

*Mutual Gas  
Transp. Agree  
UGSC &  
City of Blanding*

MUTUAL GAS TRANSPORTATION AGREEMENT

BETWEEN

UTAH GAS SERVICE COMPANY

AND

CITY OF BLANDING

MONTICELLO TRANSMISSION LOOP

DATED:

NOVEMBER 1, 1995

## INDEX TO AGREEMENT

### ARTICLE

I	Definitions.....	5
II	Gas to be Delivered, Delivery Point(s) & Pressure.....	8
III	Frequency and Scheduling of Service.....	11
IV	Pipeline Imbalances and Penalty Tolerances.....	12
V	Transportation Charge and Payment.....	14
VI	Quality.....	17
VII	Measurement.....	18
VIII	Government Requirements.....	22
IX	Liability.....	24
X	Term.....	25
XI	Title, Taxes, Other Charges.....	25
XII	Force Majeure.....	26
XIII	Miscellaneous.....	27
	Signatory.....	30
	Exhibit A.....	31
	Exhibit B.....	32

## MUTUAL GAS TRANSPORTATION AGREEMENT

THIS Agreement is made and entered into on the 1st day of November, 1995 by and between UTAH GAS SERVICE COMPANY, a Utah corporation, hereinafter referred to as "UGSC," and CITY OF BLANDING, a Utah municipality, hereinafter referred to as "Blanding," or individually or collectively referred to as "Party" or "Parties," respectively.

### RECITALS:

a. UGSC owns and operates a pipeline located in San Juan County, Utah which is subject to the jurisdiction of the Public Service Commission of Utah for distribution and transportation of natural gas.

b. Blanding owns and operates, or hereafter will own and operate, a pipeline located in San Juan County, Utah for distribution and transportation of natural gas. This Agreement will take effect only upon the completion of Blanding's pipeline being connected to Northwest Pipeline Corporation's (NWP) pipeline and becoming operational.

c. Both of the Parties own or otherwise control, or may hereafter own or

otherwise control, certain supplies of gas which are remote from its end-use customers. These customers include residential and business customers for which firm service is necessary.

d. From time to time, UGSC desires to have its supplies of gas transported through the facilities of Blanding on an emergency or scheduled maintenance basis, from Northwest Pipeline Corporation's (NWP) interconnect facilities with Blanding as stated on Exhibit A attached hereto and delivered to UGSC at its interconnect with Blanding as stated on Exhibit B attached hereto.

e. From time to time, Blanding desires to have its supplies of gas transported through the facilities of UGSC on an emergency or scheduled maintenance basis, from NWP's interconnect facilities with UGSC as stated on Exhibit A attached hereto and delivered to Blanding at its interconnect with UGSC as stated on Exhibit B attached hereto.

f. The Parties, subject to the provisions in this Agreement, are each able to transport and deliver such gas on the terms set forth below.

NOW, THEREFORE, upon the following terms and conditions, the Parties agree:

## ARTICLE I

### Definitions

The following definitions will apply whenever the defined terms are used in this Agreement:

I-1. "FERC" shall mean the Federal Energy Regulatory Commission or any successor Federal commission, Federal agency or other governmental body or bodies succeeding to, lawfully exercising or superseding any powers which are exercisable as of the date of this Agreement by the Federal Energy Regulatory Commission.

I-2. "Btu" shall mean British thermal unit. "MMBtu" shall mean one million (1,000,000) Btus.

I-3. "Cubic foot" shall mean one cubic foot of gas at a temperature of sixty (60) degrees Fahrenheit and a pressure of fourteen and seventy-three one-hundredths (14.73) pounds per square inch absolute.

I-4. "Day" shall mean a period of twenty-four (24) consecutive hours as defined by Northwest Pipeline Corporation (NWP) in its FERC Gas Tariff, as it may be amended from time to time.

I-5. "Equivalent volumes" shall mean quantities of natural gas that are equal in

gross heating values, less any applicable fuel and unaccounted-for volumes required by Transporter.

