

**NATURAL GAS FRANCHISE AGREEMENT
BETWEEN THE CITY OF COLONIAL HEIGHTS, VIRGINIA
AND
COLUMBIA GAS OF VIRGINIA, INC.**

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Section 1 – Preface

(a) This Natural Gas Franchise Agreement (hereinafter, the “Agreement”) is made between the City of Colonial Heights, Virginia, a political subdivision (hereinafter, “City”) and Columbia Gas of Virginia, Inc., a Virginia Public Service Corporation and a subsidiary of NiSource Inc. (hereinafter, “Columbia”).

(b) The City, having determined that Columbia’s financial, legal, and technical ability is reasonably sufficient to provide the services, facilities, equipment, and products necessary to meet the community’s future natural gas-related needs, desires to enter into this Agreement with Columbia for the construction, distribution, operation, and maintenance of a natural gas system on the terms and conditions set forth herein.

For the purposes of this Agreement, “public rights-of-way” means the streets, alleys, avenues, highways, bridges, public utility easements, and other public ways owned by or subject to the City’s control; and in addition, such locations in the City’s public parks and places as were, on this Agreement’s effective date, occupied by gas distribution mains, pipes, lines, or related facilities.

Section 2 – Grant of Authority

The City hereby grants to Columbia a nonexclusive franchise authorizing Columbia, its successors and assigns, to construct, repair, replace, operate, and maintain a system for the transmission, distribution, and sale of natural gas in, under, along, and across any public rights-of-way in the City’s present or future corporate limits. All gas mains and service pipes shall be placed underground to the extent feasible. This grant is for the purpose of supplying and selling natural gas and its by-products to the City and its residents, businesses, industries, and institutions. This Agreement and Franchise shall

begin on October 9, 2019 and end on October 8, 2039, unless lawfully terminated in accordance with the Agreement's terms. Nothing in this Agreement shall be construed as precluding Columbia from complying with all other applicable provisions in the Colonial Heights City Code.

Section 3 – Materials and Construction

The materials to be used in and the manner of construction, repair, replacement, and maintenance to be followed under this Agreement shall comply with commonly accepted industry usage and accepted engineering practice, and shall conform to 49 CFR Part 192 – Transportation of Natural and Other Gas by Pipeline: Minimum Federal Safety Standards – and any amendments thereto.

Section 4 – Construction, Maintenance, and Use of Public Rights-Of-Way

(a) Subject to compliance with this Agreement's terms and conditions, and any City ordinances now in effect or hereinafter approved, Columbia shall have the right to excavate in the public rights-of-way for the purposes of constructing, extending, repairing, replacing, and maintaining its natural gas system. Any work done under this Agreement shall not damage the underground construction of (i) any other public service corporation having a franchise from the City, (ii) construction the City has performed, or (iii) construction the Virginia Department of Transportation has performed. Also, all natural gas lines that Columbia constructs shall be located so they do not interfere with water and sewage pipes properly constructed or with the safety and convenience of persons traveling on the public right-of-ways or using other public places.

- (b) All pipeline construction, maintenance, or operation undertaken by Columbia, upon Columbia's direction, or on Columbia's behalf, shall be completed in a neat and workmanlike manner.
- (c) Whenever Columbia uses a public right-of-way for constructing, inspecting, testing, maintaining, repairing, replacing, adjusting, locating, relocating, or otherwise changing its facilities, it shall restore, at its own cost, the excavated area, within a reasonable time after completion of the work, to the same or substantially the same condition that existed prior to construction, in accordance with established City of Colonial Heights standards. Whenever any of Columbia's lines, mains, equipment, or other property interferes with improvements being constructed, repaired, replaced, or maintained in the public right-of-ways, or with sidewalk construction, repair, replacement, or maintenance by the City or its contractors, Columbia shall, at its own cost and upon reasonable notice from the City, relocate its property that is interfering with work on the improvements, per the Relocation provisions outlined in Section 7 of this ordinance.
- (d) Similarly, whenever the City determines it is appropriate to change the course or grade of a public right-of-way, Columbia shall, at its own cost, remove or change the depth or location of any mains, pipes, or other property as necessary to conform with the proposed change, per the relocation provisions outlined in Section 7 of this ordinance. The City shall provide written notice of the changes, and Columbia shall move its property within a reasonable time. Columbia shall be liable for any project costs associated with its failure to move its property within a reasonable time.

