

NATURAL GAS FACILITIES AGREEMENT

THIS NATURAL GAS FACILITIES AGREEMENT (Agreement) is entered into this ___ day of _____ 2023, by and between Questar Gas Company dba Dominion Energy Utah (Dominion Energy), a Utah corporation, located at 333 South State Street, Salt Lake City, Utah 84111 and Hyrum City, a Utah municipality (Customer), with offices located at 60 West Main, Hyrum, Utah 84319. Dominion Energy and Customer are referred to collectively as the Parties and singularly as a Party.

THE PARTIES REPRESENT THAT:

A. Dominion Energy is a regulated public utility engaged in the distribution of natural gas primarily to customers in the states of Utah and Wyoming and is subject to its Utah Natural Gas Tariff No. 600 (Tariff) and regulations approved by the Utah Public Service Commission.

B. Customer is constructing a power generation facility at 355 West 700 North in Hyrum City, Utah (Property). Customer represents that the power generation facility will use up to 80 Dth/hr and Dominion Energy will serve the power generation facility from its Intermediate High Pressure (IHP) system. In order to do so, Dominion Energy will install approximately 2,300 feet of 8-inch plastic main line pipe, 175 feet of 6-inch plastic service line pipe, and metering facilities as more specifically described herein.

C. Dominion Energy is willing to perform the work described above, and Customer agrees that it will pay for such extension on the terms and conditions set forth in this Agreement.

THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Scope of Work. Dominion Energy shall install approximately 2,300 feet of 8-inch plastic main, 175 feet of 6-inch plastic service line, and metering facilities as more specifically shown on the attached **Exhibit A**, incorporated by this reference (the Site). The natural gas facilities identified in this paragraph are collectively the "Facilities." Installation of the Facilities, as specified below and as designated in the field, as well as any related work, is referred to as the "Work."

The Work shall include, but not be limited to, the following:

- a. Trenching;
 - b. Shading;
 - c. Installation of plastic pipe;
 - d. Inspecting;
 - e. Testing; and
 - f. Construction of meter facilities.
2. Required Capital Contribution.
- a. Customer agrees to pay to Dominion Energy the full and complete cost of installation of the Facilities and related work;
 - b. The total cost of the Work is estimated to be **\$780,000** (Required Capital Contribution). **This estimate is based upon the costs of material and labor in May of 2023, and is not guaranteed. Actual cost at the time the Work is performed may be higher or lower based on market conditions or other conditions, including but not limited to changes in labor or contractor costs or the cost to procure pipe or other materials.** The Required Capital Contribution does not include additional construction costs that may arise during the Work, including but not limited to, costs for obtaining rights-of-way and permits, difficult or weather-related construction conditions, frost, rock trenching, other requests by Customer, or unanticipated delays (Additional Construction Costs). Customer shall be responsible for any increased costs due to price changes for labor or materials, which will be billed as Additional Construction Costs. **Payment of the Required Capital Contribution to Dominion Energy by Customer is a condition precedent to any obligation to commence the Work.** Customer agrees to pay all actual costs associated with the Work. This shall include all of the costs identified herein and any Additional Construction Costs are subject to change based on materials and contractor costs as described above. Should costs increase by more than 10% of the estimated capital contribution, Customer may terminate this Agreement in its sole discretion. Customer shall reimburse Dominion Energy for any actual costs expended up to the election to cancel.

Customer agrees to pay all **actual** costs associated with the Work, less the costs associated with Betterments. This shall include all the costs identified herein, and all costs are subject to change based on materials and contractor costs. Within 120 days following completion of the Work, Dominion Energy shall submit to Customer an itemized statement of the **actual** final costs (Final Costs) incurred, adjusted to reduce such costs to only Customer's pro rata share of the actual final costs. In the event the Final Costs exceed the Required Capital Contribution, Customer shall pay Dominion Energy the difference within 30 days of the date of the itemized statement of costs. In the event the Required Capital Contribution exceed the Final Costs, Dominion Energy shall pay Customer the difference within 30 days of submitting the statement of costs. Any past due amounts shall bear interest at the rate of 6% per annum.