I-6. "Firm" or "firm service" shall mean service as defined in UGSC's PSC Gas Tariff as it may be amended and approved from time to time by the Public Service Commission of Utah (PSCU).

I-7. "Force Majeure," the term as employed herein shall mean: acts of God, including, but not limited to, epidemics, landslides, lightning, earthquakes, fires, tornadoes, storms, floods, washouts; strikes, lockouts or other industrial disturbances; acts of the public enemy, wars, blockades, insurrections, riots; arrest and restraint of rulers and peoples; necessity for compliance with any court order, law, ordinance or regulation promulgated by a governmental authority having jurisdiction; civil disturbances; explosions, breakage or accident to machinery or lines of pipe, freezing of pipelines; inability to secure right-of-way, materials or labor, including inability or failure to obtain materials and supplies due to governmental regulations, any maintenance or the making of repairs or alterations to lines of pipe or other facilities utilized by either of the Parties, and causes of like or different kind, whether herein enumerated or not, and not within the control of the Party claiming suspension, and which by the exercise of due diligence such Party is unable to overcome.

I-8. "Gas" or "natural gas" shall mean all merchantable combustible gas or vapors, including but not limited to natural gas, casinghead gas and plant residue gas remaining after processing of natural or casinghead gas.

I-9. "Gross heating value" shall mean the total Btu content for a cubic foot of gas on a dry basis as determined by calculation from compositional analysis using physical properties of gases at fourteen and seventy-three one-hundredths (14.73) psia and sixty (60) degrees Fahrenheit as prescribed by the American Gas Association.

I-10. "Mcf" shall mean one thousand (1,000) cubic feet of gas.

I-11. "Month" shall mean the period of time beginning the first day of a calendar month and ending on the first day of the next succeeding calendar month as defined by Northwest Pipeline Corporation in its FERC Gas Tariff, as it may be amended from time to time.

I-12. "Psia" shall mean pressure expressed in pounds per square inch absolute.

I-13. "Psig" shall mean pressure expressed in pounds per square inch gauge.

I-14. "Shipper" shall mean the Party which owns the gas currently being shipped for its supply.

I-15. "Transaction" shall mean each period of time that transportation service is in effect under this Agreement, including the startup through cessation of service.

I-16. "Transporter" shall mean the Party which is currently shipping gas through its facilities for delivery to the other Party.

I-17. "Year" or "Contract year" shall mean a period of twelve (12) consecutive months commencing on the effective date of this Agreement, and each succeeding twelve (12) consecutive months.

## ARTICLE II

### Gas to be Delivered, Delivery Point(s), and Pressure

II-1. The transportation service under this Agreement shall be firm service. The gas which Shipper shall be entitled to have Transporter accept, transport and deliver hereunder shall be that volume of gas properly tendered in accordance with the NWP's FERC gas tariff, as it may be amended from time to time, by Shipper at Shipper's receipt point as defined on Exhibit A attached to this Agreement, up to but not exceeding a maximum daily volume of Three Thousand (3,000) Mcf of gas per day. The Parties shall utilize reasonable efforts to arrive at mutually acceptable terms in the event Shipper requests an increase in such maximum daily volume.

II-2. The receipt of gas by Transporter from Shipper shall be at Shipper's receipt



point as defined on Exhibit A, or such other points as may be agreed upon by the Parties.

II-3. Shipper shall deliver or cause to be delivered gas to Transporter at the receipt point at pressures sufficient to make delivery into Transporter's facilities against the pressures existing therein from time to time, up to but not exceeding, the maximum pressures set forth on Exhibit A. Neither Shipper nor Transporter shall be obligated to install compression equipment to effect deliveries of gas hereunder at receipt or delivery points. The Parties agree to utilize reasonable efforts to arrive at mutually acceptable terms in the event such compression becomes necessary.