- (e) Except in the case of an emergency, prior to commencing any construction or maintenance work, Columbia, through the City's permitting process, shall first file with the Department of Public Works (hereinafter, "Department") detailed plans, specifications and profiles of the intended work to be done, showing the location and nature of the installation to be made, repaired or maintained, and a schedule showing the times of beginning and completion, and shall obtain a permit from the Department before proceeding with any such work. The Department may require such additional information, plans or specifications as are in the Director of the Department's opinion necessary to protect the public health and safety during the construction or maintenance work and for the remaining term of this Agreement.
- (f) All construction or maintenance work shall be performed in conformity with the plans, maps and specifications filed with the Department, except in instances in which the Department Director allows deviation thereafter in writing pursuant to an application from Columbia to the Director.
- (g) Except in the event of an emergency, Columbia shall provide the City written notice at least ten (10) calendar days prior to any construction or maintenance, or other substantial activity other than routine inspections and maintenance, by Columbia's agents, employees, or contractors on Columbia's pipelines or facilities.
- (h) Work shall commence only upon the Department's issuance of applicable permits, which shall not be unreasonably withheld or delayed. However, if an emergency requires Columbia's immediate action for the protection of its pipelines or facilities, City property, other property, or persons, Columbia may proceed without first obtaining the normally required permits. In such event Columbia shall (1) take all necessary and

prudent steps to protect, support, and keep safe from harm its pipelines and facilities, City property, other property, or persons, and to protect the public health and safety; and (2) as soon as possible thereafter, obtain the required permits and comply with any mitigation requirements or other conditions in the issued permits.

- (i) Unless in conflict with a federal requirement, the Department may condition the granting of any permit or other approval that this Agreement requires, in any manner reasonably necessary, based on established City standards, for the safe use and management of the public rights-of-way or City property, including, by way of example and not limitation, bonding, maintaining proper distance from other utilities' property, protecting the continuity of pedestrian and vehicular traffic, and protecting any public rights-of-way improvements, private facilities, and the public safety.
- (j) Columbia shall replace, at its own cost, any property corner monuments, survey references, or hubs that are disturbed or destroyed during Columbia's work. Such restoration shall be done pursuant to applicable laws under the supervision of the City and to the City's satisfaction that the standards set forth in such applicable laws have been met.
- (k) If Columbia damages City property, Columbia shall either repair or replace the property or pay a contractor to have the damaged property properly repaired or replaced. Columbia shall promptly notify the Department of Public Works if it damages any property not its own. If Columbia shall fail to restore a public way or other City property to its former state within a reasonable time after learning that it has damaged the property, the City may make the repairs and replacements with its own employees or with a contractor it hires. In such event, Columbia shall promptly pay the City all

reasonable costs and expenses the City incurs in making the repairs and replacements. Notwithstanding the foregoing, if the City determines that it is advantageous for it to make repairs or replacements to its property that Columbia has damaged, the City may, upon receiving written authorization from Columbia, have the property repaired or replaced; and Columbia shall promptly reimburse the City for the reasonable costs and expenses the City incurred.

- (l) Columbia shall, promptly upon the awarding of this Franchise, develop a protocol with the City to provide the City with the complete system layout maps of its natural gas system, which shall be timely maintained to show all subsequent additions and/or deletions to such distribution system. The City agrees that it will comply with all state and federal laws prohibiting disclosure of Columbia's drawings, maps, and other documents to any third party, and all requests by Columbia that such information not be disclosed by the City insofar as such request is not contrary to applicable State and Federal laws.
- (m) For any gas main installed in the City that is not in a public street, and the street shall afterwards be dedicated for public use, the main shall be deemed to be operated and maintained pursuant to this Agreement.
- (n) Columbia shall continuously be a member of the Virginia 811 one number locator service and shall comply with all such applicable rules and regulations.
- (o) Nothing in this Franchise Agreement shall be deemed to impose any duty or obligation upon the City to determine the adequacy or sufficiency of Columbia's plans and designs or to ascertain whether Columbia's proposed or actual construction, testing,

maintenance, repairs, replacement, or removal is adequate or sufficient or in conformance with the plans and specifications the City has reviewed.