3. *Schedule*. Dominion Energy will notify Customer at least 48 hours in advance of beginning the Work. Dominion Energy may adjust its schedules without notice as required to handle emergencies on its system, after which it will informally notify Customer as to when the Work will be resumed. Dominion Energy recognizes that time is of the essence and shall make all reasonable efforts to ensure the Work is completed in a timely manner and before the completion of the project.
4. *Cooperation*. Customer shall ensure that its employees, agents, contractors and subcontractors coordinate their efforts and cooperate fully with Dominion Energy as required for efficient completion of the Work. In particular, Customer and Dominion Energy its employees, agents, contractors and subcontractors shall observe the requirements of Title 54, Chapter 8A of the Utah Code, titled Damage to Underground Utility Facilities, in connection with construction activities in the vicinity of the Work.
5. *Rights-of-Way and Exclusive Easement*. Customer grants to Dominion Energy, its agents and employees, the right to enter Customer's property at all reasonable times and at any time in the event of an emergency, and for all purposes related to the Work, the operation and maintenance of the Facilities, and/or the provision of natural gas service, including, but not limited to, the installation, inspection, maintenance, operation, protection, removal, replacement, service, and repair of the Facilities. Customer shall provide Dominion Energy with a 20 ft wide pipeline right-of-way for placement of the Facilities, as well as an exclusive easement for the placement of a regulator station. Customer will provide the pipeline easement in a form substantially similar to that shown in **Exhibit B**. Customer shall provide the exclusive easement in a form substantially similar to **Exhibit C**. Dominion Energy will not commence construction until it has received all required rights-of-way and the exclusive easement referenced in this Paragraph.
6. *Cancellation*. If the Work does not begin within six months of the Effective Date, Dominion Energy may, at its option, cancel this Agreement and charge Customer for any actual costs incurred up to the date of cancellation unless such delay is a result of a lack of diligence by Dominion Energy.
7. *Subcontractors*. Dominion Energy may subcontract with third parties, at its sole discretion, for the provision of any of the services contemplated by this Agreement, and so doing does not create or pose third party beneficiary status upon Customer.
8. *Contamination*. If Dominion Energy encounters any contaminated soil or groundwater during the Work that requires remediation or disposal, or poses a hazard, Dominion Energy may suspend the installation or trenching until the contamination is removed, disposed of and/or remediated to Dominion's satisfaction and at no cost to Dominion. Upon prior written notice to the Customer, if Dominion Energy elects to remediate the contamination, Customer shall pay all costs incurred by Dominion Energy arising from or caused by the remediation as Additional Construction Costs.
9. *Adverse Weather*. If, during or prior to construction, Dominion Energy encounters adverse weather conditions that, in Dominion's sole judgment, prevent it from safely excavating or backfilling trenches or any other Work contemplated by this Agreement using its normal construction methods and equipment, Dominion Energy may, at its sole discretion, postpone construction until weather conditions permit normal construction methods.
10. *Ownership of Facilities*. The Facilities that Dominion Energy constructs to render natural gas service shall at all times remain solely the property of Dominion. Dominion Energy may render service to other customers from these Facilities and otherwise utilize them as it sees fit without liability of any kind, except that Dominion Energy would have to obtain any additional right-of-way for related pipelines over Customer property, the granting of which would be at Customer's reasonable discretion. Nothing herein shall constitute a waiver of any legal right to

condemn real property and Dominion Energy expressly retains any right of condemnation that it may have against Customer or any other property owner.

11. Relocation. Dominion Energy shall have no obligation to relocate any of the Facilities. If Customer requests that any of the Facilities be relocated, and Dominion Energy agrees to relocate the facilities, then Customer shall bear all costs associated with such relocation.

12. Minimum Distances. Customer shall not install and shall not permit the installation of any underground facilities within three feet horizontally or one foot vertically from Dominion's Facilities. Customer shall not install and shall not permit the installation of any above-ground structures within fifteen (15) feet of Dominion's Facilities.

13. Indemnity. To the fullest extent permitted by law, Customer shall release, indemnify, hold harmless, and defend Dominion, its parent company and affiliates at any tier, and their respective directors, officers, employees, and agents (collectively Indemnified Parties) from and against any and all liabilities, losses, claims, demands, liens, fines, and actions of any nature whatsoever, including but not limited to attorney fees and defense costs (collectively Liabilities) arising out of, related to, or in connection with any Work contemplated by this Agreement; however, in no event shall Customer be required to indemnify or defend the Indemnified Parties from and against any Liabilities to the extent caused by the negligence or willful misconduct of Dominion Energy or Dominion's contractors at any tier. The release, indemnification, hold harmless, and defense obligations of this Agreement extend, but are not limited to, Liabilities in favor of, claimed, demanded or brought by Customer itself, Customer's employees or subcontractors, employees of the Indemnified Parties, or third parties on account of injury, death, property damage, or other losses. Without relieving Customer of any obligation under this Agreement, Dominion Energy may, at its option, fully participate in the investigation, defense, and settlement of any Liabilities.