II-4. Shipper shall be responsible for instructing NWP to deliver Shipper's gas supply into Transporter's line and to cease such deliveries at the appropriate time. Transporter shall deliver to Shipper or for its account Equivalent Volumes of gas for those delivered to Transporter. Such delivery by Transporter shall take place at Shipper's delivery point set forth on Exhibit B attached to this Agreement, and or at such other points as may be agreed upon by the Parties. Transporter shall deliver such Equivalent Volumes of gas to the delivery point at the pressures existing therein from time to time, so long as the existing pressures are between the maximum and minimum pressures set forth on Exhibit B.

II-5. Balancing between Shipper volumes received by Transporter and those delivered by Transporter shall be on a Btu basis and shall be accomplished, as nearly as practicable, by the completion of each Transaction. Shipper imbalances are not currently anticipated on Transporter's system under the structure of this Agreement, however in the event an unresolved imbalance does occur, it shall be resolved within ten (10) days of the close of the Transaction. When, in the sole discretion of Transporter, an existing or continuing imbalance is a problem for Transporter, then Shipper and Transporter shall use their best efforts to work together to resolve such imbalance on a timely basis. If such efforts fail to resolve the imbalance to Transporter's satisfaction, Transporter shall have the right to take such measures as it may deem necessary to clear the imbalance.

II-6. In the event of a line rupture or other loss of gas from Transporter's facilities during any particular Transaction, ownership of the lost gas and financial liability therefor shall be prorated based upon the respective volumes taken on the previous gas day by Shipper and Transporter, with each to bear its proportionate loss.

II-7. The Parties agree to use their best efforts to deliver gas at receipt point(s) and/or delivery point(s) at uniform hourly and daily rates of flow, as nearly as practicable.

## ARTICLE III

### Frequency and Scheduling of Service

III-1. This Agreement is intended to cover service during periods of emergency or of scheduled maintenance of transmission lines. A period of emergency will be considered to include such things as rupture, freezing, serious leakage or any other condition which unexpectedly and suddenly interrupts or seriously curtails the movement of gas through a Party's transmission line, leaving it unable to fully serve its customers. In a period of emergency, Shipper will notify Transporter by telephone of such emergency, and Transporter will use its best efforts to begin transportation service as soon as possible. While the state of emergency exists, Shipper will use its best efforts to cure such emergency as soon as is possible.

III-2. A period of scheduled maintenance will be considered to include expected maintenance of leaks, cathodic facilities, excavations, repairs, uprating, pressure testing, on the transmission pipeline or any appurtenances thereto, or any other condition expected to interrupt or seriously curtail the movement of gas through a party's transmission line, leaving it unable to fully serve its customers. In the case of scheduled maintenance, Shipper shall notify Transporter at least two weeks in advance of the need for transportation service. Each Transaction, in the case of scheduled

maintenance, will not continue for more than fourteen consecutive calendar days without separate, written agreement of both Parties.

## ARTICLE IV

### Pipeline Imbalances and Penalty Tolerances

IV-1. It is understood that Shipper and Transporter each has its own separate contract(s), receipt point(s) and receipt point facilities with NWP. However during a transportation Transaction anticipated in this Agreement, the volumes delivered to Shipper or Transporter from the NWP system at such respective receipt points will be commingled. Accordingly all imbalances incurred by either Shipper or Transporter, along with any resulting imbalance penalties or related charges assessed, will also be commingled. Under no circumstances, therefore, will Transporter be assessed any type of fee or charge for utilizing for its own supply purposes any available imbalance tolerances, or the physical facilities of Shipper or of NWP on behalf of Shipper. It shall be Transporter's responsibility, for Shipper's receipt point as defined on Exhibit A, to track the respective NWP system imbalances and to assign any resulting penalties to Transporter or Shipper, whomever is responsible for their incurrence and subsequent resolution. The term "penalty(ies)" shall include, but not be limited to, daily or monthly

imbalance penalties, unauthorized underrun charges, unauthorized overrun charges, penalties for unresolved cumulative imbalances, penalties for violating operational flow orders, NWP surcharges for reservation charge adjustments, or any other type of charge, fine or assessment levied by NWP for accruing imbalances, for failing to resolve imbalances, or for otherwise violating NWP's operating conditions as now set forth, or as they may be amended from time to time, in NWP's FERC Gas Tariff. Accordingly, for the purposes of this Agreement, Shipper's pipeline imbalances and penalties will be calculated and assessed as follows:

