HUNTINGTON CITY
ORDINANCE 7-2020

AN ORDINANCE GRANTING TO QUESTAR GAS COMPANY dba DOMINION ENERGY UTAH A FRANCHISE FOR THE CONSTRUCTION, OPERATION AND MAINTENANCE OF A GAS DISTRIBUTION SYSTEM IN HUNTINGTON CITY, EMERY COUNTY, STATE OF UTAH.

Questar Gas Company dba Dominion Energy Utah, a Utah corporation, (Dominion Energy) desires to construct, maintain, and operate a gas distribution system within the City of Huntington (City); and

The City Council has determined that it is in the best interest of the citizens of the City to grant a franchise to Dominion Energy to use the roads and streets within the City for such purpose;

NOW, THEREFORE, the City Council ordains as follows:

1. **Grant of Franchise**. The City grants to Dominion Energy a nonexclusive franchise (Franchise) to construct, maintain, and operate in the present and future roads, streets, alleys, highways, and other public rights-of-way within City limits, including any property annexed or otherwise acquired by the City after the effective date of this Franchise, (collectively, Streets) a distribution system for furnishing natural gas to the City and its inhabitants for heating and other purposes. Dominion Energy shall have the right to erect, construct, equip, and maintain along, over, and under the Streets a system of mains, pipes, laterals, and related equipment (Facilities) as are reasonably necessary for supplying natural gas service in accordance with this Franchise.

2. **Consideration**. In consideration of this Franchise, Dominion Energy shall pay to City the sum of $50.00 upon acceptance of this Franchise and shall provide gas service in accordance with the terms of this Franchise.

3. **Term**. This Franchise is granted for an initial term of thirty (30) years. At the expiration of the initial term, the Franchise shall continue in effect upon the same terms and conditions for up to two additional terms (each of which is a renewal period) of fifteen (15) years each. The City may terminate the Franchise at the end of the initial term, or at the end of any renewal period, by giving Dominion Energy written notice of the City's intent to so terminate not less than ninety (90) calendar days before the expiration of the initial term or any renewal period.

4. **Acceptance**. Within sixty (60) days after the passage of this ordinance, Dominion Energy shall file with the City an unconditional written acceptance of the Franchise declaring its acceptance of the Franchise and its intention to be bound by the terms and conditions of the Franchise.

5. **Construction and Maintenance of Facilities**. All Facilities shall be constructed and installed so as to interfere as little as possible with traffic over and public use of the Streets and to cause minimum interference with the rights and reasonable convenience of property owners who adjoin any of the Streets. All Facilities shall be constructed in accordance with established gas distribution construction practices and in a manner which protects the Facilities from all traffic loads. Without unreasonable additional cost to Dominion Energy, all Facilities that are installed during the term of the Franchise shall be sited to be visually unobtrusive and to preserve the natural beauty and neighborhood aesthetics within the City limits.

Dominion Energy shall repair or replace, at its own expense, any and all rights of way, pavements, sidewalks, street improvements, excavations, other facilities, landscaping, or other improvements, public or private, that it damages in the Franchise operations.

6. **Compliance with Ordinances--Conflict**. Dominion Energy shall comply with all City ordinances, regulations, and requirements and shall pay all applicable excavation fees and charges that are or may be prescribed by the City with respect to the construction, maintenance and operation of all Facilities. However, these obligations shall apply only as long as such ordinances, regulations, requirements, or fees are not preempted by or otherwise in conflict with any applicable statutory or constitutional law, rule, or regulation, or the tariffs approved by regulatory bodies having jurisdiction over Dominion Energy, including this Franchise and any lawful revisions made and accepted by Dominion Energy during the term of the Franchise.

The City shall have the right to inspect the construction and maintenance of the Facilities to ensure the proper compliance with applicable City ordinances, regulations, and requirements. In the event Dominion Energy should fail to comply with the terms of any City ordinance, regulation, or requirement, the City shall give Dominion Energy written notice of such non-compliance and the time for correction provided by ordinance or a reasonable time for correction if there is no time frame provided by the applicable ordinance, regulation, or requirement. Excluding any correction, modification, or change to the Facilities, and after written notice and failure of Dominion

Energy to make correction, the City may, at its sole risk, make such correction itself and charge the cost to Dominion Energy including any minimum cost provided by ordinance. The City shall not make, nor request or allow any party other than Dominion Energy to make changes, corrections, or modifications of any kind to Dominion Energy's Facilities. Nothing in this Franchise limits Dominion Energy's right to oppose any ordinance, whether existing, proposed, or adopted, from and after the effective date of this Franchise.

7. **Information Exchange**. Upon request by either the City or Dominion Energy, as reasonably necessary, Dominion Energy and the City shall meet for the purpose of exchanging information and documents regarding construction and other similar work within the City limits, with a view towards coordinating their respective activities in those areas where such coordination may prove mutually beneficial. Any information received by the City from Dominion Energy that contains or relates to Dominion Energy's confidential or proprietary information, including but not limited to information regarding future capital improvements that may involve land acquisition shall be treated with confidentiality upon request to the extent that the City may lawfully do so.

