidelines." The location of Customer's meter must be approved by the Company prior to the installation of equipment owned by the Customer. Customer shall provide service entrance and termination points as specified by the Company's installation standards in effect at the time construction begins.

2.8 Restoration and Grading. The Company will make a reasonable attempt to preserve private roadways and landscaping, but Customer is responsible for final compaction and restoration of private roadways and landscaping, including the removal of excess spoil piles. The Company will install facilities with the understanding that ground-level is the final grade, unless otherwise directed in writing by Customer. Should changes to grade be made in the future that result in Company's facilities being raised or lowered, the Customer is responsible for the costs associated with this change.

3. **GENERAL CONDITIONS.**

3.1 All terms, prices and conditions set forth herein are subject to modification resulting from changes in applicable rules, Tariffs, regulations, ordinances, the scope of project, and laws that may be amended or enacted after the date of this Agreement.

3.2 The payment amounts set forth in this Agreement are effective for 4 months from the date of this Agreement. If construction has not commenced within such period due to any action, omission or failure to act by Customer, the project will be reviewed for any changes in the cost. The Company will perform one line extension engineering cost estimate per year at Customer's location free of charge. If subsequent redesign estimates are requested within the one year period from the original quote, a

charge of \$61.00/hour (minimum charge = \$61.00) will be assessed and is payable prior to delivery of the estimate to Customer. If Customer proceeds with installation, fees paid for estimates will be credited toward the contribution payment.

3.3 If the facilities required to serve Customer must be relocated or modified at the request of Customer after installation, the Customer shall pay the costs of moving Company facilities.

3.4 The Company agrees to 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. The Company will proceed with the survey, design and construction of its facilities in a normal manner using its existing work force (Company employees or contractors) and material supply sources. Installation will be performed 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 control of the Company or the Customer.

3.5 In the event of a conflict between the terms of this Agreement and the Tariffs, the terms of the Tariffs prevail.

#### 4. ADDITIONAL CONDITIONS.

THIS ORDER IS FOR THE COST OF BRINGING 2 PRIMARY FEEDS TO THE NEW 911 CALL CENTER ON THE CORNER OF 9TH AND N 24TH. THIS INCLUDES THE SWITCHING AND PRIMARY EXTENSION TO FEED THE BUILDING FROM EASTSIDE 56 AS THE PRIMARY FEED WITH CITY 102 AS THE SECONDARY REDUNDANT FEED. A 200 AMP 3 PHASE SECTIONALIZING ENCLOSURE WILL BE INSTALLED AND NORTHWESTERN ENERGY WILL NEED TO BE NOTIFIED BY THE CUSTOMER TO SWITCH TO THE REDUNDANT FEED.

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.
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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.
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11. All new motors being served by Northwestern Energy's system will be required to meet IEEE 519 standards for harmonics distortion. If these requirements are not met Northwestern Energy reserves the right to disconnect the service until violations are resolved.

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.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed in duplicate as of the day and year first above written.

NORTHWESTERN ENERGY

CUSTOMER

By: Jordan McVanyik

By: \_\_\_\_\_

Printed Name: Jordan McVanyik

Printed Name: \_\_\_\_\_

Title: Engineer

Title: \_\_\_\_\_

Date: 5/15/17

Date: \_\_\_\_\_

Phone: 406-692-7753

Phone: \_\_\_\_\_