IV-1a. Daily pipeline imbalances will be calculated as the difference between the volumes nominated by Shipper, or on its behalf, and confirmed by NWP, less the volumes taken through Shipper's delivery point (as defined on Exhibit B hereof) for the same gas day. The information on the nominations and deliveries of gas for both Parties shall be made available to both Parties so that the calculated imbalances for both Parties may be verified.

IV-1b. Daily penalty tolerances, and daily penalties, for pipeline imbalances will be as defined in the applicable section of NWP's FERC Gas Tariff, as it may be amended from time to time.

IV-1c. Cumulative or monthly pipeline imbalances will be the

accumulated total of the daily imbalances as defined in Section IV-1a above.

Cumulative or monthly penalties and monthly penalty tolerances for pipeline imbalances will be as defined in the applicable section of NWP's FERC Gas Tariff, as it may be amended from time to time.

IV-2. In the event NWP materially alters the imbalance definitions, penalty tolerances or other operational constraints currently in effect under its FERC Gas Tariff, the Parties must, within ninety (90) days, redefine, by written amendment, the imbalance definitions, penalty tolerances or other operational constraints affecting Shipper or Transporter under the terms of this Agreement.

IV-3. Nothing in this Article IV impairs or otherwise limits Transporter's right to seek appropriate redress from Shipper for damages incurred by Transporter should NWP alter Transporter's nominations, receipts or deliveries in response to the actions or conduct of Shipper or on Shipper's behalf, including, but not limited to, its failure to eliminate its cumulative imbalances or to comply with an operational flow order.

## ARTICLE V

### Transportation Charge and Payment

V-1. In consideration of the transportation service rendered by Transporter,

Shipper shall pay Transporter a fee of Twenty-Five Cents (\$0.25) per MMBtu of gas transported to the delivery point per Exhibit B.

V-2. On or before the twentieth (20th) day of each calendar month, Transporter shall render to Shipper a statement or statements showing the total volume and Btu content of the gas received for Shipper's account and the total volume and Btu content of the gas delivered by Transporter for Shipper's account for the preceding calendar month. Such statements shall also show the total charges due from Shipper to Transporter for such transportation, any charges or penalties arising under Article IV and any other charges assessed.

V-3. On or before the thirtieth (30th) day of the month, Shipper will pay Transporter by wire transfer in immediately available funds to a depository designated by Transporter, or as to statements delivered after the twentieth (20th), within ten (10) days after receipt of such statements. When the due date falls on a day that the designated depository is not open in the normal course of business to receive Shipper's payment, Shipper shall cause such payment to be actually received by Transporter on or before the next business day on which the designated depository is open after such due date.

V-4. If any overcharge or undercharge in any form whatsoever shall at any time

be found and the bill therefor has been paid, Transporter shall refund the amount of the overcharge received by Transporter or Shipper shall pay the amount of the undercharge within ten (10) days after final determination thereof; however, no retroactive adjustment will be made for any overcharge or undercharge beyond a period of one (1) year from the date such discrepancy occurred. In the event a dispute arises as to the amount payable in any statement rendered, Shipper shall nevertheless pay the amount not in dispute to Transporter pending resolution of the dispute. If it is determined that Shipper owes Transporter the disputed amount, Shipper will pay Transporter that amount including interest at the rate provided below. If Shipper fails to pay the undisputed amount of any statement hereunder when it becomes due, the unpaid amount shall bear interest from the due date until paid, which interest shall be for Transporter's sole account, and, in addition to any other remedies, Transporter may terminate deliveries and/or receipts of gas hereunder after thirty (30) days' written notice to Shipper of intent to do so. Said interest rate shall be the Base Rate as established from time to time by Zions First National Bank or its successor, plus two percent (2%). The late charge provided for herein shall be compounded monthly.

