

CONSUMERS ENERGY COMPANY ELECTRIC FRANCHISE ORDINANCE

AN ORDINANCE, granting to CONSUMERS ENERGY COMPANY, its successors and assigns, the right, power and authority to construct, maintain and commercially use electric lines consisting of towers, masts, poles, crossarms, guys, braces, feeders, transmission and distribution wires, transformers and other electrical appliances on, under, along and across the highways, streets, alleys, bridges, waterways, and other public places, and to do a local electric business in the TOWNSHIP OF ERIE, MONROE COUNTY, MICHIGAN, for a period of thirty years.

THE TOWNSHIP OF ERIE ORDAINS:

SECTION 1. GRANT, TERM. The TOWNSHIP OF ERIE, MONROE COUNTY, MICHIGAN, hereby grants the right, power and authority to the Consumers Energy Company, a Michigan corporation, its successors and assigns, hereinafter called the "Grantee," to construct, maintain and commercially use electric lines consisting of towers, masts, poles, crossarms, guys, braces, feeders, transmission and distribution wires, transformers and other electrical appliances for the purpose of transmitting, transforming and distributing electricity on, under, along and across the highways, streets, alleys, bridges, waterways, and other public places, and to do a local electric business in the TOWNSHIP OF ERIE, MONROE COUNTY, MICHIGAN, for a period of thirty years.

SECTION 2. CONSIDERATION. In consideration of the rights, power and authority hereby granted, said Grantee shall faithfully perform all things required by the terms hereof.

SECTION 3. CONDITIONS. No highway, street, alley, bridge, waterway or other public place used by said Grantee shall be obstructed longer than necessary during the work of construction or repair, and shall be restored to the same order and condition as when said work was commenced. All of Grantee's structures and equipment shall be so placed on either side of the highways as not to unnecessarily interfere with the use thereof for highway purposes. All of Grantee's wires carrying electricity shall be securely fastened so as not to endanger or injure persons or property in said highways. The Grantee shall have the right to trim trees if necessary in the conducting of such business, subject, however, to the supervision of the highway authorities.

SECTION 4. HOLD HARMLESS. Said Grantee shall at all times keep and save the Township free and harmless from all loss, costs and expense to which it may be subject by reason of the negligent construction and maintenance of the structures and equipment hereby authorized. In case any action is commenced against the Township on account of the permission herein given, said Grantee shall, upon notice, defend the Township and save it free and harmless from all loss, cost and damage arising out of such negligent construction and maintenance.

SECTION 5. EXTENSIONS. Said Grantee shall construct and extend its electric distribution system within said Township, and shall furnish electric service to applicants residing therein in accordance with applicable laws, rules and regulations.

SECTION 6. FRANCHISE NOT EXCLUSIVE. The rights, power and authority herein granted, are not exclusive.

SECTION 7. INTERPRETATION. Nothing in this Franchise shall be construed to alienate the title of the public in and to any highway, street, alley, or public place. Nothing in this Franchise shall be construed in any manner as a surrender of the Township or its Legislative power with respect to the subject matter of the Agreement or with respect to any other matter or in any manner limiting the right of the Township to lawfully regulate the use of any highway, street, alley or public place in the Township.

SECTION 8. RATES. Said Grantee shall be entitled to charge the inhabitants of said Township for electric furnished therein, the rates as approved by the Michigan Public Service Commission, to which Commission or its successors authority and jurisdiction to fix and regulate electric rates and rules regulating such service in said Township, are hereby granted for the term of this franchise. Such rates and rules shall be subject to review and change at any time upon petition therefor being made by either said Township, acting by its Township Board, or by said Grantee.

SECTION 9. REVOCATION. The franchise granted by this ordinance is subject to revocation upon sixty (60) days written notice by the party desiring such revocation.

SECTION 10. MICHIGAN PUBLIC SERVICE COMMISSION, JURISDICTION. Said Grantee shall, as to all other conditions and elements of service not herein fixed, be and remain subject to the reasonable rules and regulations of the Michigan Public Service Commission or its successors, applicable to electric service in said Township.

