

ORDINANCE NO. 26-2123

AN ORDINANCE OF THE CITY OF MERIDIAN, IDAHO, GRANTING TO INTERMOUNTAIN GAS COMPANY A TWENTY (20) YEAR EXTENSION TO ITS FRANCHISE TO CONSTRUCT, MAINTAIN AND OPERATE A GAS TRANSMISSION AND DISTRIBUTION SYSTEM; PROVIDING FOR THE USE OF STREETS AND ALLEYS, AND RULES GOVERNING THE SAME, SUBJECTING THE GRANTEE TO ALL POWERS OF THE CITY; SETTING FORTH THE RULES OF THE FRANCHISE AND GRANT; PROVIDING FOR THE RIGHT OF INSPECTION BY THE CITY OF GRANTEE'S PLANS, ACCOUNTS, AND BOOKS; REQUIRING GRANTEE TO FURNISH CERTAIN MAPS; SETTING FORTH THE ANNUAL PAYMENT TO THE CITY, AND THE FILING OF ANNUAL REPORTS WITH THE CITY; REQUIRING GRANTEE TO INDEMNIFY CITY, AND FILE EVIDENCE OF INSURANCE; REQUIRING COMPLIANCE WITH SAFETY REGULATIONS; SETTING FORTH AN AGREEMENT NOT TO COMPETE, RESERVING POWER OF EMINENT DOMAIN; PROVIDING FOR SURRENDER OF FRANCHISE; GRANTING RIGHT TO SALVAGE; REQUIRING WRITTEN ACCEPTANCE; PROVIDING FOR CONSENT TO SALE, ASSIGNMENT OR LEASE; PROVIDING FOR PAYMENT OF PUBLICATION COST; SETTING FORTH PENALTIES AND FORFEITURES, SEPARABILITY AND REPEAL.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF MERIDIAN, IDAHO;

Section 1: Grant of Authority.

There is hereby granted to Intermountain Gas Company, a corporation, its successors and assigns (hereinafter collectively referred to as "Grantee") a twenty (20) year extension to the right and authority to construct, install, maintain and operate a gas transmission and distribution system, including mains, pipes, conduits, services and other necessary structures and appliances appertaining in, under, upon, over, across and along the streets, alleys, bridges and public places within the present and future corporate limits of the City of Meridian, Idaho (hereinafter referred to as "City") for the furnishing, transmission, distribution and sale of gas, whether artificial, natural, mixed or otherwise, for heating, domestic, industrial and other purposes and for transmitting gas into, through and beyond said City. The City represents that it has the sole power and authority to make this grant of authority and agrees to notify Grantee in writing if the City should cease to have this power.

Section 2: Use of Streets and Rules Governing the Same.

Grantee shall secure a permit from the applicable permitting agency for any opening it shall make in the streets, alleys and public places in the City and shall be subject to all applicable ordinances, but no fee chargeable by the City shall be required of Grantee for any such permit. Grantee may, however, open or disturb the streets, alleys, and public places without a permit if an emergency exists requiring the immediate repair of facilities. The location or relocation of all facilities shall be made under the supervision and with the approval of such representatives as the governing body of the City may designate for such purpose, but not so as unreasonably to interfere with the proper operating of Grantee's facilities and service. Whenever the City shall pave or repave any street or shall change the grade or line of any street or public place or shall construct or reconstruct any conduit, water main, sewer or water connection or other city public works or city utility, it shall be the duty of the Grantee when so ordered by the City to change its mains, services and other property in the streets or public places at its own expense so as to conform to the established grade or line of such street or public place and so as not to interfere with the conduits, sewers and other mains of the City as constructed or reconstructed; however, the Grantee shall not be required to relocate pipes, mains and appurtenances when the street, alley or public ground in which they are located is vacated for the convenience of abutting property owners and not as an incident to the public improvement, unless the reasonable cost of such relocation and the loss and expenses resulting therefrom is first paid to Grantee. The City will avoid the need for such moving or changing whenever possible. In the event Federal, State or other funds are available in whole or in part for utility relocating purposes, the City shall apply for such funds and the Grantee will be reimbursed to the extent any such funds are actually obtained.

Section 3: Grantee Subject to All Powers of City Rules Governing Repair and Reconstruction of Streets.