V-5. The Parties shall retain all records prepared in connection with billing and payment hereunder for a period of at least three years after preparation or such other



periods as may be prescribed by law.

V-6. Shipper and Transporter, or their designated representatives, shall have the right to examine the books and records of the other Party during normal business hours for the purpose of determining or confirming all billings and payments made hereunder.

## ARTICLE VI

### Quality

VI-1. The gas delivered by Shipper to Transporter for Shipper's account shall conform to the quality specifications as stated in the General Terms and Conditions of NWP's FERC Gas Tariff, as it may be altered from time to time.

VI-2. If the gas delivered by Transporter shall fail at any time to conform to any of the quality specifications in this Article VI, Transporter shall immediately conform the quality of the gas to the terms of this Article, except when the nonconforming gas is being delivered by NWP at Shipper's receipt point as defined on Exhibit A. Moreover, Shipper may, at its option, refuse to accept receipt of any such nonconforming gas, pending correction, and may take any other action necessary including, but not limited to, seeking redress for all costs and damages resulting from such nonconforming gas.

## ARTICLE VII

### Measurement

VII-1. The gas received by Transporter at Shipper's receipt point as defined on Exhibit A shall be measured by meter(s) owned, operated, and maintained by NWP in accordance with NWP'S FERC Gas Tariff, as it may be amended from time to time. Unless otherwise agreed upon, the gas delivered by Transporter for Shipper's account shall be measured by turbine meter(s) with attached electronic measuring and recording instruments installed, operated and maintained by the owning Party. Any turbine meter assembly shall be installed and operated in accordance with the recommendations of the American Gas Association, applied in a practical and appropriate manner.

VII-2. Unless otherwise stated, the unit of measurement for gas received or delivered hereunder shall be one Mcf of gas at a base temperature of sixty (60) degrees Fahrenheit and at a base pressure of fourteen and seventy-three one-hundredths (14.73) psia. However, for billing and balancing purposes and the records pertaining thereto, thermally Equivalent Volumes shall be used as provided for in Article I.

VII-3. The volumes of gas measured at Shipper's receipt point as defined on Exhibit A under this Agreement shall be computed by NWP in accordance with its FERC Gas Tariff, as it may be amended from time to time. The volumes of gas

measured at Shipper's delivery point under this Agreement shall be computed in accordance with the specifications prescribed above. Specific factors to be given consideration are as follows:

VII-3a. The temperature of the gas flowing through the metering equipment shall be as measured and determined by the attached electronic measuring and recording instrument.

VII-3b. The specific gravity shall be determined by Transporter by calculation in accordance with procedures accepted by the American Gas Association.

VII-3c. Where applicable, deviation from Boyle's law shall be determined at least once each year or more frequently if found necessary in practice. Measurement shall be corrected for any deviation from Boyle's law at the pressures and temperatures under which gas is measured hereunder in accordance with procedures accepted by the American Gas Association.

VII-3d. The average absolute atmospheric pressure used shall be as set forth on Exhibit A and Exhibit B.

VII-3e. The gross heating value of the gas received shall be as reported by NWP.

