



8113 W. GRANDRIDGE BLVD., KENNEWICK, WASHINGTON 99336-7166  
TELEPHONE 509-734-4500 FACSIMILE 509-737-9803  
[www.cngc.com](http://www.cngc.com)

December 5, 2025

Jeff Killip  
Executive Director and Secretary  
Washington Utilities & Transportation Commission  
P.O. Box 47250  
Olympia, WA 98504-7250

RE: NEW, Advice No. W25-12-01, Schedule 500, Municipal Taxes

Director Killip

Cascade Natural Gas Corporation (Cascade or Company) submits the following revision to its Tariff WN U-3, stated to become effective with service on and after January 1, 2026:

Eighty-First Revision of Sheet No. 500  
Sixty-First Revision of Sheet No. 500-A  
Seventh Revision of Sheet No. 500-B  
Fourth Revision of Sheet No. 500-C

The purpose of this filing is to update Schedule 500, Municipal Taxes such that Sheet No. 500-C references 2025-033, the most recently adopted ordinance number for Yakima. This new ordinance is attached to this filing. Schedule 500 is also revised to reflect that Yakima's city tax no longer includes a cap on the six percent tax rate.

Also, all sheets in Schedule 500 are revised to include a footnote that was inadvertently removed at some point. The footnote explains that some municipal taxes rates are stated as 6.383 percent, appearing to exceed the six percent cap; The 0.383 percent is added when the municipality's definition for *gross revenues* includes other taxes. The increased rate accounts for other taxes.

Since Cascade is requesting an effective date that is less than thirty days from the filing date, a Less Than Statutory Notice (LSN) form is included in this filing. The LSN is necessary because the changes made to the Yakima ordinance must be reflected in the Company's remittance for January 2026 billings.

This electronic filing is comprised of the following files:

- NEW-CNGC-Advice-No.-W25-12-01-CLtr-12-05-2025.pdf
- NEW-CNGC-Advice-No.-W25-12-01-Trf-12-05-2025.pdf
- NEW-CNGC-Advice-No.-W25-12-01-LSN-12-05-2025.pdf
- NEW-CNGC-Advice-No.-W25-12-01-Yakima-Ordinance-12-05-2025.pdf

If you have any questions, please feel free to contact me at (509) 528-9223 or Jennifer Gross at (509) 975-9473.

Sincerely,

*/s/ Michael Parvinen*

Michael Parvinen  
Director, Regulatory Affairs  
Cascade Natural Gas Corporation  
8113 W. Grandridge Blvd.  
Kennewick, WA 99336-7166  
michael.parvinen@cngc.com

Attachments

**SCHEDULE 500  
MUNICIPAL TAXES****APPLICABILITY:**

This schedule applies a municipal's tax rate to all bills issued within the specific municipality. The tax rate is applied to all bills for gas service and equipment rental, as well as bills for contracted services where the contract specifically refer to this schedule.

**MUNICIPAL TAX RATE:**

The table below lists the tax each municipality charges, the ordinance that adopted the tax, and the limitations on the tax, if any.

Municipality	Ordinance No.	Tax Rate on gas service	Limitations
Aberdeen	5632	6%	None
Anacortes <sup>(1)</sup>	2659	6.383%	None
Arlington	1357	6%	None
Bellingham <sup>(1)</sup>	9376	6.383% 1.01%	<ul style="list-style-type: none"> <li>Higher rate applied to first \$250,000 per month, customer.</li> <li>Lower rate applied to billing portion &gt;\$250,000, per month</li> </ul>
Blaine <sup>(1)</sup>	1791	6.383%	None
Bremerton <sup>(1)</sup>	4346	6.383%	None
Burlington	1890	6.383%	None
Castle Rock	2009-17	6%	Not applied to billing portion >\$500 where gas is used for manufacturing
College Place	888	6%	None
East Wenatchee <sup>(1)</sup>	2008-13	6.383%	None
Elma	685, 856, 1134	6%	None
Everson	355	6%	None
Ferndale	1277	6%	None
Grandview	1650	6%	None
Granger	581	6%	None
Hoquiam	88-14	6%	None
(1) The billable municipal tax rate is adjusted upward to include the effect of other taxes, which is appropriate when the definition of gross revenue includes taxes.			

(N)  
(N)

(continued)

CNG/W25-12-01

Issued December 5, 2025

Effective for Service on and after

January 1, 2026

**Issued by CASCADE NATURAL GAS CORPORATION**By:  Michael Parvinen

Director, Regulatory Affairs

SCHEDULE 500  
MUNICIPAL TAXES**MUNICIPAL TAX RATE (continued):**

Municipality	Ordinance No.	Tax Rate on gas service	Limitations
Kalama	779	6%	Not applied to billing portion >\$1,000 where gas is used for manufacturing
Kelso <sup>(1)</sup>	3020	6.383%	None
Kennewick <sup>(1)</sup>	2806,3303, 3612	9.289%	None
La Conner	712	6%	None
Longview	2227	6%	Not applied to billing portion >\$1,000 where gas is used for manufacturing
Lynden	25-1714	6% 5%	<u>Effective September 1, 2025:</u> <ul style="list-style-type: none"> <li>• 6% applied to first \$10,000 billed per month, per customer</li> <li>• 5% applied to portion &gt;\$10,000</li> </ul> <u>Effective July 1, 2026:</u> <ul style="list-style-type: none"> <li>• 6% applied to first \$25,000 billed per month, per customer</li> <li>• 5% applied to portion &gt;\$25,000</li> </ul> <u>Effective July 1, 2027:</u> <ul style="list-style-type: none"> <li>• 6% applied to first \$50,000 billed per month, per customer</li> <li>• 5% applied to portion &gt;\$50,000</li> </ul>
Marysville	1975	5%	None
McCleary	563	6%	None
Montesano	942	6%	None
Moses Lake <sup>(1)</sup>	1930	6.383%	Does not apply to portion billed per customer, per year >\$100,00
Mount Vernon	3240	6% 4%	<ul style="list-style-type: none"> <li>• Higher rate applied to portion billed per customer, per month, up to \$5,000</li> <li>• Lower rate applied to portion billed, per customer, per month &gt;\$5,000</li> </ul>
Moxee	438	6%	Applied to first \$3,000 billed, per customer, per month
Nooksack <sup>(1)</sup>	291, 365	6.383%	None
Othello	1099	6%	None
Oak Harbor	792, 967	6%	None
Pasco	2707	8.5%	None
(1) The billable municipal tax rate is adjusted upward to include the effect of other taxes, which is appropriate when the definition of gross revenue includes taxes.			

