

ORDINANCE NO. _____

DATE: _____

AN ORDINANCE GRANTING TO QUESTAR GAS COMPANY, DBA ENBRIDGE GAS UTAH A FRANCHISE FOR THE CONSTRUCTION, OPERATION AND MAINTENANCE OF A GAS DISTRIBUTION SYSTEM IN SAN JUAN COUNTY, STATE OF UTAH.

Questar Gas Company, dba Enbridge Gas Utah, a Utah corporation (Enbridge Gas Utah) desires to construct, maintain and operate a gas distribution system within the County of San Juan (County); and

The County Commission has determined that it is in the best interest of the citizens of the County to grant a franchise to Enbridge Gas Utah to use the roads and streets within the County for such purpose;

NOW THEREFORE the County Commission ordains as follows:

1. **Grant of Franchise.** The County grants to Enbridge Gas Utah 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 County limits, including any property annexed or otherwise acquired by the County after the effective date of this Franchise, (collectively, "Streets") a distribution system for furnishing natural and manufactured gas to the County and its inhabitants for heating and other purposes. Enbridge Gas Utah 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 gas service in accordance with this Franchise.

2. **Consideration.** In consideration of this Franchise, Enbridge Gas Utah shall pay to the County 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 twenty (20) 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 County may terminate the Franchise at the end of the initial term, or any renewal period, by giving Enbridge Gas Utah written notice of the County'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, Enbridge Gas Utah shall file with the County 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. All Facilities that are installed during the term of the Franchise shall be sited without unreasonable additional cost to Enbridge Gas Utah to be visually unobtrusive and to preserve the natural beauty and neighborhood aesthetics within the County limits.

Enbridge Gas Utah 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.** Enbridge Gas Utah shall comply with all County ordinances, regulations and requirements and shall pay all applicable excavation fees

and charges that are or may be prescribed by the County 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 Enbridge Gas Utah, including this Franchise and any lawful revisions made and accepted by Enbridge Gas Utah during the term of the Franchise.

The County shall have the right to inspect the construction, operation and maintenance of the Facilities to ensure the proper compliance with applicable County ordinances, regulations and requirements. In the event Enbridge Gas Utah should fail to comply with the terms of any County ordinance, regulation or requirement, the County shall give Enbridge Gas Utah written notice of such non-compliance and the time for correction provided by ordinance or a reasonable time for correction if there is no applicable ordinance. After written notice and failure of Enbridge Gas Utah to make correction, the County may, at its sole risk, make such correction itself and charge the cost to Enbridge Gas Utah including any minimum cost provided by ordinance. Nothing in this Franchise limits Enbridge Gas Utah's right to oppose any ordinance, either existing, proposed, or adopted from and after the effective date of this Franchise.

7. **Information Exchange.** Upon request by either the County or Enbridge Gas Utah, as reasonably necessary, Enbridge Gas Utah and the County shall meet for the purpose of exchanging information and documents regarding construction and other similar work within the County limits, with a view towards coordinating their respective activities in those areas where such coordination may prove mutually beneficial. Any information regarding future capital

improvements that may involve land acquisition shall be treated with confidentiality upon request to the extent that the County may lawfully do so.

8. **Relocation.** Upon written notice to Enbridge Gas Utah, the County 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 located within the County Right-of-Way. After receipt of such written notice, Enbridge Gas Utah shall diligently begin such Relocation of its Facilities as may be reasonably necessary to meet the County’s requirements and that the County provide Enbridge Gas Utah with a reasonable new location for the Facilities. The Relocation of Facilities by Enbridge Gas Utah shall be at no cost to the County if (i) such request is for the protection of the public health, safety and welfare pursuant to lawful authority delegated to the County; (ii) the Facilities have been installed pursuant to this or any other Enbridge Gas Utah 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 County provides a new location for the Facilities. Otherwise, a Relocation required by the County pursuant to such written notice shall be at the County’s expense. Enbridge Gas Utah shall not pay any costs of relocation regardless of the location of the right-of-way for projects and purposes related to private development. Following Relocation of any Facilities, Enbridge Gas Utah may maintain and operate such Facilities in a new location within County limits without additional payment. If a County project is funded by federal or state monies that include an amount allocated to defray the expenses of Relocation of Facilities, then the County shall compensate Enbridge Gas Utah up to the extent of such amount for any Relocation costs mandated by the project to the extent that the County actually receives or is otherwise authorized to direct or approve payment of such federal or state funds.

Notwithstanding the preceding paragraph, Enbridge Gas Utah shall be responsible for any costs associated with an authorized County project that are not attributable to Enbridge Gas Utah'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 County project.

9. **Terms of Service.** Enbridge Gas Utah shall furnish 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 Enbridge Gas Utah, including revisions to such tariffs made during the term of the Franchise, and in conformity with all applicable constitutional and statutory requirements. Enbridge Gas Utah 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, Enbridge Gas Utah 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 Enbridge Gas Utah's rules and regulations.

10. **Indemnification.** Enbridge Gas Utah shall indemnify, defend and hold the County, its officers and employees, harmless from and against any and all claims, demands, liens, liabilities, damages, actions and proceedings arising from the exercise by Enbridge Gas Utah of its rights under this Franchise, and Enbridge Gas Utah shall pay the reasonable cost of defense plus the County's reasonable attorneys' fees. Notwithstanding any provision to the contrary, Enbridge Gas Utah shall not be obligated to indemnify, defend or hold the County

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 County or any of its agents, officers or employees.