14. Consequential Damages. Dominion Energy shall not be liable to Customer for any indirect, consequential, incidental, special, punitive, or exemplary damages including, but not limited to, loss of profit, loss of use, or business interruption, even if advised of the possibility of such damages.

15. Force Majeure. Except for payment of amounts due, Dominion Energy shall not be liable for any failure to perform this Agreement, when the failure is due to any cause which is not reasonably within the control of Dominion. Prompt, detailed notice of the force majeure shall be given by Dominion Energy to Customer. In the event of force majeure, Dominion Energy shall immediately take all necessary action to abate the cause.

16. Natural Gas Service. This Agreement is not an agreement to provide natural gas service. Upon completion of the Facilities, Dominion Energy will provide natural gas service utilizing the Facilities in accordance with Dominion's Utah Natural Gas Tariff, PSCU 600 ("Tariff") on file with the Utah Public Service Commission ("Commission") as may be revised from time to time. No Party shall be precluded by this Agreement from petitioning the Commission for modification of any applicable rate schedules or rules and regulations pertaining to gas service. Nothing in this Agreement shall be deemed to require Dominion Energy to install additional capacity to serve Customer's future needs.

17. Notices. All notices concerning this Agreement, other than the day-to-day communications between the Parties, shall be in writing and shall be sent to the relevant address set forth below. The Parties may designate other addressees or addresses by notice to the other Party. A notice shall be deemed effective (a) when given by hand delivery; (b) three days after deposit into the U.S. mail, postage prepaid; or (c) one business day after deposit with commercial overnight delivery service, charges prepaid.

Utah
Attn: Director of Account Management
333 South State Street
P.O. Box 45360
Salt Lake City, Utah 84145-0360

Attn: _____

18. Assignment. Neither party may assign this Agreement or any rights, obligations, or payments unless, in advance of the assignment, it has received the other party's written consent. This Agreement shall be binding upon and inure to the benefit of the Parties' permitted successors and assigns.

19. Severability. If any provision or part of a provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision, but this Agreement shall be construed as if it did not contain such invalid, illegal, or unenforceable provision. Each provision shall be deemed to be enforceable to the fullest extent available under applicable law.

20. Survival of Terms. The Parties' representations, rights and obligations of indemnity, limitations of damages, and payment created or required to be enforced shall survive termination of this Agreement.

21. Waiver. The failure of a Party to require the performance of a term or obligation under this Agreement, or the waiver by a Party of any breach, shall not prevent subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach under this Agreement. No waiver of any provision of this Agreement shall be valid unless in writing and signed by the Party against whom charged.

22. Applicable Law. This Agreement is governed by Utah law and the Tariff, rules, and regulations on file with the Commission. In the event that the Tariff, rules, or applicable regulations conflict with any term in this Agreement, the Tariff, rules or applicable regulations shall govern. In the event it becomes necessary for either Party to enforce its rights under this Agreement, then with or without litigation, the prevailing Party shall be entitled to recover all expenses, including reasonable attorney fees and costs, arising out of the enforcement of its rights.

23. Entire Agreement. This Agreement, together with its exhibit(s), contains the entire agreement between the Parties concerning the subject matter, and it replaces and supersedes any and all prior or contemporaneous, oral or written, agreements, understandings, communications, and representations between the Parties. Any terms or conditions contained in any confirmation, statement, or invoice that differ or vary the terms of this Agreement are null and void and shall have no effect between the Parties. This Agreement may not be amended except in writing signed by the Parties.

24. Counterparts. This Agreement may be executed in one or more counterparts, each of which will constitute an original but all of which together constitute a single document.

25. Authority. Each person signing this Agreement warrants that the person has full legal capacity, power and authority to execute this Agreement for and on behalf of the respective Party and to bind such Party.

INTENDING TO BE LEGALLY BOUND, the Parties have executed this Agreement on the day and year first above written.