(continued)

SCHEDULE 500  
MUNICIPAL TAXES

## MUNICIPAL TAX RATE (continued)

Municipality	Ordinance No.	Tax Rate on gas service	Limitations
Poulsbo	80-20	6%	None
Port Orchard <sup>(1)</sup>	012-17	6.383%	None
Prosser <sup>(1)</sup>	1512	6.383%	None
Quincy	552, 05-161	4%	None
Richland	35-96	8.5% 1%	<ul style="list-style-type: none"> <li>Higher rate applied to portion billed per customer, per month up to \$35,000</li> <li>Lower rate applied to portion billed per customer, per month &gt; \$35,000</li> </ul>
Sedro Woolley <sup>(1)</sup>	978	6.383%	None
Selah	939	6%	Applied to portion billed per customer, per month, up to \$2,000
Shelton	1646-0805	6%	None
Stanwood	704	6%	None
Sumas	1682, 1772 & 1773	1%	Applied to portion billed per customer, per month, up to \$1000
Sunnyside	1368	6%	None
Swinomish Indian Tribe	185	3%	None
Toppenish <sup>(1)</sup>	85-36, 95-8	9.289%	None
Union Gap	2107	6%	None
Walla Walla	A-3295	6%	None
Wapato	903, 948	6%	None
Wenatchee	2858	6%	None
West Richland	22-16	6%	None
Woodland <sup>(1)</sup>	1171	6.383%	None
(1) The billable municipal tax rate is adjusted upward to include the effect of other taxes, which is appropriate when the definition of gross revenue includes taxes.			

(N)

(N)

(continued)

CNG/W25-12-01

Issued December 5, 2025

Effective for Service on and after

January 1, 2026

Issued by CASCADE NATURAL GAS CORPORATION

By:  Michael Parvinen

Director, Regulatory Affairs

**SCHEDULE 500  
MUNICIPAL TAXES**

**MUNICIPAL TAX RATE (continued)**

<b>Municipality</b>	<b>Ordinance No.</b>	<b>Tax Rate on gas service</b>	<b>Limitations</b>
Yakima <sup>(1)</sup>	2025-033	6.383%	None
Yakima Indian Nation	T-177-02	3%	None
Zillah	488	6%	Does not apply to gas purchased from industrial sales rate and used for manufacturing
(1) The billable municipal tax rate is adjusted upward to include the effect of other taxes, which is appropriate when the definition of gross revenue includes taxes.			

(C)

(N)

(N)

**FEDERALLY RECOGNIZED INDIAN NATION TAX CREDIT**

In accordance with WAC 458-20-192 (7)(b), the rates and charges specified in this tariff shall be reduced for all Federally Recognized Indian Nation tribal and member accounts, located and service provided within the boundaries of a Federally Recognized Indian Nation. Each applicable customer must apply on an individual account basis to Cascade to receive this tax credit.

The Federally Recognized Indian Nation Tax Credit is designed to offset the Washington State Public Utility Tax, which is a part of the rates charged for core market natural gas service.

- State Public Utility Tax Credit (3.852%)

**STATE UTILITY TAX EXEMPTION CREDIT**

To the extent the Washington Department of Revenues authorizes exemptions of public utility tax collection from certain customer groups, the rates and charges specified in this tariff shall be reduced by a State Utility Tax credit. Each applicable customer must apply on an individual account basis to Cascade to receive this tax credit.

The State Utility Tax Credit is designed to offset the Washington State Public Utility Tax, which is a part of the rates charged for core market natural gas service.

- State Public Utility Tax Credit (3.852%)

CNG/W25-12-01

Issued December 5, 2025

Effective for Service on and after

January 1, 2026

**Issued by CASCADE NATURAL GAS CORPORATION**By:  Michael Parvinen

Director, Regulatory Affairs

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION  
LESS THAN STATUTORY NOTICE (LSN) REQUESTED BY:**

This row to be completed by UTC Records Management	<u>Docket No.:</u>	<u>Agenda Date:</u>
---	--------------------	---------------------

\* Indicates required field

Is this a Fuel Surcharge Tariff Revision?\*    Yes                      No

<b><u>Company Name:</u></b> *	<b><u>Registered Trade Name(s):</u></b>
<b><u>Certificate No.:</u></b> *	<b><u>Date of Submission:</u></b> *

\*\*\*Complete this section if filing is submitted by anyone other than the owner, partner, or corporate officer of the company\*\*\*

<b>Authorized Agent:</b>	<b>Email:</b>	<b>Phone:</b>	<b>Fax:</b>
<b>Mailing Address:</b>	<b>City:</b>	<b>State:</b>	<b>Zip:</b>

By signing here, the authorized agent is agreeing that they are authorized to issue and file tariffs and/or time schedules on behalf of the above referenced company.