- (p) Columbia shall solely and completely be responsible for establishing and enforcing workplace safety standards and safe working practices on its job sites, including safety of all persons and property during the performance of any work.
- (q) Columbia shall at all times keep up to date maps and records showing the location and sizes of all gas mains, lines, and service connections it lays in the City. Such maps and records shall be provided to the City pursuant to the protocol established pursuant to paragraph 4(l) above.
- (r) No right or privilege the City grants in this Agreement shall diminish Columbia's responsibility to comply with all City laws; and this Agreement shall not be construed as limiting the City's right to approve laws protecting the public and regulating use of its public rights-of-way.

Section 5 – Encroachment Management

To avoid accidental damage to Columbia's facilities, Columbia agrees to promptly comply with any request from the City, its agents, employees, or its contractors, as well as any third-party excavators, that Columbia locate the position of specific portions of Columbia's facilities in accordance with the Virginia Underground Utility Damage Prevention Act (Chapter 10.3 of Title 56 of the Code of Virginia, §56-265.14 et seq.)

Section 6 – Leaks, Spills, Ruptures, and Emergency Response

- (a) Columbia shall have in place, at all times during the term of this Agreement, a system for remotely monitoring pressures and flows and accurately detecting pipeline ruptures

with a goal of promptly identifying significant natural gas distribution system issues or concerns.

- (b) During this Agreement's term, Columbia shall maintain and provide to the City a summary of written emergency response plans and procedures in accordance with Federal law 49 CFR 192.615 – Emergency Plans, as well as other applicable Federal or State natural gas safety standards. Furthermore, in accordance with 49 CFR 192.616 and 49 CFR 195.440, Columbia shall conduct a continuing Public Awareness Program to communicate pipeline safety and emergency response information with City officials, emergency responders, excavators, customers and other affected persons as defined under Federal law.
- (c) Columbia's emergency plans and procedures shall designate Columbia's responsible local emergency response officials and a direct 24-hour emergency contact number for its control center operator. After being notified of an emergency, Columbia shall cooperate with the City and make every effort to respond as soon as possible to protect the public's health, safety and welfare.
- (d) Subject to the limitations set forth in Section 21, Columbia shall be solely responsible for any costs the City incurs in responding to any hazardous rupture, spill, or leak from a Columbia pipeline or facility, including but not limited to detection and removal of any contaminants from air, earth, or water, and all actual remediation costs, but excluding costs related to routine gas-related emergency response calls that do not result in a hazardous rupture, spill, or leak from Columbia's pipeline facilities.

- (e) Columbia shall notify the Department Director, within one (1) business day of observation or detection, of any hazardous leak, spill or rupture of natural gas product from one of its pipelines or facilities within or affecting the City.

Section 7 – Relocation

- (a) If the City or its contractors undertakes or directs the construction of or changes to the grade or location of any water, sewer or storm drainage line, street, sidewalk, or other City improvement project; or if any governmental agency or any person or entity on behalf of or under the direction of the City or any other governmental agency, undertakes any improvement project, and the City determines that the project might reasonably require the relocation of Columbia's pipelines or facilities, the City shall provide Columbia at least ninety (90) calendar days prior written notice or such additional time as may reasonably be required, of such project requiring relocation of Columbia's pipelines and facilities.
- (b) The City shall provide Columbia with copies of pertinent portions of the plans and specifications for the improvement project. Upon request, Columbia shall, at its cost and expense, determine and identify for the City the location of its pipelines and facilities that the improvement project potentially may affect.
- (c) Columbia may, after receiving written notice requesting a relocation of its facilities, submit to the City alternatives to the relocation within thirty (30) calendar days of receiving the plans and specifications. The City shall evaluate the alternatives and advise Columbia in writing if one or more of the alternatives is suitable to accommodate the work. Upon City request, Columbia shall submit additional information to assist the City in making the evaluation. The City shall give each

alternative that proposed Columbia proposes full and fair consideration but retains full discretion to decide whether to utilize its original plan or an alternative that Columbia proposed. If the City ultimately determines that there is no other reasonable alternative, Columbia shall relocate its facilities as the City proposed.