VII-4. The measuring equipment is to be calibrated or verified quarterly by the owning Party in the presence of a representative of the other Party, if such other Party chooses to be represented, and the Parties shall jointly observe any adjustments which are made in such measuring equipment should such adjustments be necessary. Each Party shall give to the other Party notice of the time of all regular tests of such measuring equipment and other tests called for herein sufficiently in advance of the holding of such tests so that the other Party may conveniently have its representatives present. If either Party at any time desires a special test of any measuring equipment, it will promptly notify the other Party, and the Parties will then cooperate to promptly secure a verification or calibration test and a joint observation of any adjustments. If, upon any special test, the measuring equipment is found to be no more than two percent (2%) erroneous in the aggregate, the entire cost of such test shall be paid by the requesting Party and the measuring equipment shall be considered correct in computing deliveries hereunder.

VII-5. If, upon any test, any measuring equipment at the delivery point is found to be inaccurate by more than two percent (2%), such equipment shall be adjusted to read accurately and the previous readings shall be corrected for such inaccuracy for any period which is definitely known and agreed upon, but in case the period is not

definitely known and agreed upon, then for a period extending back one-half (1/2) of the time elapsed since the last date of calibration or verification. No correction period shall extend back more than one (1) year from the date of the meter test. If, for any reason, such measuring equipment is inoperative so that the amount of gas delivered cannot be ascertained, then the gas delivered during the period such measuring equipment is inoperative shall be estimated and agreed upon by the Parties upon the basis of the best data available by using the first of the following methods which is feasible:

VII-5a. By correcting the error, if the percentage of error is ascertainable by calibration, verification, test, or mathematical calculation;

VII-5b. By using the registration of any check-measuring equipment, if installed and accurately registering; or

VII-5c. By estimating the quantity of delivery by deliveries during preceding periods under similar conditions when such measuring equipment was registering accurately.

All claims of any Party as to the quantity of gas received or delivered other than is shown by said meter(s) must be submitted in writing.

VII-6. Either Party may, at its option and expense, install and operate

check-measuring equipment, provided that such equipment shall be installed so as not to interfere with the operations of the other Party. However, measurement of gas for the purpose of this Agreement shall be done by means of the measuring equipment installed pursuant to the other provisions of this Agreement, except in cases herein specifically provided to the contrary. Either Party's check meter(s) shall be subject at all reasonable times to inspection and examination by a representative of the other Party, but the reading, calibration and adjustment shall be done only by the Party installing the check meters.

VII-7. Each Party hereto shall, upon request, furnish to the other Party at the earliest possible time all volume records upon which it has based any statement of gas referred to herein. Each Party shall return to the other Party all volume records within a thirty (30) day period. Each Party shall have access to the other Party's records and books at all reasonable business hours so far as they affect measurement and settlement for the gas received or delivered hereunder.

## ARTICLE VIII

### Government Requirements

VIII-1. This Agreement shall be subject to all valid laws, orders, rules and/or

regulations of any and all duly constrained governmental authorities, Federal, State or local, having jurisdiction, to the extent that such laws, regulations and orders are applicable and effective from time to time; and either Party may, but shall not be required to, contest the validity or applicability thereof. If, at any time during the term of this Agreement, any such governmental authority shall take any action as to either Party which requires either Party to do any act inconsistent with the terms of this Agreement or otherwise subjects either Party to terms, conditions or restraints that in the reasonable judgment of the affected Party are unduly burdensome or unacceptable, such Party may, on written notice to the other within thirty (30) days of such action, cancel and terminate this Agreement effective one day prior to the effective date of such governmental action.

VIII-2. UGSC's services and rates and charges pursuant to this Agreement are intended to be subject to the jurisdiction of and are subject to the approval of the PSCU, and not the FERC or any successor Federal agency. Neither Party shall take any action that will give rise to the exercise of jurisdiction over this transaction by the FERC or a successor agency. Notwithstanding Article VIII-1, the exercise of jurisdiction over this transaction by the FERC or any successor Federal agency shall, except with respect to amounts owed Transporter in connection with services rendered

or obligated to be taken by Shipper and including any unresolved imbalances, terminate this Agreement effective one (1) day prior to the effective date of such exercise of jurisdiction.