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

12. **Designation of Representative.** The Parties respective designated representatives authorized to receive and respond to issues and inquiries by the other Party in connection with the Franchise are set forth below. The Parties may designate a new representative from time to time upon prior written notice to the County.

Questar Gas Company
Attn: _____
P.O. Box 45360
Salt Lake City, Utah 84145-0360
Phone: 801-324-_____
Fax: 801-324-_____

Name: San Juan County
Attn: Clerk/Auditor
117 South Main, PO Box 338
Monticello, Utah 84535
Phone: (435) 587-6403

13. **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 County ordinances.

14. **Bonding/Permit fees.** The County expressly waives any type of bond requirement for Enbridge Gas Utah for County requested relocations as well as Enbridge Gas Utah replacement, repair, testing, or maintenance projects within the County right-of-way. Further, the County expressly waives any type of required permitting fees for County requested relocations as well as Enbridge Gas Utah replacement, repair, testing, or maintenance projects within the County right-of-way. The waiver of the foregoing bond and permitting fee requirements shall not include projects related to private development in which case the County shall accept required bond and fees from the owner, developers, or contractor requesting the project.

15. **Subcontractors:** Enbridge Gas Utah may subcontract with third parties, at its sole discretion, for the provisions of any of the services contemplated by this Agreement, and so doing does not create or pose third-party beneficiary status upon County.

16. **Contamination:** If Enbridge Gas Utah encounters any contaminated soil or groundwater during the Work that requires remediation or disposal, or poses a hazard as determined solely by Enbridge Gas Utah, Enbridge Gas Utah may suspend the Work until the contamination is removed, disposed of, and/or appropriately remediated to Enbridge Gas Utah's satisfaction and at no cost to Enbridge Gas Utah. Upon written notice to the County, if Enbridge Gas Utah elects to remediate the contamination, County shall pay all costs incurred by Enbridge Gas Utah arising from or caused by the remediation as Additional Construction Costs.

17. **Safety/Emergency Access:** At all times, Enbridge Gas Utah shall have immediate access to, and authorization to perform whatever action necessary to its Facilities in the event of an emergency or under any circumstances where the safety of any person or property may be compromised. In such event, Enbridge Gas Utah shall notify the County as quickly as practicable as circumstances dictate.

18. **Ownership of Facilities:** The Facilities that Enbridge Gas Utah constructs to render natural gas service shall at all times remain solely the property of Enbridge Gas Utah. Enbridge Gas Utah may render services from these Facilities and otherwise utilize them as it sees fit without liability of any kind, or obligation to any party.

19. **Minimum Distance:** County shall not install and shall not permit the installation of any underground facilities within three (3) feet horizontally or one foot vertically from Enbridge Gas Utah's Facilities. County shall not install and shall not permit the installation of any above-ground structures within fifteen (15) feet of Enbridge Gas' Facilities.

20. **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.

21. **Natural Gas Service:** This Agreement is for natural gas facilities only and is not an agreement to provide natural gas service. Upon completion of the Facilities, Enbridge Gas Utah shall provide natural gas service utilizing the Facilities in accordance with Enbridge Gas Utah Natural Gas Tariff ("Tariff") on file with the Utah Public Service Commission ("Commission") as may be revised from time to time. No Party shall be precluded from this Agreement from petitioning the Commission for modification of any applicable rate schedules or

rules and regulations pertaining to natural gas service. Nothing in this Agreement shall be deemed to require Enbridge Gas Utah to install additional capacity to serve future needs.

22. **Amendment.** This ordinance shall not be altered or amended unless mutually agreed upon in writing by Enbridge Gas Utah and the County.

23. **Survival of Terms:** The Parties' obligations of indemnity and limitations of damages shall survive termination of this Agreement.

24. **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.

25. **Effective Date.** This ordinance shall become effective upon the date of acceptance by Enbridge Gas Utah as established above.

26. **Entire Agreement:** This Agreement 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, communication, 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.

27. **Counterpart:** 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.

28. **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.

APPROVED and ADOPTED this 2nd day of September, 2025.

[COUNTY}

ATTEST:

County Clerk/Auditor

By: _____
Commission Chair

<u>County Commission Members</u>	<u>Yea</u>	<u>Nay</u>	<u>Abstaining</u>
Silvia Stubbs, Commission Chair	_____	_____	_____
Lori Maughan, Commission Vice-Chair	_____	_____	_____
Jamie Harvey, Commissioner	_____	_____	_____

ACCEPTANCE OF FRANCHISE

This is to certify that Questar Gas Company, dba Enbridge Gas Utah accepts the franchise for the construction, operation and maintenance of a gas distribution system granted by the Board of County Commissioner of the County of San Juan County, State of Utah, as evidenced by an Ordinance and adopted by the Commission on September 2,, 2025. Questar Gas Company, dba Enbridge Gas Utah accepts the franchise as approved and agrees that it will be bound by and observe and carry out the terms and conditions of the franchise. This Acceptance of Franchise is signed on behalf of the corporation and by authority of a resolution of its Board of Directors.

Dated at Salt Lake City, Utah this _____ of _____, 2023.

QUESTAR GAS COMPANY,
dba ENBRIDGE GAS UTAH

Judd Cook
Vice President and General Manager of
Western Distribution