- (d) If any improvement project conducted by the City or its contractors is required in the interest of public health, safety, welfare, necessity, or convenience, as the City determines in its sole discretion, Columbia shall make such changes as required herein at Columbia's sole cost.
- (e) The City shall work cooperatively with Columbia in determining a viable and practical route within which Columbia may relocate its facilities, in order to minimize costs while meeting the City's project objectives. Columbia shall complete relocation of its facilities so as to accommodate the improvement project at least ten (10) days prior to the date of the City's scheduled advertisement for construction bids or such other time as the City determines in writing.

Section 8 – Removal, Abandonment in Place

- (a) In the event of the removal of all or a portion of the pipelines or facilities, Columbia shall restore the City's rights-of-way to as good or better condition as it was in before the work began.
- (b) Removal and restoration work shall be done at Columbia's sole cost and expense and to the City's reasonable satisfaction. Columbia shall be responsible for arranging for any environmental review required for the removal of any pipeline or facility and the payment of any costs of the environmental review.

- (c) If Columbia is required to remove a pipeline or facility and fails to do so, or fails to adequately restore the City's rights-of-way or take other mutually agreed upon action, the City may, after reasonable notice to Columbia and at Columbia's sole expense, remove the pipeline or facility, restore the premises, or take other action as is reasonably necessary. This remedy shall not be the exclusive remedy and shall not prevent the City from seeking a judicial order directing that pipelines or facilities be removed.
- (d) With the express written consent of the City and as the City directs, Columbia may purge its pipelines and facilities and abandon them in place. Columbia shall be responsible for arranging for any environmental review required for pipeline or facility abandonment and the payment of any costs of the environmental review. The City's consent to the abandonment of pipelines or facilities in place shall not relieve Columbia of its obligation, at its sole cost, to remove or to alter the pipelines or facilities in the future if the City determines that removal or alteration is necessary or advisable for the health and safety of the public.
- (e) The parties expressly agree that paragraph 8(d) shall survive the revocation or termination of this Franchise Agreement.

Section 9 – Utility Planning and Coordination

- (a) Columbia shall submit information related to the general location, proposed location, and size of existing and proposed facilities as the City requests, within sixty (60) days of receiving the City's written request for the information.
- (b) Columbia shall assign a representative to coordinate with the City on planning for City Capital Improvement Program projects. By July 1st of each year, Columbia shall provide

the Department with a schedule of its anticipated capital improvements which may affect the City's rights-of-way. In an effort to effectively coordinate potential work within the City, Columbia shall meet with the City, other franchisees, and possibly other City right-of-way users, according to a schedule the City formulates. All construction locations and activities shall be coordinated with the Department Director to minimize public inconvenience or damages.

(c) Except as provided in paragraph (d) of this section, the Department Director shall not issue a permit for excavation in any public right-of-way that has been constructed, reconstructed, repaved, or resurfaced in the preceding three years, as measured from the date of City acceptance. Columbia shall determine alternative methods of making necessary repairs and facility installations to avoid excavations that this paragraph prohibits.

(d) The Department Director shall grant Columbia a waiver of the prohibition in paragraph c of this section to allow excavation if: (1) the City's denial of a permit would violate Federal law; (2) Columbia needs to respond to an emergency; or (3) the waiver is necessary to provide service to buildings for which there are no other reasonable means of serving. The Director shall set forth the reasons for granting or denying the waiver in writing. In addition to any other information Columbia must provide for a permit, Columbia shall provide the following information to support its request for a waiver under this paragraph: (1) The reason why the excavation was not performed before or when the public right-of-way was paved; (2) The reason why the excavation cannot be delayed until after the three-year period set forth in paragraph I.(e) of this section expires; and (3) The

reason why the excavation cannot be performed at another location or Columbia's need cannot be accomplished by a method that does not require excavation.