Signature and Title of Authorized Agent (Company official):    /s/ Michael Parvinen  
(Signature and title of agent here)

\*\*\*Complete this section if filing is submitted by owner, partner, or corporate officer of the company\*\*\*

<b>Issuing Agent:</b>	<b>Email:</b>	<b>Phone:</b>	<b>Fax:</b>
<b>Mailing Address:</b>	<b>City:</b>	<b>State:</b>	<b>Zip:</b>

**I request these provisions become effective on the following date:**

Signature and Title of Issuing Agent: \_\_\_\_\_  
(Signature and title of agent here)

Select the Industry this filing pertains to:\*

Please ensure you are including a copy of your customer notice with your filing.

All filings must be submitted through the Commission's E-Filing Portal at: [efiling.utc.wa.gov/form](http://efiling.utc.wa.gov/form)

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION  
LESS THAN STATUTORY NOTICE REQUESTED BY:**

**\* Company proposes to change (Include Title of Provision, Tariff number and Sheets/Pages being changed):**

**\* Present provisions are:**

**\* Proposed changes are:**

**\* Explain why the company is proposing this tariff revision:**

**\* Explain why the Commission should allow this tariff revision to take effect with less than 30 days' notice (45 days' notice for solid waste):**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

ORDER

The Commission finds good cause to support the request and authorize the proposed changes to become effective with Less Than Statutory Notice on:

DATED and signed at Lacey, Washington, this \_\_\_\_\_ day of \_\_\_\_\_ (Month/Year)

By direction of the Commission,

\_\_\_\_\_  
Jeff Killip  
Executive Director and Secretary



## **ORDINANCE NO. 2025-033**

AN ORDINANCE GRANTING CASCADE NATURAL GAS CORPORATION, A WASHINGTON CORPORATION, ITS SUCCESSORS AND ASSIGNS, THE RIGHT, PRIVILEGE, AUTHORITY AND FRANCHISE TO SET, ERECT, LAY, CONSTRUCT, EXTEND, SUPPORT, ATTACH, CONNECT, MAINTAIN, REPAIR, REPLACE, ENLARGE, OPERATE AND USE FACILITIES IN, UPON, OVER, UNDER, ALONG, ACROSS AND THROUGH THE RIGHTS OF WAY OF THE CITY OF YAKIMA TO PROVIDE FOR THE TRANSMISSION, DISTRIBUTION AND SALE OF GAS AND SUCH OTHER SERVICES AS MAY BE PROVIDED BY SUCH FACILITIES, PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE.

**THE CITY COUNCIL OF THE CITY OF YAKIMA, WASHINGTON, DO ORDAIN AS FOLLOWS:**

### **1. Definitions**

1.1 Where used in this franchise (the "Franchise") the following terms shall mean:

1.1.1. "CNG" means Cascade Natural Gas Corporation, a Washington corporation, and its successors and assigns.

1.1.2 "City" means the City of Yakima, and its successors and assigns.

1.1.3 "Emergency" shall have the meaning provided by RCW 19.122.020(7).

1.1.4 "Environmental Laws" means any applicable federal, state, or local statute, code, or ordinance or federal or state administrative rule, regulation, ordinance, order, decree, or other governmental authority as now or at any time hereafter in effect pertaining to the protection of human health or the environment.

1.1.5 "Franchise Area" means the surface of, and the space above and below, any public street, highway, freeway, bridge, land path, alley, court, boulevard, sidewalk, lane, public way, drive, circle, pathways, spaces, or other public right of way which, under City ordinances or applicable laws, the City has authority to grant franchises, licenses, or leases for use thereof, or has regulatory authority thereover. Franchise Area does not include land dedicated for roads, streets, and highways not opened and not improved for motor vehicle use by the public.

1.1.6 "Facilities" means, collectively, any and all natural gas distribution systems, including but not limited to, gas pipes, pipelines, mains, laterals, conduits, feeders, regulators, valves, meters, meter-reading devices, fixtures and communication systems, all of which are associated with the distribution of natural gas; and any and all other equipment, appliances, attachments, appurtenances and other items necessary, convenient, or in any way appertaining to any and all of the foregoing, whether the same be located over or under ground.

1.1.7 "Force Majeure Event" means fire, explosion, pest damage, power failures, strikes or labor disputes, acts of God, the elements, war, civil disturbances, acts of civil or military authorities or the public enemy, fuel or energy shortages, or any other unforeseen and similar circumstance or event not within the control of the affected party.

1.1.8 "Hazardous Substance" means any hazardous, toxic, or dangerous substance, material, waste, pollutant, or contaminant that is specifically designated as such and regulated by any applicable Environmental Law.

1.1.9 "Laws" means any federal, state or municipal code, statute, ordinance, decree, executive order, governmental approvals, guideline, permits, procedures, regulation, regulatory programs, rules, specifications, standards or tariffs, as they exist, are amended, or may be created.

1.1.10 "Yakima Municipal Code" means, collectively, the ordinances, codes, regulations, development and other standards, and laws of the City.

1.1.11 "Parties" means the City and CNG.

1.1.12 "Public Improvement Project" means any City right-of-way improvement project, even if the project entails, in part, related work funded and/or performed by or for a third party, provided that such work is primarily performed for the public benefit, but shall not include, without limitation, any other improvements or repairs undertaken by or for the primary benefit of third party private entities.

