

ORDINANCE NO. 3 1391

FRANCHISE - MOUNTAIN FUEL SUPPLY COMPANY

AN ORDINANCE GRANTING TO MOUNTAIN FUEL SUPPLY

COMPANY, a Utah corporation, a franchise for the construction, maintenance, and operation of a gas distribution system in the City of Kanosh, Millard County, State of Utah.

Ordained by the Mayor and City Council of the City of Kanosh, Millard County, State of Utah.

**ARTICLE I
GRANT OF FRANCHISE**

The City of Kanosh, in Millard County, State of Utah ("Grantor"), grants to Mountain Fuel Supply Company, a Utah corporation ("Grantee"), the right and authority, during the term of the franchise granted by this Ordinance, to construct, maintain, and operate a distribution system for furnishing natural and manufactured gas to all consumers, public and private, within the City of Kanosh. For such purpose, Grantee has the right to erect or construct, equip, and maintain along, over, or under present or future streets, alleys, and other public places a system of underground mains and other apparatus and facilities as are reasonably necessary for supplying gas service in accordance with this franchise.

**ARTICLE II
TERM**

The franchise is granted for a term of 50 years commencing with the date on which it is accepted. Thereafter the franchise will continue in effect, in the absence of an express objection by either of the parties, in accordance with the terms of this

Ordinance until new or modified terms and conditions may be negotiated and adopted as mutually acceptable to Grantor and Grantee.

Grantee will file a written acceptance of the franchise with the Grantor within 90 days after the date of this Ordinance, declaring its acceptance of the franchise and its intention to be bound by the terms and conditions of the franchise.

ARTICLE III CONDITIONS

1. Construction and Maintenance of Facilities. All mains, pipes, laterals, and related apparatus and facilities shall be laid so as to interfere as little as reasonably possible with traffic over the streets and alleys. Grantee shall comply with all reasonable and valid ordinances and regulations that are or may be prescribed by Grantor with respect to the construction and maintenance of all facilities as long as such ordinances or regulations do not conflict with or prejudice the rights of Grantee as provided by applicable statutory or constitutional law, this Ordinance, or the tariffs approved by the regulatory body having jurisdiction over Grantee ("Commission").

2. Terms of Service. Grantee shall furnish gas service without preference or discrimination among customers of the same service class at reasonable rates, in accordance with all applicable tariffs of Grantee approved by and on file with the Commission, including revisions made during the term of this Ordinance, and in conformity with applicable constitutional and statutory requirements.

Grantee may make and enforce reasonable rules and regulations in the conduct of its business and may require applicants for gas service to execute a gas service agreement as a condition for receiving service. Grantee shall have the right to contract with each customer regarding the installation of main and service pipelines and the control of the main and service pipes from their connection with the supply lines of the Grantee in the streets to and including the meter located on the customer's premises. To secure safe and reliable service to the customer, and in the public interest, Grantee shall have the right to prescribe the sizes and kinds of pipes and related facilities to be used by the customer in conveying gas on his premises and shall have the right to refuse service to any customer who neglects or refuses to comply with the rules of the Grantee prescribing such conditions.

3. Indemnification. In the event of injury to any person or damage to any property by reason of the negligence of Grantee in the construction, operation, or maintenance of Grantee's gas distribution system, Grantee shall indemnify Grantor and hold it harmless from liability.

ARTICLE IV CONSIDERATION

In consideration of the franchise granted herein, Grantee shall pay to Grantor the sum of \$50 within 90 days after the date of this Ordinance and shall provide natural gas service within the City in accordance with the terms of this franchise.

ARTICLE V
ASSIGNMENT OF FRANCHISE

Grantee and its successors or assigns shall have the right to assign this franchise with all the rights provided in it. Upon written notice to Grantor of such assignment, Grantee's successors or assigns, whether individuals or corporations, shall be entitled to all the rights and privileges granted and shall assume all the obligations and duties provided in this franchise.

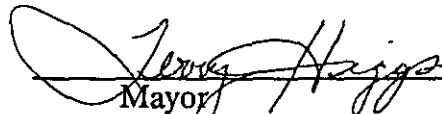
ARTICLE VI
EFFECT OF INVALIDITY

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

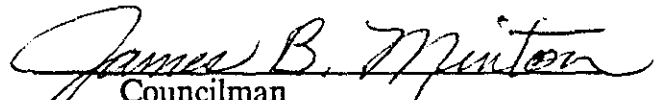
Passed by the Mayor and City Council of the City of Kanosh, State of Utah,
this 13th day of MARCH, 1991.

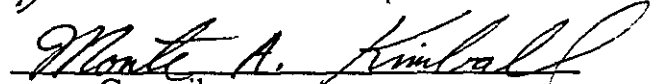
ATTEST:


City Recorder


Mayor


Councilman


Councilman


Councilman

Councilman

Councilman