VIII-3. In the event of termination of this Agreement under the terms of this Article, all unpaid service taken or obligated to be taken by Shipper shall then be paid for at the rate in effect one (1) day prior to the effective date of such governmental action, and, the Parties will utilize reasonable efforts to arrive at a mutually acceptable alternative means of providing service; provided said service shall not be subject to the jurisdiction of the FERC or a successor Federal agency.

## ARTICLE IX

### Liability

IX-1. Each Party assumes full responsibility and liability arising from the operation of the facilities owned by it, and agrees to and does hereby hold the other Party harmless from any liability of whatever nature arising from the owning Party's installation, ownership or operation thereof.



## ARTICLE X

### Term

X-1. This Agreement shall become effective upon the the day that Blanding's interconnection with NWP's line becomes operational, and shall remain in full force and effect for a term of five (5) years and from year to year thereafter, unless terminated by either Party. To terminate this Agreement after the initial five (5) year period, either Party shall give at least ninety (90) days' advance written notice to the other Party.

X-2. Upon termination of this Agreement, all existing imbalances shall be cleared in kind within thirty (30) days.

## ARTICLE XI

### Title, Taxes, Other Charges

XI-1. Each Party warrants that the title to all gas delivered to the other Party is free from all liens and adverse claims and will and hereby does indemnify the other Party against all damages, costs, expenses, and taxes of any kind arising from any claim against said gas as to title.

XI-2. Any taxes levied on Shipper's gas being transported through Transporter's

facilities are the sole responsibility of Shipper; these taxes include, but are not limited to, sales, property, ad valorem, severance or heating content (Btu) taxes. Shipper hereby indemnifies Transporter against, of, and from any such taxes.

XI-3. Shipper hereby indemnifies Transporter against, of, and from any later-occurring surcharges, taxes, assessments or levies of any kind pertaining to the gas transported during the term of this Agreement and for a period of six (6) years thereafter.

## ARTICLE XII

### Force Majeure

XII-1. In the event either Party is rendered wholly or partially unable to carry out its obligations under this Agreement due to force majeure as defined, such Party shall give notice and provide the full particulars of such force majeure, by telephone and then in writing, to the other Party as soon as is reasonably possible after the occurrence of the causes relied upon. The obligations of the Parties, other than to make payments of amounts due hereunder and to resolve accrued imbalances, so far as they are affected by such force majeure, shall be suspended during the continuance of any

inability so caused, but for no longer period, and such cause shall, so far as commercially reasonable to do so, be remedied with all reasonable dispatch. Nothing in this Agreement shall be construed to require either Party to settle a strike or labor dispute against its better judgment.

### ARTICLE XIII

#### Miscellaneous

XIII-1. All rights and duties herein contained shall inure to and be binding upon the successors and assigns of UGSC; provided, that no conveyance or transfer of any interest of UGSC, except a transfer to an affiliate, shall be binding upon Blanding until Blanding has been furnished with notice, and consents thereto, within thirty (30) days. Such consent shall not be unreasonably withheld after Blanding has received a true copy of such conveyance or transfer. Blanding's rights under this Agreement are assignable to a municipal entity which shall succeed to all the rights and privileges of Blanding. Provided however, that no conveyance or transfer of interest shall be binding upon UGSC until UGSC has been furnished with notice and consents thereto, within thirty (30) days. Such consent shall not be unreasonably withheld after UGSC has received a true copy of such conveyance or transfer.

XIII-2. Unless herein provided to the contrary, any notice called for in this Agreement shall be in writing and shall be considered as having been given if delivered personally, or by first-class mail, postage prepaid, to either UGSC or Blanding at the place designated. Normal operating instructions can be delivered by telephone or fax. Statements and any communications shall be considered as duly delivered when mailed to the addresses listed below or to such other address as either Party shall designate in writing:

**Blanding:**

CITY OF BLANDING  
50 West 100 South  
Blanding, Utah 84511  
Telephone: (801) 678-2791  
Fax: (801) 678-3312

**UGSC:**

UTAH GAS SERVICE COMPANY  
5000 South Quebec Street  
Suite 650  
Denver, Colorado 80237  
Telephone: (303) 779-7911  
Fax: (303) 694-6138

XIII-3. A waiver by either Party of any one or more defaults by the other Party shall not operate as a waiver of any future default or defaults, whether of a like or different character.