## **2. Facilities Within Franchise Area.**

2.1 The City does hereby grant to CNG the non-exclusive right, privilege, authority and franchise to set, erect, lay, construct, extend, support, attach, connect, maintain, repair, replace, enlarge, operate and use Facilities in, upon, over, under, along, across and through the Franchise Area to provide for the transmission, distribution and sale of gas and other such services ("Services") as may be provided by such Facilities. Nothing contained within this Franchise shall be construed to grant or convey a franchise to install Facilities in the Franchise Area to provide electricity, telecommunications, backhaul services (i.e. the transmission link between a cell tower regardless of size and a mobile network operator's core network), fiber optic services, cable television or similar services to the public; provided that, for the avoidance of doubt, the foregoing is not intended to and does not restrict CNG's right to use its Facilities installed within the Franchise Area to monitor, control or operate its natural gas transmission and distribution systems or for communications reasonably required to conduct its internal natural gas business operations.

2.2 No right to install any facility, infrastructure, or other equipment, on any City property other than a right-of-way, or upon private property without the owner's consent, or upon any City, public or privately-owned structure is granted herein. Nothing contained within this Franchise shall be construed to grant or convey any right, title, or interest in the

rights-of-way of the City to CNG other than for the purpose of providing the Services, or to subordinate the primary

use of the right-of-way as a public thoroughfare. If CNG desires to use City owned property, other than right-of-way, it shall enter into a separate lease, site specific agreement or license agreement with the City.

2.3 If at any time the City, by ordinance, vacates all or any portion of the Franchise Area, the City will not be liable for any damages or loss to CNG by reason of such vacation. The City shall notify CNG in writing not less than thirty (30) days before vacating all or any portion of the Franchise Area, if CNG has Facilities within such area planned for vacation. The City may, after thirty (30) days written notice, if required by the preceding sentence, to CNG, terminate this Franchise with respect to any such vacated area; however, CNG 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 CNG. In such cases, the City will reserve an easement for CNG's existing facilities to continue to use the vacated area.

2.4 At all times during the term of this Franchise, CNG shall comply with all terms of its tariff on file with the Washington Utilities and Transportation Commission.

### **3. Operation of Facilities.**

3.1 CNG's Facilities shall be installed, maintained, used and operated, within the Franchise Area (a) so as not to unreasonably interfere with the free passage of traffic and (b) in accordance with the laws of the State of Washington.

3.2 CNG shall exercise its rights within the Franchise Area, and install, operate, maintain, inspect and test its Facilities within the Franchise Area, in accordance with this Franchise and applicable provisions of the Yakima Municipal Code that govern use and occupancy of the Franchise Area and/or that are applicable to the installation, operation, maintenance, inspection, safety and testing of such Facilities; provided, however, in the event of any conflict between such provisions of the Yakima Municipal Code and the terms and conditions of this Franchise, the terms and conditions of this Franchise shall govern and control to the extent of such conflict; provided, further, nothing herein shall be deemed to waive, prejudice or otherwise limit any right of appeal afforded CNG by the Yakima Municipal Code or state or federal law.

3.3 Nothing herein shall be deemed to affect the City's ability to adopt and enforce all necessary and appropriate ordinances regulating the use of the Franchise Area, including any ordinance made in the exercise of its police powers in the interest of public safety and welfare of the public. The City shall have the authority at all times to control by appropriate regulations the location and elevation of CNG's Facilities in the Franchise Area, and all construction and maintenance by CNG shall promptly conform with all such regulations,

unless compliance would cause CNG to violate other requirements of law. The City may require by any such ordinance all necessary inspection provisions required for enforcement.

#### **4. Planning and Records of Installation.**

4.1 Upon the request of either Party the Parties will meet to discuss and coordinate regarding future construction activities then being planned by either Party within the Franchise Area, including potential Public Improvement Projects and potential improvements, relocations and conversions to CNG's Facilities within the Franchise Area; provided, however, any such discussions and coordination shall be for informational purposes only and shall not obligate either Party to undertake any specific improvements within the Franchise Area, nor shall such discussions or coordination be construed as a proposal to undertake any specific improvements within the Franchise Area.

4.2 For any Public Improvement Project that either Party has identified as requiring coordination, the City will notify CNG when it commences design work for the Public Improvement Project and identify a City representative to coordinate the Public Improvement Project with CNG. Within twenty (20) calendar days of receiving such notification, CNG shall designate a representative to coordinate the Public Improvement Project with the City. As further described in Section 5.2 for City projects, the project coordinators shall cooperate and share information necessary to efficiently complete the Public Improvement Project. This information may include, but is not limited to, project contacts, project details, applicable project schedules, identification of contractors, location of affected existing and planned Facilities, project status, and detailed and dimensioned plan specifications.

4.3 The City may prescribe a date each year of the Franchise by which the City shall have the right to ask CNG for conference, during which CNG will describe its schedule of then-proposed or anticipated construction activities that may affect the rights-of-way and any activities that will entail excavation or tunneling within the rights-of-way. Further, CNG shall meet with the City and other franchise holders and users of the Franchise Area upon written request of the City, to schedule and coordinate construction in the Franchise Area. All construction locations, activities, and schedules shall be coordinated, to the extent reasonably practicable, in a manner that minimizes public inconvenience, disruption or damages.

4.4 CNG shall comply with the City's regulations on pavement disturbances and other construction work when developing its non-emergency plans to perform work in the Franchise Area. If CNG has non-emergency plans to perform work that will require disturbing pavement or sidewalks in the same areas the City has plans to resurface, overlay, or reconstruct roads or sidewalks, CNG will coordinate with the City to attempt to schedule its work to occur prior to or in conjunction with a Public Improvement Project.