QUESTAR GAS COMPANY
dba DOMINION ENERGY UTAH

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

**EXHIBIT A
(The Facilities)**

THIS EXHIBIT A (Exhibit A) is part of and subject to the Facilities Agreement by and between Questar Gas Company dba Utah (Dominion Energy) and Hyrum City (Customer) effective _____, 202_ (Agreement). Capitalized terms used but not defined in this Exhibit A have the meanings assigned them in the Agreement.

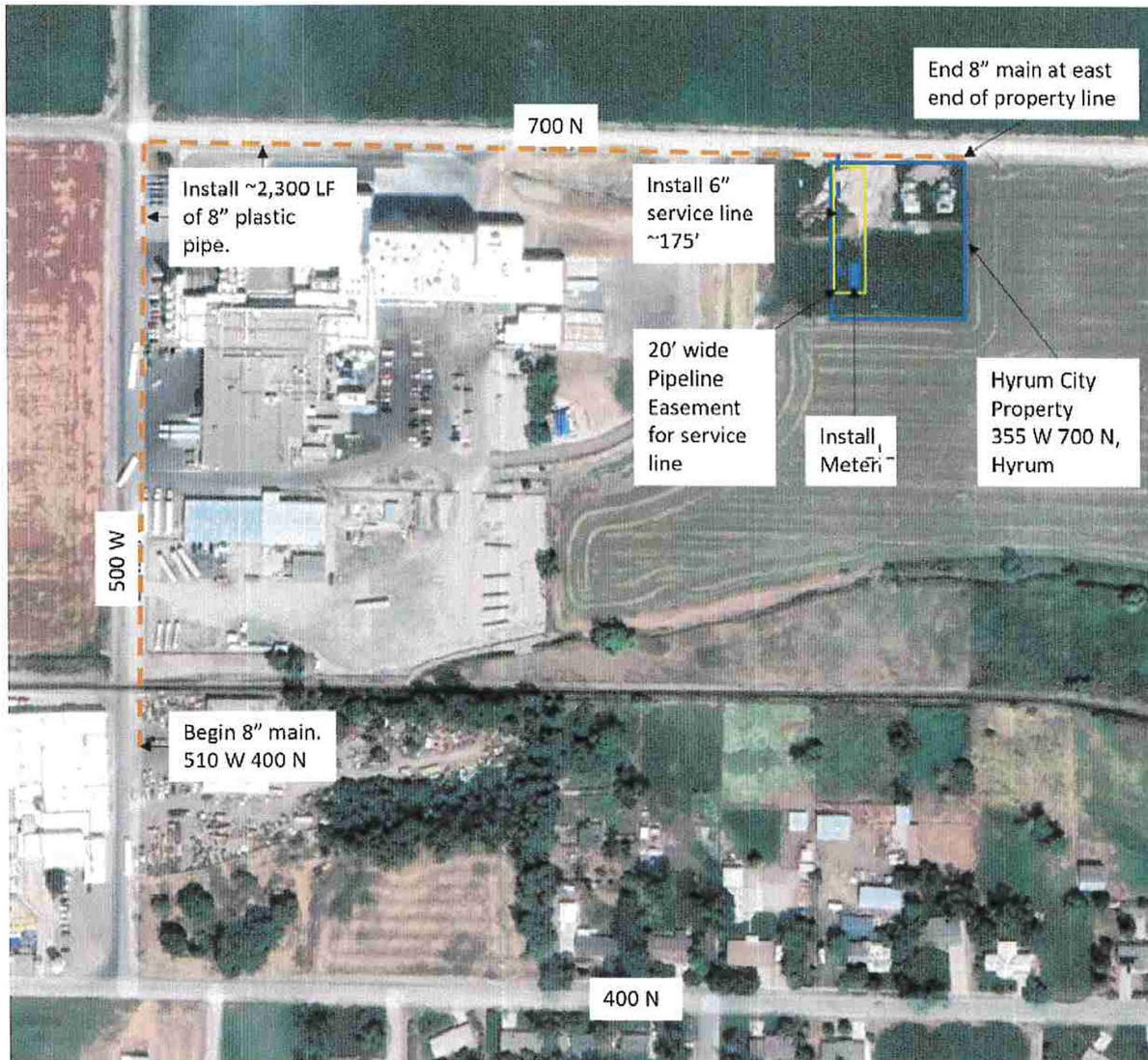


EXHIBIT B
(Form Right of Way and Easement Grant)

WHEN RECORDED MAIL TO:

Questar Gas Company
P.O. Box 45360, Right-of-way
Salt Lake City, UT 84145-0360
CP

Space above for County Recorder's use
PARCEL I.D.#

RIGHT-OF-WAY AND EASEMENT GRANT

Hyrum City, a Utah municipality, Grantor, does hereby convey to QUESTAR GAS COMPANY dba Dominion Energy Utah, a corporation of the State of Utah, Grantee, its successors and assigns, for the sum of ONE DOLLAR (\$1.00) in hand paid and other good and valuable consideration, receipt of which is hereby acknowledged, a non-exclusive right-of-way and easement to construct, lay, maintain, operate, repair, alter, inspect, protect, make connections to, remove and replace pipelines, valves, valve boxes and install cathodic monitoring and mitigation facilities and other gas transmission and distribution facilities (hereinafter collectively called "Facilities"), said right-of-way being situated in the County of Cache, State of Utah, as shown on Exhibit "A" attached hereto and by this reference made a part hereof and more particularly described as follows, to-wit:

Land of the Grantor located in **Section , Township South, Range East, Salt Lake Base and Meridian;**

[INSERT DESCRIPTION]

TO HAVE AND TO HOLD the same unto said Grantee, its successors and assigns, so long the Facilities shall be maintained, with the right of ingress and egress to and from said right-of-way to construct, lay, maintain, operate, repair, alter, inspect, protect, make connections to, remove and replace the same. This right-of-way and easement shall carry with it the right to use any available access road(s) for the purpose of conducting the foregoing activities. During temporary periods, Grantee may use such portion of the property along and adjacent to said right-of-way as may be reasonably necessary in connection with construction, maintenance, repair, removal or replacement of the Facilities. Grantor shall have the right to use said premises except for the purposes for which this right-of-way and easement is granted to Grantee, provided such use does not interfere with the Facilities or any other rights granted to Grantee hereunder.

Without limiting the generality of the foregoing, Grantor does hereby covenant, warrant and agree as follows:

1. Grantor shall not build or construct, nor permit to be built or constructed, over or across the right-of-way, any building, retaining walls, rock walls, footings or improvement which impairs the maintenance or operation of the Facilities.

2. Grantor shall not change the contour within the right-of-way without prior written consent of Grantee.

3. Grantor shall not plant, or permit to be planted, any deep rooted trees, or any vegetation with roots that may damage the Facilities, within the right-of-way, without prior written consent of Grantee.

4. Grantor shall not place personal property within the right-of-way that impairs the maintenance or operation of the Facilities.

5. Grantee shall have the right to cut and remove timber, trees, brush, overhanging branches, landscaping and improvements or other obstructions of any kind and nature which may injure or interfere with Grantee's use, occupation or enjoyment of this easement and right-of-way, without liability to Grantor, and without any obligation of restoration or compensation.

6. Grantor agrees to indemnify, hold harmless and defend Grantee, its agents and employees, from all claims, mechanics liens, demands, damages, actions, costs and charges for personal injury and property damage, and any other liabilities, including attorney's fees, arising out of or by any reason of Grantor's use of the easement or any activities conducted thereon by Grantor, its agents, employees or as a result of Grantor's negligence.

7. By accepting this easement, Grantee agrees to indemnify, hold harmless and defend Grantor, its agents and employees, from all claims, mechanics liens, demands, damages, actions, costs and charges for personal injury and property damage, and any other liabilities, including attorney's fees, arising out of or by any reason of Grantee's use of the easement or any activity conducted hereon by Grantee, its agents, employees or as a result of Grantee's negligence.

This right-of-way shall be binding upon and inure to the benefit of the successors and assigns of Grantor and the successors and assigns of Grantee, and may be assigned in whole or in part by Grantee.

It is hereby understood that any parties securing this grant on behalf of Grantee are without authority to make any representations, covenants or agreements not herein expressed.

IN WITNESS WHEREOF, Grantor has caused its corporate name and seal to be hereunto affixed this ____ day of _____, 20__.