(e) The City and Columbia shall cooperate in the planning and implementation of emergency operations response procedures.

Section 10 – State Corporation Commission

Columbia shall be entitled to charge reasonable rates for the gas and services it furnishes, subject to State Corporation Commission ("SCC") approval. Also, Columbia and the City agree that this Agreement is contingent upon Columbia obeying all rules and regulations adopted by the SCC and any other regulatory entity having authority over Columbia; and the Agreement further is contingent on Columbia maintaining, or obtaining from the SCC, an appropriate certificate of public convenience and necessity for its operations.

Section 11 – Fees

This Agreement shall not be construed to waive, abridge, or otherwise affect the City's right to impose any lawful franchise, license, property, or other tax or fee upon this franchise and upon properties that Columbia constructs or installs.

Section 12 – Indemnity and Hold Harmless

Columbia, its successors, and assigns hereby agree to indemnify and hold harmless the City and its employees from any and all claims, damages, losses, costs, expenses, or judgments which may be awarded in any legal or administrative action, and to pay all expenses, including but not limited to, reasonable attorney fees, investigative costs, and court costs, due to personal injuries, death, or property damage arising from the construction, operation, or maintenance of the works herein authorized, the exercise of any right or privilege this Agreement grants, or the performance of any duty imposed;

provided however, that Columbia has received actual notice of such claim, damage, loss, or expense; and provided further that Columbia, together with the City's legal representative, has control of the defense of the claim or suit. However, this Agreement shall not be construed to render Columbia liable for the negligence or willful misconduct of the City, its employees, or its contractors.

Section 13 – Customer Access

Columbia shall not be required to maintain an office in the City. However, Columbia shall provide convenient, effective methods for its customers in the City to make inquiries about service and billing. Columbia shall provide all of its customers in the City with toll-free telephone numbers for making such inquiries, as well as providing for such inquiries through the internet and other generally available means of communication.

Section 14 – Franchise Nonexclusive

This Agreement grants to Columbia a nonexclusive franchise for its gas distribution system and does not in any manner prevent the City from granting similar or equal privileges to any other person or entity or from conducting such operations itself.

Section 15 – Transfer of Franchise

Columbia may transfer or assign the franchise this Agreement creates to any other legal entity with (i) written notification to the City within ninety (90) days of the effective date of the transfer or assignment and (ii) written documentation of the new entity's full acceptance of this Agreement's terms. A statutory merger, consolidation, recapitalization, or sale or transfer of Columbia's common stock does not constitute a sale or transfer of assets for purposes of this section.

Section 16 – Termination

If Columbia fails to comply with a material term of this Agreement, the City shall give Columbia written notice that the failure must be remedied within thirty (30) days. If Columbia does not remedy the failure within thirty (30) days, the City shall have the right to terminate this Agreement.

Section 17 – Bond

Prior to acting pursuant to this Agreement, Columbia shall execute a bond, with a company licensed to issue bonds in the Commonwealth of Virginia, in the sum of \$50,000 with adequate surety, in favor of the City, conditioned upon Columbia's compliance with all of this Agreement's provisions. Such bond shall not be in effect unless the Colonial Heights City Attorney approves it; and the bond shall remain in effect during this Agreement's term. The amount of the bond shall not limit the City's right to recover losses or damages otherwise recoverable from Columbia.

Section 18 – Insurance

Throughout this Agreement's term:

- (a) Columbia shall maintain general liability insurance for (i) \$5,000,000 for bodily injury to or the death of any one person; (ii) an aggregate limit of \$10,000,000 for bodily injury or death that any one accident causes; (iii) \$5,000,000 for property damage from any one occurrence; and (iv) \$5,000,000 for all other types of liability that any one occurrence causes.
- (b) Columbia shall provide Workers Compensation Insurance as the Commonwealth of Virginia mandates.