4.5 CNG shall furnish, upon request, the City with a complete set of maps, including plans and profile of the distribution system of CNG 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 CNG. 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 RCW 19.122 Underground Facilities.

4.6 Nothing herein is intended (nor shall be construed) to relieve either party of their respective obligations arising under applicable law with respect to determining the location of utility facilities. Further, nothing herein is intended (nor shall be construed) to prohibit the City from complying with chapter 42.56 RCW, or any other applicable law or court order requiring the release of public records, and the City shall not be liable to CNG for compliance with any law or court order requiring the release of public records. In the event the City receives a request for any confidential records, the City shall provide CNG immediate notice. The City shall comply with any injunction or court order obtained by CNG that prohibits the disclosure of any such confidential records; however, in the event a higher court overturns such injunction or court order and such higher court action is or has become final and non-appealable, CNG shall reimburse the City for any fines or penalties imposed for failure to disclose such records as required hereunder within sixty (60) days of a request from the City.

## **5. Relocation of Facilities.**

5.1 The City shall have prior and superior right to the use of the Franchise Area for the installation and maintenance of its utilities and Public Improvement Projects. If any conflict arises with City facilities, as determined by the City in its sole discretion, CNG shall, at no cost to the City, modify its Facilities as necessary to accommodate the City's utilities and Public Improvement Projects.

5.2 If the City determines that the project necessitates relocation of CNG's Facilities, the following process shall apply:

5.2.1 The City shall consult with the CNG in the predesign phase of any Public Improvement Project in order to coordinate the project's design with CNG's Facilities within such project's area.

5.2.2 CNG shall participate in predesign meetings until such time as (i) both parties mutually determine that CNG's Facilities will not be affected by the Public Improvement Project, or (ii) the City provides CNG with written notice regarding relocation as provided in Section 5.2.4 below.

5.2.3 CNG shall, during the predesign phase, evaluate and provide comments to the City related to any alternatives to possible relocations. If CNG determines that it will be unable to perform the relocation work upon the City's schedule due to the inability to obtain

resources and materials in a timely manner, it should inform the City during the predesign phase and give the City a reasonable timeline of when it expects to obtain the resources and materials. The City shall consider such anticipated delay when creating its schedule but shall not accept any delay greater than thirty (30) days without City Engineer approval and a showing of need. Further, the City agrees to give any alternatives proposed by CNG full and fair consideration, but the final decision accepting or rejecting any specific alternative shall be within the City's reasonable discretion provided that such decision provides adequate time to accommodate CNG's anticipated delay.

5.2.4 The City shall provide CNG with its decision and timelines regarding the relocation of CNG's Facilities as soon as reasonably possible, but in no event less than thirty (30) days prior to the commencement of the construction of such Public Improvement Project; provided, however that in the event that the provisions of a state or federal grant require a different notification period or process than that outlined in Section 5.2, the City shall notify CNG during the predesign meetings and the process mandated by the grant funding shall control.

5.2.5 After receipt of such written notice, CNG shall relocate such Facilities to accommodate the Public Improvement Project consistent with the timeline provided by the City.

5.2.6 CNG shall complete the relocation of its Facilities at no charge or expense to the City pursuant to the timeline provided by the City.

5.3 CNG shall be solely responsible for the direct out-of-pocket costs incurred by the City for delays in a Public Improvement Project to the extent the delay is directly caused by CNG's failure to comply with the final schedule for the relocation (other than as a result of a Force Majeure Event or causes or conditions caused by the acts or omissions of the City, third parties, or otherwise that are beyond CNG's reasonable control). Such out-of-pocket costs may include, but are not limited to, payment to the City's contractors and/or consultants for increased costs and associated court costs, interest, and attorneys' fees incurred by the City to the extent directly attributable to such CNG-caused delay in the Public Improvement Project.

5.4 Whenever any person or entity, other than the City, or a person or entity acting on behalf of the City, requires the relocation of CNG's Facilities to accommodate the work of such person or entity within the Franchise Area; or, the City requires any person or entity to undertake work (other than work undertaken at the City's cost and expense) within the Franchise Area and such work requires the relocation of CNG's Facilities within the Franchise Area, CNG shall have the right as a condition of any such relocation to require such person or entity to make payment to CNG, at a time and upon terms acceptable to CNG, for any and all reasonable costs and expenses incurred by CNG in the relocation of CNG's Facilities.

5.5 Any condition or requirement imposed by the City upon any person or entity, other than CNG, that requires the relocation of CNG's Facilities shall be a required relocation for purposes of Section 5.5 above (including, without limitation, any condition or requirement imposed pursuant to any contract or in conjunction with approvals or permits for zoning, land use, construction or development).

5.6 Any condition or requirement imposed by the City upon any person or entity (including, without limitation, any condition or requirement imposed pursuant to any contract or in conjunction with approvals or permits obtained pursuant to any zoning, land use, construction or other development regulation) which requires the relocation of CNG's Facilities within the Franchise Area shall invoke the provisions of Section 5.5 above; provided, however, (a) in the event the City reasonably determines and notifies CNG that the primary purpose of imposing such condition or requirement upon such person or entity is to cause the construction of a Public Improvement Project within a segment of the Franchise Area on the City's behalf and (b) such Public Improvement Project is reflected in the City's Transportation Improvement Plan or Capital Improvement Plan, then only those costs and expenses incurred by CNG in constructing and connecting new Facilities with CNG's other Facilities shall be paid to CNG by such person or entity, and CNG shall otherwise relocate its Facilities within such segment of the Franchise Area in accordance with Sections 5.1 through 5.3, above.

5.7 The provisions of this Section 5 shall survive the expiration or termination of this Franchise during such time as CNG continues to own, operate, or maintain Facilities in the Franchise Area.