8. **Relocation**. Upon written notice to Dominion Energy, the City may require the relocation and removal or reinstallation (collectively, Relocation) of any Facilities located in, on, along, over, across, through, or under any of the Streets. After receipt of such written notice, Dominion Energy shall diligently begin such Relocation of its Facilities as may be reasonably necessary to meet the City's requirements. The Relocation of Facilities by Dominion Energy shall be at no cost to the City if (i) such request is for the protection of the public health, safety and welfare pursuant to lawful authority delegated to the City; (ii) the Facilities have been installed pursuant to this or any other Dominion Energy franchise and not pursuant to a property or other similar right, including, but not limited to, a right-of-way, grant, permit, or license from a state, federal, municipal or private entity; and (iii) the City provides a new location for the Facilities. Otherwise, a Relocation required by the City pursuant to such written notice shall be at the City's expense. Following Relocation of any Facilities, Dominion Energy may maintain and operate such Facilities in a new location within City limits without additional payment. If a City project is funded by federal or state monies that include an amount allocated to defray the expenses of Relocation of Facilities, then the City shall compensate Dominion Energy up to the extent of such amount for any

Relocation costs mandated by the project to the extent that the City actually receives or is otherwise authorized to direct or approve payment of such federal or state funds; however, the City shall ensure that receipt of compensation from federal or state sources shall not restrict or otherwise obligate Dominion Energy's ownership of the Facilities in any way.

Notwithstanding the preceding paragraph, Dominion Energy shall not be responsible for any costs associated with an authorized City project that are not attributable to Dominion Energy's Facilities in the Streets. Further, all such costs shall be allocated among all utilities or other persons whose facilities or property are subject to Relocation due to an authorized City project.

9. **Terms of Service**. Dominion Energy shall furnish natural gas service without preference or discrimination among customers of the same service class at reasonable rates, in accordance with all applicable tariffs approved by and on file with regulatory bodies having jurisdiction over Dominion Energy, including revisions to such tariffs made during the term of the Franchise, and in conformity with all applicable constitutional and statutory requirements. Dominion Energy may make and enforce reasonable rules and regulations in the conduct of its business, may require its customers to execute a gas service agreement as a condition to receiving service, and shall have the right to contract with its customers regarding the installation and operation of its Facilities. To secure safe and reliable service to the customers, and in the public interest, Dominion Energy shall have the right to prescribe the sizes and kinds of pipes and related Facilities to be used and shall have the right to refuse service to any customer who refuses to comply with Dominion Energy's rules and regulations.

10. **Indemnification**. Dominion Energy shall indemnify, defend, and hold the City, its officers and employees, harmless from and against any and all claims, demands, liens, liabilities, damages, actions, and proceedings arising from the exercise by Dominion Energy of its rights under this Franchise, including its operations within City limits, and Dominion Energy shall pay the reasonable cost of defense plus the City's reasonable attorney fees. Notwithstanding any provision to the contrary, Dominion Energy shall not be obligated to indemnify, defend or hold the City harmless to the extent that any underlying claim, demand, lien, liability, damage, action, and proceeding arises out of or in connection with any act or omission of the City or any of its agents, officers or employees.

11. **Assignment**. Dominion Energy may assign or transfer its rights and obligations under the Franchise to any parent, affiliate, or subsidiary of Dominion Energy, to any entity having fifty percent (50%) or more direct or indirect common ownership with Dominion Energy, or to any successor-in-interest or transferee of Dominion Energy having all necessary approvals, including those from the Utah Public Service Commission or its successor, to provide utility service within the City limits. Otherwise, Dominion Energy shall not transfer, assign, or delegate any of its rights or obligations under the Franchise to another entity without the City's prior written approval, which approval shall not be unreasonably withheld, conditioned, or delayed. Inclusion of the Franchise as an asset of Dominion Energy subject to the liens and mortgages of Dominion Energy shall not constitute a transfer or assignment requiring the City's prior written consent.

12. **Insurance.** The Company shall responsibly self-insure or maintain insurance to cover its obligations and liabilities as set forth in Section 10, in lieu of any insurance as may be required in any City ordinances.

13. **Bonding.** If City ordinance requires Dominion Energy to post a surety bond, that section of the ordinance is expressly waived.

14. **Effect of Invalidity**. If any portion of this Franchise is for any reason held illegal, invalid, or unconstitutional, such invalidity shall not affect the validity of any remaining portions of this Franchise.

15. **Amendment.** This ordinance shall not be altered or amended without the prior written consent of Dominion Energy.

16. **Effective Date**. This ordinance shall become effective upon the date of acceptance by Dominion Energy as established above.

IN WITNESS WHEREOF, Huntington City Council has approved, passed and adopted this Ordinance this _16_ day of December, 2020

HUNTINGTON CITY

_____

Mayor, Leonard Norton

(SEAL)

COUNCIL MEMBERS

David Emery	AYE_____	NAY_____
Tom Kay	AYE_____	NAY_____
Jerry Livingston	AYE_____	NAY_____
Lesa Miller	AYE_____	NAY_____
Gloria Wilson	AYE_____	NAY_____

ATTEST:

_____
Jenene Hansen, City Recorder

QUESTAR GAS COMPANY dba
DOMINION ENERGY UTAH

By:_____
Craig Wagstaff
Sr. Vice President and General Manager
Western Distribution Operations

CITY ACKNOWLEDGMENT

STATE OF UTAH)

: ss

COUNTY OF EMERY)

On the _____ day of _____, 20___, personally appeared before me _____, who being duly sworn, did say that they are the Mayor of Castle Dale City, a municipal corporation of the State of Utah, and that the foregoing instrument was signed in behalf of the City by authority of its governing body and said Mayor acknowledged to me that the City executed the same.

_____
Notary Public

My Commission Expires: Residing at:

_____ _____

DOMINION ENERGY ACKNOWLEDGMENT

STATE OF UTAH)

: ss

COUNTY OF SALT LAKE)

On the _____ day of _____, 20___, personally appeared before me Craig Wagstaff, who being by me duly sworn did say that he is the Sr. Vice President and General Manager of **QUESTAR GAS COMPANY dba DOMINION ENERGY UTAH,** a Utah corporation, and that the foregoing instrument was signed in behalf of said corporation by authority of a resolution of its Board of Directors; and he acknowledged to me that said corporation executed the same.

_____
Notary Public

My Commission Expires: Residing at:

_____ _____