The exercise of privileges herein granted shall be subject at all times to all of the powers of the City and all regulatory ordinances adopted pursuant thereto. The Grantee shall not unnecessarily or unreasonably obstruct the use of or damage any street or alley and shall within a reasonable time and as early as practicable upon completion of any construction or repair work, restore all City streets and alleys to the same order and condition as they were before the excavation was made insofar as reasonably possible. The Grantee shall maintain, repair and keep in good condition for a period of one year all portions of streets and alleys disturbed by it or its agents. The Grantee shall be responsible for any obstruction in any street, alley or other public place caused by it in the operation and maintenance of its properties occurring at any time and shall promptly remove such obstruction. Any such obstruction which, after proper notice to Grantee demanding removal is not promptly removed by the Grantee may be taken care of by the City and the costs thereof shall be charged against Grantee. For purposes of this Section, Grantee's above-ground facilities or temporary construction materials and equipment shall not be considered an "obstruction".

Section 4: Term of Franchise and Grant.

Such right and authority, permission and power is hereby granted for a term of twenty (20) years from and after the date of the final acceptance of this Ordinance by the Company, herein referred to as the primary term. This franchise will automatically renew for successive periods of ten (10) years unless cancelled at the end of a term by either party by written notice to the other party no less than 180 calendar days prior to the end of the primary term or the then current successive term.

Section 5: City Right to Inspection of Grantee's Plans, Accounts and Books – Grantee to Furnish Certain Maps.

Upon reasonable advance notice, the City shall have access to Grantee's records to the extent necessary to verify the accuracy of the Franchise fee payments required herein during the normal business hours of Grantee. The Grantee shall furnish, upon request, the City with a complete set of maps, including plans and profile of the distribution system of the Grantee and any future extensions. The City shall make every reasonable effort to maintain the confidentiality of any trade secrets or other proprietary information (such as proprietary maps and other mapping information) provided pursuant to this Section, including execution of a data sharing agreement with Grantee. Any map supplied shall not be used for locating gas facilities with the intent of excavating. Prior to excavating, the City shall request line locates per the requirements of Idaho Statutes Title 55 Chapter 22 Underground Facilities Damage Prevention.

Section 6: Payment To City And Filing Of Annual Written Report With The City

As consideration for this franchise and grant said Grantee, its successors and assigns, during the franchise period, shall pay to the City three percent (3%) of the gross receipts received from all sales of gas by Grantee within the corporate limits of the City through use, operation or possession

of this franchise and grant. Franchise fees shall be collected by Grantee from customers within the City, by assessing the franchise fee percentage on the amounts billed to customers for the sale, transmission and/or distribution of natural gas within the city.

Such payments shall be made on a quarterly basis and shall be in lieu of any and all other fees, charges, licenses or taxes (other than ad valorem taxes) related to easements, franchises, rights-of-way, utility lines and equipment installation, maintenance and removal during the term of the public service providers' franchise with the City which the City may impose for the rights and privileges herein granted or for the privilege of doing business within the City.

The Grantee shall file 30 days after the end of each calendar quarter with the City a report for the preceding calendar quarter, which report shall contain a statement of all the gross receipts arising from all sales of gas by said Grantee within the City for the calendar quarter preceding such report, and at the same time the Grantee shall pay to the City the stipulated percentage of the gross quarterly receipts due for the calendar quarter which said report is made and filed.

Section 7: Grantee Liability - Indemnification

It is expressly understood and agreed by and between the Grantee and the City that the Grantee shall save the City harmless from all loss sustained by the City on account of any suit, judgment, execution, claim or demand whatsoever, resulting from negligence on the part of the Grantee in the construction, operation or maintenance of its gas system in the City. The City shall notify the grantee's representative in the City within ten (10) days after the presentation of any claim or demand, either by suit or otherwise, made against the City on account of any negligence as aforesaid on the part of the Grantee. Nothing herein shall require Grantee to save and hold the City harmless to the extent any loss sustained by the City is caused by the acts, omissions, or negligence of the City its agents, representatives, contractors, officers, directors, employees, or other parties subject to its direction or control.