## **6. Work in the Franchise Area.**

6.1 All work performed by CNG or its contractors on CNG's behalf within the Franchise Area shall be accomplished in a good and workmanlike manner. Such work shall minimize interference with the free passage of traffic and the free use of adjoining property, whether public or private, and shall include proper installation, maintenance, and appearance of both below-ground and above-ground facilities. Above-ground structures, such as piping, valves or equipment enclosures, shall be placed and maintained in a manner that ensures public safety, preserves sightlines, and avoids obstruction of pedestrian and vehicular access. CNG, shall at all times when performing work within the Franchise Area, post and maintain proper barricades, flags, flaggers, lights, flares, safety devices and other measures as required to comply with all applicable safety regulations during such period of construction as required by the ordinances of the City or the laws of the State of Washington, including RCW 39.04.180 for the construction of trench safety systems. CNG shall, at its own expense, maintain its Facilities in a safe condition, in good repair, and in accordance with applicable state and federal law. Additionally, CNG shall keep its Facilities free of debris and anything of a dangerous, noxious, or offensive nature or which would create a hazard or undue vibration, heat, noise, or any interference with City services. The provisions of this Section 6.1 shall survive the expiration of this Franchise during such time as CNG continues to own, operate, or maintain Facilities in the Franchise Area.

6.2 Except in the case of an emergency where immediate action is needed to protect the integrity of CNG's Facilities, or protect the public, within the Franchise Area, CNG shall, prior to commencing any work or other substantial activity within the Franchise Area for which a permit is required under the Yakima Municipal Code, apply for a permit from the City in accordance with the Yakima Municipal Code. During the progress of the work, CNG shall not unnecessarily obstruct the passage or proper use of the Franchise Area, and all work by CNG in the Franchise Area shall be performed in accordance with the requirements of the permit and applicable City standards and specifications (in each case to the extent not inconsistent with the terms of this Franchise). In no case shall any work commence within any Public Ways without a permit, except as otherwise provided in this Franchise. Restoration work will be warranted for a period of five years.

6.3 The City Engineer may, in his/her reasonable discretion, defer construction or other activity under any permit, until such time as the City Engineer deems proper in all cases where the public place on which the work is desired to be done is occupied or about to be occupied by any work by the City, or by some other person having a right to use the same in such manner as to render it seriously inconvenient to the public to permit any further obstruction thereof at such time. In granting such permit, the City Engineer may so regulate the manner of doing such work in order to cause the least inconvenience to the public (including possible night work) in the use of such public place. In all cases, any work of the City or its contractors or employees for municipal purposes shall have precedence over all work of every other kind.

6.4 Except as specifically allowed by the City Engineer, or in an emergency situation, CNG shall not repair, construct, or expand its Facilities within the Franchise Area that will cause a cut in a street that has been constructed, reconstructed, resurfaced, overlaid, or paved within the prior five (5) years.

Prior to doing any work in the Rights-of-Way, CNG shall follow established procedures, including contacting the Utility Notification Center in Washington and shall comply with all applicable State statutes regarding the One Call Locator Service pursuant to Chapter 19.122 RCW. Further, upon request from a third party or the City, CNG shall locate its Facilities consistent with the requirements of Chapter 19.122 RCW. The City shall not be liable for any damages to CNG's Facilities or for interruptions in service to CNG's customers that are a direct result of CNG's failure to locate its Facilities within the prescribed time limits and guidelines established by the One Call Locator Service regardless of whether the City issued a permit.

6.5 If CNG shall at any time plan to make excavations in any area covered by this Franchise and as described in this Section 6.6, CNG shall afford the City, upon receipt of written request to do so, an opportunity to share such excavation, PROVIDED THAT:

6.5.1 Such work can occur in accordance with CNG procedures; and



6.5.2 Such joint use shall not unreasonably delay the work of the party causing the excavation to be made and sufficient space is reasonably available and if not, the City agrees to pay any pro rate share of expanding such excavation; and

6.5.3 Such joint use shall not result in unsafe conditions.

6.6 In the event of an emergency in which CNG's Facilities located within the Franchise Area break or are damaged, or if CNG's Facilities within the Franchise Area are otherwise in a condition as to immediately endanger the property, life, health or safety of any individuals, CNG shall, upon learning of such a dangerous condition, take all reasonable actions to promptly correct such dangerous condition. CNG may take emergency measures to repair its Facilities within the Franchise Area or to cure or remedy any associated dangerous conditions for the protection of property, life, health or safety of individuals without first applying for and obtaining a permit as required by this Franchise. CNG shall notify the City either verbally or in writing as soon as practicable following the onset of any such emergency. CNG is not relieved from the requirement of obtaining such necessary permits, and CNG shall apply for all such permits within a reasonable period of time following commencement of such repairs.

6.7 Except in emergency situations, at least forty-eight (48) hours prior to entering private property or Public Ways adjacent to or on such private property to perform new construction or reconstruction involving excavation or tunneling, a notice indicating the nature and location of the work to be performed shall be physically posted, at no expense to the City, upon the affected property by CNG. A door hanger may be used to comply with the notice and posting requirements of this section. The City expressly reserves its rights to order the correction of any condition within the Franchise Area that is in violation of, or the discontinuance of any activity within the Franchise Area that is being undertaken contrary to, this Franchise, the Yakima Municipal Code, or any applicable permits issued by the City; provided such order is not in conflict with any federal or state law or regulation.