[INSERT ENTITY NAME HERE]

[Secretary], Secretary

(SEAL)

By: _____

[President], President

**Exhibit C
(Exclusive Easement)**

PARCEL I.D.#03-067-0021

EXCLUSIVE RIGHT-OF-WAY AND EASEMENT GRANT

Hyrum City, a political subdivision located in Cache County, Utah, GRANTOR, does hereby convey and warrant to QUESTAR GAS COMPANY dba DOMINION ENERGY UTAH, GRANTEE, its successors and assigns, for the sum of TEN DOLLARS (\$10.00) in hand paid and other good and valuable consideration, receipt of which is hereby acknowledged, a perpetual exclusive right-of-way and easement ("Exclusive Easement") to construct, lay, maintain, operate, repair, alter, inspect, protect, make connections to, remove and replace above and below ground pipelines, valves, valve boxes, cathodic monitoring and mitigation facilities, and other gas transmission and distribution facilities, including buildings and fencing or any other lawful uses of the Exclusive Easement related to or in connection with Grantee's business purposes (hereinafter collectively called "Facilities"), said Exclusive Easement being situated in the County of Cache, State of Utah, as shown on Exhibit "A" attached hereto and by this reference made a part hereof and more particularly described as follows, to-wit:

BEING A PORTION OF THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 11 NORTH, RANGE 1 EAST, SALT LAKE BASE AND MERIDIAN, LOCATED IN CACHE COUNTY, UTAH.

COMMENCING AT THE WEST QUARTER CORNER OF SECTION 34, TOWNSHIP 11 NORTH, RANGE 1 EAST, SALT LAKE BASE AND MERIDIAN, SAID POINT BEARING SOUTH 2644.66 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 34, SAID POINT BEING SHOWN ON THE "SURVEY FOR HYRUM CITY OF THE HYRUM CITY, GRAVEL PIT", ON FILE IN CACHE COUNTY RECORDER'S OFFICE AS RECORD OF SURVEY NUMBER 52, FILING 427737, DATED OCTOBER 22, 1979;

THENCE EAST 60 FEET ALONG THE SOUTHERLY LINE OF THE NORTHWEST QUARTER TO THE EASTERLY RIGHT OF WAY LINE OF THE OLD COUNTY ROAD DESIGNATED AS 100 EAST;

THENCE NORTH 15°14'26" ALONG THE SAID EASTERLY RIGHT OF WAY OF 100 EAST LINE A DISTANCE OF 589.64 FEET TO THE POINT OF BEGINNING;

THENCE N 90°00'00" E A DISTANCE OF 115.00 FEET TO THE EAST LINE OF THE SAID HYRUM CITY GRAVEL PIT;

THENCE N 0°00'00" E ALONG THE EAST LINE A DISTANCE OF 128.46 FEET;

THENCE N 0°00'00" W A DISTANCE OF 80.00 FEET TO THE SAID EASTERLY RIGHT OF WAY LINE OF 100 EAST;

THENCE S 15°14'26" W ALONG THE SAID RIGHT OF WAY LINE A DISTANCE OF 133.14 FEET TO THE POINT OF BEGINNING.

CONTAINING 12,525 SQUARE FEET, MORE OR LESS

TO HAVE AND TO HOLD the Exclusive Easement unto Grantee, its successor and assigns.

Without limiting the generality of the foregoing, Grantor acknowledges, and covenants as follows:

1. Grantee, in Grantee's sole discretion, may restrict or completely prohibit Grantor, its successors or assigns, or any third-party access to the Exclusive Easement.

2. The Exclusive Easement shall be fenced, gated, and locked as deemed necessary by Grantee, provided Grantee shall comply with any applicable laws, regulations, or ordinances.

3. Grantor represents and warrants that there are no mortgages, deeds of trust, liens, covenants, conditions and restrictions, or other encumbrances covering the Exclusive Easement prior to the execution of this Exclusive Right-of-Way and Easement Grant which have not been subordinated.

4. Grantor acknowledges and agrees that it has no right to, shall not attempt to encumber with, and the Exclusive Easement shall not be subject to, any covenants, conditions and restrictions, liens, mortgages, deeds of trust, or other encumbrances created by Grantor or its successors or assigns after the date of recording of this Exclusive Easement.

5. By accepting this easement, Grantee agrees to indemnify, hold harmless and defend Grantor, its agents and employees, from all claims, mechanics liens, demands, damages, actions, costs and charges for personal injury and property damage, and any other liabilities, including attorney's fees, arising out of or by any reason of Grantee's use of the easement or any activity conducted hereon by Grantee, its agents, employees or as a result of Grantee's negligence.

This Exclusive Easement shall run with the land and shall be binding upon and inure to the benefit of the successors, assigns, and transferees, of Grantor and the successors, assigns, and transferees of Grantee, and may be transferred, assigned, pledged, and hypothecated in whole or in part by Grantee.