SECTION 11. REPEALER. This ordinance, when accepted and published as herein provided, shall repeal and supersede the provisions of an electric ordinance adopted by the Township on April 11, 2000 entitled:

AN ORDINANCE, granting to CONSUMERS ENERGY COMPANY, its successors and assigns, the right, power and authority to construct, maintain and commercially use electric lines consisting of towers, masts, poles, crossarms, guys, braces, feeders, transmission and distribution wires, transformers and other electrical appliances on, under, along and across the highways, streets, alleys, bridges, waterways, and other public places, and to conduct a local electric business in the TOWNSHIP OF ERIE, MONROE COUNTY, MICHIGAN, for a period of five years.

and amendments, if any, to such ordinance whereby an electric franchise was granted to Consumers Energy Company.

SECTION 12. ASSIGNMENT. Grantee shall not assign this Franchise to any other person, firm or corporation without the prior written approval of the Township Board. The Township shall not unreasonably withhold its consent to an assignment if the Assignee is financially able to carry out the Grantee's obligations under this Franchise. The assignment of this Franchise to a subsidiary, division, or affiliated corporation of Grantee or its parent corporation shall not be considered an assignment requiring the consent of the Township Board.

SECTION 13. VACATION OF RIGHTS OF WAY AND RELOCATION OF FACILITIES. The Township has the right to vacate any public right of way as well as any right to use same possessed by the Grantee.

SECTION 14. SEVERABILITY. Any and all sections, terms, provisions, or clauses of this Franchise shall be deemed independent and severable. If any court of competent jurisdiction holds any section, term, provision or clause void or invalid, all remaining sections, terms, provisions, or clauses not held void or invalid shall continue in full force and effect.

15. EFFECTIVE DATE. This ordinance shall take effect upon the day after the date of publication thereof; provided, however, it shall cease and be of no effect after thirty days from its adoption unless within said period the Grantee shall accept the same in writing filed with the Township Clerk. Upon acceptance and publication hereof, this ordinance shall constitute a contract between said Township and said Grantee.

We certify that the foregoing Franchise Ordinance was duly enacted by the Township Board of the TOWNSHIP OF ERIE, MONROE COUNTY, MICHIGAN, on the 8th day of March, 2005.

Paul W. Mikels
Paul Mikels, Township Supervisor

Attest:

Amy Whipple
Amy Whipple, Township Clerk

Date Adopted: March 8, 2005

Date Published: March 18, 2005

Date Effective: April 17, 2005

ACCEPTANCE

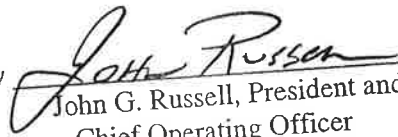
TO THE TOWNSHIP BOARD OF THE TOWNSHIP OF ERIE, MONROE COUNTY,
MICHIGAN:

The CONSUMERS ENERGY COMPANY, hereby accepts the franchise granted to it by
your Township Board on the 8th day of March, 2005, which said franchise is
entitled as follows:

AN ORDINANCE, granting to CONSUMERS ENERGY COMPANY, its
successors and assigns, the right, power and authority to construct, maintain and
commercially use electric lines consisting of towers, masts, poles, crossarms, guys,
braces, feeders, transmission and distribution wires, transformers and other
electrical appliances on, under, along and across the highways, streets, alleys,
bridges, waterways, and other public places, and to do a local electric business in
the TOWNSHIP OF ERIE, MONROE COUNTY, MICHIGAN, for a period of
thirty years.

CONSUMERS ENERGY COMPANY

By



John G. Russell, President and
Chief Operating Officer

Dated: March 8, 2005.

CLERK CERTIFICATION

STATE OF MICHIGAN)
) ss.
COUNTY OF MONROE)

I, Amy Whipple, Clerk of the TOWNSHIP OF ERIE, MONROE COUNTY, MICHIGAN, DO HEREBY CERTIFY that the annexed is a true and correct copy of the ordinance granting Consumers Energy Company, an electric franchise, as adopted by the Township Board at a regular meeting on the 8th day of March, 2005.

I FURTHER CERTIFY that the acceptance, a copy of which is attached hereto, was filed with me as Township Clerk, on the 8th day of March, 2005; that I have compared the attached copies with the original records in my office, and that the same are true and correct transcripts therefrom.

I FURTHER CERTIFY that a copy of the foregoing ordinance was published, as appears by proof thereof on file in my office, in the Monroe Evening News, a newspaper circulated in the TOWNSHIP OF ERIE, MONROE COUNTY, MICHIGAN, on the 18th day of March, 2005; and that all of said proceedings were regular and in accordance with all legal requirements.

Amy Whipple
Amy Whipple, Township Clerk

Dated: March 29, 2005