6.8 In case of any damage caused by CNG, or by CNG's Facilities, to the Franchise Area (including but not limited to all City, franchisee, and licensee owned improvements and structures existing therein) CNG agrees to repair the damage at no cost to the City. CNG shall, upon discovery of any such damage, immediately notify the City. The City will inspect the damage and provide CNG with a reasonable period of time for completion of the repair. If the City discovers damage caused by CNG within the Franchise Area, the City will give CNG prompt notice of the damage and provide CNG with a reasonable period of time to repair the damage. In the event CNG does not make the repair as required in this section, the City may repair the damage, to its satisfaction, at CNG's sole expense. Under no circumstances is the City obligated to complete repairs under this subsection and the City's decision to rely on CNG for the repair of damage caused by CNG or CNG's facilities does not limit the City's remedies if such repair is not completed in the time prescribed. Should the necessary repair not be completed within the period of time prescribed by the City, the City may elect to invoke any of the remedies outlined in Section 12.3.

6.9 The City may condition the granting of any permit or other approval that is required under this Franchise, at any time, on any lawful condition or regulation, unless such condition or regulation is in conflict with this Franchise, applicable laws or any federal or state directive, as may be reasonably necessary to the management of the Franchise Area, such conditions may include, by way of example and not limitation, bonding, maintaining proper distance from other utilities, protecting the continuity of pedestrian and vehicular traffic and protecting any right-of-way improvements, private facilities and public safety.

## **7. Restoration After Construction.**

7.1 CNG shall, in connection with any work performed by CNG on its Facilities within the Franchise Area promptly remove any obstructions from the Franchise Area and restore the surface of the Franchise Area consistent with municipal code and City construction standards (as such construction standards are posted on the City's website or included as a condition of approval of any required permit), provided CNG shall not be responsible for any changes or damage to the Franchise Area not caused by CNG's work or work performed on CNG's behalf. Further, CNG's restoration shall comply with applicable Yakima Municipal Code and City construction standards (as such construction standards are posted on the City's website or included as a condition of approval of any required permit) for restoration. The City Engineer or his/her designee shall have final approval of the condition of the Franchise Area after restoration.

7.2 If conditions (i.e. weather) do not permit the complete restoration required under this Section 7, CNG shall temporarily restore the affected portions of the Franchise Area. Such temporary restoration shall be at CNG's sole cost and expense. CNG must maintain the temporary restoration to the satisfaction of the City correcting any deficiencies within 24 hours of notification by the City. CNG shall promptly undertake and complete the required permanent restoration when the conditions no longer prevent such permanent restoration.

7.3 If CNG fails to restore the Franchise Area in accordance with this Section 7, the City shall provide CNG with written notice including a description of actions the City believes necessary to restore the Franchise Area. If CNG fails to restore the Franchise Area in accordance with this Section 7 within ten (10) calendar days of CNG's receipt of the City's notice, the City, or its authorized contractor, may, but is not required to, restore the Franchise Area at CNG's sole and complete expense. Should the necessary repair not be completed within ten (10) calendar days of receipt of notice, the City may elect to invoke any of the remedies outlined in Section 12.3. In the event that the City elects to restore the Franchise Area, CNG will be liable for the actual costs of restoration including all applicable City overhead, legal and administrative expenses. Under no circumstances is the City obligated to complete restoration under this subsection and the City's decision to rely on CNG for the restoration does not limit the City's remedies if such restoration is not completed in the time prescribed.

7.4 All survey monuments which are disturbed or displaced by CNG in its performance of any work within the Franchise Area shall be referenced and restored by CNG, in accordance with WAC 332-120, as it exists or may be amended, and other applicable Laws.

7.5 The provisions of this Section 7 shall survive the expiration or termination of this Franchise so long as CNG continues to own, operate and maintain Facilities in the Franchise Area and has not completed all restoration consistent with this Franchise.

## **8. Performance and Maintenance Guarantees**

8.1 Before undertaking any work or improvements within the Franchise Area as authorized by this Franchise, and if required by the City Engineer, or his/her designee, CNG shall furnish an appropriate bond, to ensure satisfactory restoration of the Franchise Area following completion of CNG's work therein. In lieu of separate bonds for individual projects involving work in the Franchise Area, CNG may satisfy the bond requirements herein, if applicable, by posting a single ongoing performance bond. The amount required for such bond shall not exceed \$100,000 in accordance with YMC 8.72. In the event that a bond furnished pursuant to this Section 8.1 is canceled by the surety, after proper notice and pursuant to the terms of said bond, CNG shall, prior to the expiration of said bond, procure a replacement bond which complies with the terms of this Section 8.1.

8.2 With respect to undertaking any of the work authorized by this Franchise, in the event CNG fails to perform its obligations under this Franchise relating to such work and further fails to cure its deficiency after receipt of written notice of such deficiency by the City, then the City may use any bond(s) furnished by CNG pursuant to Section 8.1 to cure such deficiency. Neither the amount of such bond(s) nor the City's use thereof shall limit the City's full recovery from CNG of costs incurred by the City to cure such deficiency.

8.3 In the event the City makes use of the bond(s) furnished by CNG pursuant to Section 8.2, the City shall promptly provide written notice of the same to CNG. Within thirty (30) days of receipt of such notice, CNG shall replenish or replace such bond(s) in accordance with Section 8.1.

## **9. Work of Contractors and Subcontractors.**

CNG's contractors and subcontractors performing work on behalf of CNG within the Franchise Area shall be licensed and bonded in accordance with applicable State law and City's ordinances, regulations, and requirements. Such work by CNG's contractors and subcontractors is subject to the same restrictions, limitations, and conditions as if the work were performed by CNG. CNG shall be responsible for all such work performed by its contractors and subcontractors and others performing work on its behalf as if the work were performed by CNG and shall ensure that all such work is performed in compliance with this Franchise and applicable law. The failure to cure any violation of this Section 9 within thirty (30) days from written notice of the violation from the City shall be deemed a material default under the terms of this Franchise. Notwithstanding the foregoing, if CNG commences the cure of any deficiency within thirty (30) calendar days of receiving written

notice from the City and continues to diligently pursue such cure to completion, the time period for cure shall be extended for so long as CNG is diligently pursuing the cure.