- (c) Columbia shall carry and maintain in its own name automobile liability insurance with a limit of \$5,000,000 for each person and \$5,000,000 for each accident for property damage with respect to owned and non-owned automobiles for the operation of which Columbia is responsible.
- (d) The limits of liability required may be satisfied through a combination of primary and excess coverage amounts.
- (e) In the event that any policy of insurance provides coverage on a “claims-made” basis, the retroactive date for any such policy, if any, shall not be later than the effective date of this Agreement.
- (f) All policies of insurance this section requires shall be placed with companies which are qualified to write insurance in the Commonwealth of Virginia and which maintain throughout the policy term a General Rating of “A-“ and a Financial Size Category of “VII” as determined by Best Insurance Rating Services.
- (g) Upon the City’s written request, Columbia shall provide the City with Certificates of Insurance for the coverages this section mandates. Should the City find an insurance document to be non-compliant, then it shall notify Columbia; and Columbia shall promptly cure the defect in accordance with this Agreement.
- (h) Any general liability insurance policy Columbia provides under this section shall include the City, and its officers and employees, as additional insureds, and shall be primary to any insurance or self-insurance the City carries. Columbia shall immediately notify the City upon any insurance policy’s termination or cancellation.

Section 19 – Applicable Law and Venue

This Agreement shall be governed by Virginia law; and any litigation arising from or related to this Agreement shall be filed and tried either in the appropriate Virginia state court in Colonial Heights, Virginia, or in the U. S. District Court for the Eastern District of Virginia, Richmond Division.

Section 20 – Severability

If any of this Agreement's provisions shall be held to be invalid or unenforceable, the validity or enforceability of the remaining provisions shall not be affected; and they shall remain in full effect.

Section 21 – Force Majeure

Columbia shall not be required to perform any provision in this Agreement, or be liable in damages to the City, so long as the provision's performance or non-performance is delayed, caused, or prevented by an act of God (force majeure), the City, or a third party beyond the reasonable control of Columbia. An "act of God" or "force majeure" is defined for purposes of this Agreement as strikes, lockouts, sit-downs, material or labor restrictions by any governmental authority, unusual transportation delays, riots, floods, washouts, explosions, earthquakes, fire, storms, weather (including wet grounds or inclement weather which prevents construction), wars, terrorism, insurrections, and any other cause not reasonably within Columbia's control or by which in the exercise of due diligence Columbia is unable wholly or in part to prevent or overcome.

Section 22 – Notice

All notices shall be in writing and shall be served upon the other party by hand delivery; first class mail; registered or certified mail, return receipt requested; or by

reputable overnight courier service and addressed as follows:

To the City:

City Manager
City of Colonial Heights
P. O. Box 3401
Colonial Heights, Virginia 23834

And to:

City Attorney
City of Colonial Heights
P. O. Box 3401
Colonial Heights, Virginia 23834

To Columbia:

President
Columbia Gas of Virginia
1809 Coyote Dr.
Chester, Virginia 23836

And to:

Assistant General Counsel
Columbia Gas of Virginia
1809 Coyote Dr.
Chester, Virginia 23836

Section 23 – Amendment

Any amendment to this Agreement shall be in writing and properly executed by the parties. The City Council, through approval of an appropriate ordinance, shall authorize City execution of any amendment.

Section 24 – Entire Agreement

This document embodies the parties' whole understanding of the subject matter hereof and supersedes all prior understandings, agreements, and communications, whether written or oral.

NATURAL GAS FRANCHISE AGREEMENT

Columbia Gas of Virginia, Inc.

By: _____
Name: _____ Date _____
Title: _____

COMMONWEALTH OF VIRGINIA,
CITY/COUNTY OF _____, to-wit:

The foregoing was acknowledged before me, a Notary Public in and for the Commonwealth of Virginia at large, by _____, _____, on behalf of Columbia Gas of Virginia, Inc., a Virginia corporation, on this _____ day of _____, 2019.

My commission expires: _____

Notary Public