Section 8: Insurance

Upon acceptance of this franchise by Grantee and before Grantee shall have any rights hereunder, Grantee shall file with the City Clerk a certificate evidencing the insurance of the Grantee against property damage in an amount not less than \$500,000.00 and bodily injury with limits of not less than \$500,000.00 per person and \$1,000,000.00 total for each occurrence. Provided, however, the minimum limits of insurance as set forth herein shall be automatically increased at any time the liability limits of the City are increased pursuant to the Idaho Tort Claims Act (Idaho Code Section 6-901 et. seq.) or any similar legislation.

Section 9: Safety Regulation Compliance

Grantee shall comply with and conform to all applicable safety regulations promulgated by the United States, State of Idaho, or any regulatory body having jurisdiction thereof.

Section 10: Agreement Not to Compete – Reserve to City Power of Eminent Domain

In consideration of Grantee's undertaking hereunder as evidenced by its acceptance hereof the City agrees not to engage in the business of distributing and selling gas during the life of this franchise or any extension thereof in competition with the Grantee, its successor and assigns; but nothing herein contained shall be construed or deemed to prevent the City from exercising at any time any power of eminent domain granted to it under the laws of the State of Idaho.

Section 11: Surrender of Franchise

In the event natural gas at any time shall cease to be available to Grantee for the distribution and sale hereunder, Grantee reserves the right to surrender this franchise and in the event of such surrender prior to any expiration or termination of this franchise, or in any of such events, Grantee reserves the right to salvage all of its plant, works and facilities, and will restore City's streets and alleys damaged by such salvage operation.

Section 12: Written Acceptance

The Grantee shall within thirty (30) days after the passage and publication of this ordinance, file with the City Clerk its acceptance of this franchise in writing signed by its proper officers and attested by its corporate seal.

Section 13: Publication Costs

The Grantee shall assume the cost of publication of this franchise as such publication is required by law.

Section 14: Forfeiture

Any material violation by the Grantee, its vendee, lessee or successors of the provisions of this ordinance, franchise and grant or any material portions thereof or the failure promptly to perform any of the provisions thereof shall be cause for the forfeiture of this franchise and grant and all rights hereunder should Grantee fail to cure such violation within sixty (60) calendar days of City's providing Grantee written notice, which shall be served upon Grantee by registered mail on its Region Director at 555 South Cole Road, Boise, ID 83709, or if not reasonably capable of being cured within sixty (60) calendar days, within such other reasonable period of time as the parties may agree. This provision shall not prevent the Grantee from submitting such question of forfeiture to proper court determination.

Section 15: Separability

If any part or parts of this ordinance shall be adjudged by the courts to be unconstitutional or invalid, the same shall not affect the validity of any other part or parts hereof which can be given effect without the part or parts adjudged to be unconstitutional or invalid. If any section of this Franchise conflicts with an order, rule, or regulation of the Idaho Public Utilities Commission, such section shall be deemed invalid. The City declares that it would have passed the remaining parts of this ordinance if it had been known that such other part or parts thereof would be declared unconstitutional or invalid.

Section 16: Repeal

All ordinances and parts or ordinances of City in conflict herewith shall be, and the same are hereby repealed.

Section 17: Notifications

Whenever this Franchise calls for notice to or notification by any party, the same (unless otherwise specially provided) shall be in writing and directed to the recipient at the address set forth in this Section, unless written notice of change of address is provided to the other party. If the date for making any payment or performing any act is a legal holiday, payment may be made, or the act performed on the next succeeding business day which is not a legal holiday. Notices shall be directed to the parties as follows:

To the City:	City Clerk City of Meridian 33 East Broadway Avenue Meridian, ID 83642
To IGC:	Region Director Intermountain Gas Company 555 S Cole Road Boise, Idaho 83709

This Ordinance shall take effect and be in force thirty days, following its passage, approval, and publication as required by law, and the execution of the "Acceptance and Consent" by Grantee.

DATED this ____ day of _____, 2026

CITY OF Meridian

Robert Simison, Mayor

ATTEST:

Chris Johnson, City Clerk

ACCEPTANCE AND CONSENT

INTERMOUNTAIN GAS COMPANY, as the franchisee and 'Grantee' in the ordinance set forth above, accepts the franchise set forth therein at the time of Grantee's execution, and agrees to abide by the terms and conditions thereof. Specifically (and pursuant to I.C. § 50-329A), IGC consents to the three percent (3%) franchise fee assessed by the City pursuant to this ordinance.

DATED this 8th day of April, 2026



By: Eric Martuscelli

Its: VP, Field Operations & Customer Experience