IN WITNESS WHEREOF, Grantor has executed this agreement this _____ day of _____, 20____

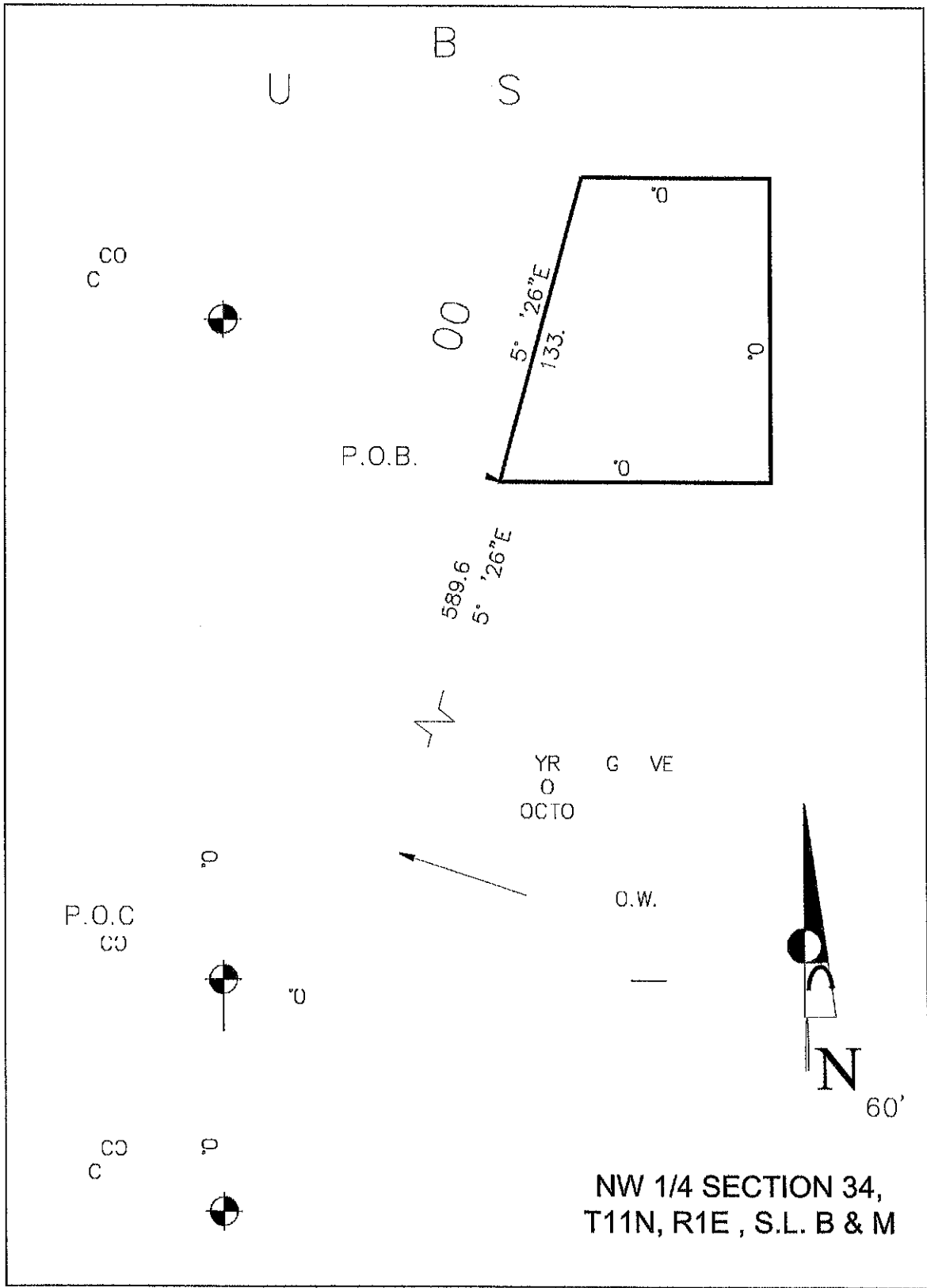
GRANTOR:

Attest: _____

By: _____

Stephanie Miller – Mayor

Stephanie Fricke – City Recorder



U B S

C CO

P.O.B.

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P.O.C

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C CO

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60'

NW 1/4 SECTION 34,
T11N, R1E, S.L. B & M