XIII-4. Transporter is obligated to provide transportation facilities to meet the firm requirements of Shipper set forth in this Agreement. For any additional volumes

requested by Shipper, Transporter shall be under no obligation whatsoever to construct additional facilities of any type for the fulfillment of its transportation functions in addition to those already in existence under this Agreement. Similarly, in the event of force majeure or interruption of any kind in the transportation of gas over which Transporter has no control, Transporter shall be under no obligation to search for or locate alternative transportation facilities.

XIII-5. Shipper acknowledges that it acquires no element of ownership, possession or other interest of any kind in Transporter's facilities of any kind as a result of this Agreement, during its term or for any time period thereafter.

XIII-6. Blanding acknowledges that usage priority is promulgated by various rules and regulations of government authority or in UGSC's PSCU Tariff and that the availability of UGSC's facilities is subject to such provisions, as the same may be amended from time to time.

XIII-7. This Agreement shall be amended only by written instrument executed by both Parties.

XIII-8. The Exhibits attached to this Agreement shall be incorporated herein by reference as if set forth in full in this Agreement.

XIII-9. In interpreting this Agreement, the recitals shall be considered as a part

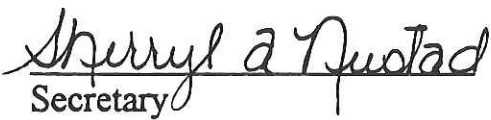
of this Agreement and not as surplusage.


XIII-10. This Agreement will be interpreted, construed and governed by the laws and decisions of the State of Utah.

IN WITNESS WHEREOF, the Parties have executed duplicate original copies of this Agreement as of the day and year first above written.

Attest:

UGSC:  
UTAH GAS SERVICE COMPANY

  
Secretary

By:   
Rhonda L. Suiter, President

Attest:

Blanding:  
CITY OF BLANDING

  
City Recorder

By:   
James K. Slavens, Mayor

EXHIBIT A  
to the  
GAS TRANSPORTATION AGREEMENT  
between  
CITY OF BLANDING  
and  
UTAH GAS SERVICE COMPANY  
MONTICELLO TRANSMISSION LOOP  
Dated

SHIPPER RECEIPT POINTS

Location	Absolute Atmospheric Pressure	Maximum Pressure
UGSC:  Point of interconnection between the facilities of the City of Blanding and Northwest Pipeline Corporation located in Section 25, T32S R25E, San Juan County, Utah.	11.38 psia	600 psia
Blanding:  Point of interconnection between the facilities of Utah Gas Service Company and Northwest Pipeline Corporation located in Section 25, T32S R25E, San Juan County, Utah.	11.38 psia	150 psia

**EXHIBIT B**  
**to the**  
**GAS TRANSPORTATION AGREEMENT**  
**between**  
**CITY OF BLANDING**  
**and**  
**UTAH GAS SERVICE COMPANY**  
**MONTICELLO TRANSMISSION LOOP**  
**Dated**

**SHIPPER DELIVERY POINTS**

<b>Location</b>	<b>Absolute Atmospheric Pressure</b>	<b>Maximum Pressure</b>	<b>Minimum Pressure</b>
<b>UGSC:</b>			
Point of interconnection between the facilities of the City of Blanding and Utah Gas Service Company located in T33S R24E, San Juan County, Utah.	11.56 psia	150 psia	140 psia
<b>Blanding:</b>			
Point of interconnection between the facilities of Utah Gas Service Company and the City of Blanding located in T33S R24E, San Juan County, Utah.	11.56 psia	150 psia	140 psia