#### **10. City Occupation Tax on Utilities**

CNG hereby stipulates that all of its business activities in the City as identified in this franchise Ordinance are taxable activities subject to the rate imposed under the City's occupation taxes, adopted in Yakima Municipal Code Section 5.50.050. Therefore, throughout the term of this franchise Ordinance, all CNG business activities within the City are taxable activities, subject to the rate imposed under the City's occupation taxes on utilities as adopted in Yakima Municipal Code Section 5.50.050

CNG and the City understand and agree that RCW 35.21.870, as of the effective date of this franchise Ordinance, limits the rate of City tax upon natural gas transmission/distribution business activities to six percent (6%), unless a higher rate is approved by a vote of the people.

CNG shall pay the City all reasonable costs of granting or enforcing.

As provided in Section 5.50.090 of the Yakima Municipal Code, City occupation tax on utilities payments shall be transmitted by CNG monthly to the City of Yakima. Said payments shall be received by the City no later than the 25th of each month for the preceding calendar month. Not later than the date of each payment, CNG shall file with the City a written statement signed by the chief financial officer, or his/her designee, of CNG which identifies in detail the sources and amounts of gross revenue earned by CNG during the month for which payment is made. No acceptance of any payment by the City shall be construed as an accord that the amount paid is, in fact, the correct amount, nor shall such acceptance of payment be construed as a release of any claim which the City may have for further or additional sums payable under the provisions of this franchise Ordinance.

Neither current nor previously paid utility taxes may be subtracted from the gross revenue amount upon which utility tax payments are calculated and due for any period. Not shall any license fee(S) paid by CNG be subtracted for purpose of calculating utility tax payments.

Any utility taxes owing pursuant to this franchise Ordinance which remain unpaid for more than ten (10) days after the dates specified herein shall be delinquent and shall therefore accrue interest at twelve percent (12%) per annum or two percent (2%) above prime lending rate as quoted by major Seattle banks, whichever is greater.

Upon reasonable advance notice, the City shall have access to CNG's records to the extent necessary to verify the accuracy of the city occupation tax payments required herein during the normal business hours of Grantee.

#### **11. Insurance.**

11.1 CNG shall self-insure or procure and maintain, for so long as CNG has Facilities in the Franchise Area and throughout the life of this Franchise, insurance and/or self-insurance against claims for injuries to persons or damages to property which may arise from or in connection with the exercise of rights, privileges and authority granted hereunder to CNG, its agents representatives or employees. CNG shall procure insurance from insurers with a current A.M. Best rating of not less than A -. CNG shall provide a certificate of insurance and/or written confirmation of self-insurance and additional insured to the City Engineer, or designee, for its inspection at the time of or prior to acceptance of this Franchise, and yearly, and such insurance certificate shall evidence a policy of insurance or self-insurance coverage that includes the minimum amounts as stated in this Section 10 and its subparts. Failure by the City to demand such verification of coverage with these insurance requirements or failure of the City to identify a deficiency from the insurance documentation provided shall not be construed as a waiver of CNG's obligation to maintain such insurance.

CNG's insurance coverage shall be primary insurance with respect to those who are Additional Insureds and any insurance, self-insurance or insurance pool coverage maintained by the City shall be in excess of the CNG's insurance and neither the City nor its insurance providers shall contribute to any settlements, defense costs, or other payments made by CNG's insurance. All additional insured endorsements required by this Section shall include an explicit waiver of subrogation.

11.1.1 Automobile Liability insurance with limits no less than \$2,000,000 combined single limit per occurrence for bodily injury and property damage;

11.1.2 Commercial General Liability insurance, with limits no less than \$25,000,000 aggregate for personal injury, bodily injury and property damage. Coverage shall include but not be limited to: blanket contractual; premises; operations; independent contractors; personal injury; products and completed operations; broad form property damage; explosion, collapse and underground (XCU);

11.1.3 Workers' Compensation coverage to statutory limits as required by the Industrial Insurance laws of the State of Washington and employer's liability with limits not less than \$2,000,000;

11.1.4 Pollution insurance with limits no less than \$5,000,000 per claim and in the aggregate; and

11.2 Further, the parties agree that the coverage limits set forth in this Section 10.1, at the request of the City, may be reviewed and adjusted by the parties on or after the second (2nd) anniversary of the Effective Date of this Franchise; provided any adjustments made shall be in accordance with reasonably prudent risk management practices and insurance industry standards and shall be effective ninety (90) days after the City gives CNG written notice of the adjustment. . Adjustments under this Section shall not be made more than once in a twenty-four (24) month period during this Franchise.

11.3 Any deductibles or self-insured retentions must be declared. Payment of deductible or self-insured retention shall be the sole responsibility of CNG. Additionally, CNG shall pay all premiums for the insurance on a timely basis. CNG may utilize self-insurance and excess/umbrella liability insurance policies to satisfy the insurance policy limits required in this section, provided any umbrella liability insurance policy provides "follow form" coverage over its primary liability insurance policies and shall specifically include the City as an Additional Insured consistent with Section 10.4.

11.4 The insurance policies with the exception of Workers' Compensation obtained by CNG shall include the City, its officers, officials, employees, agents, and volunteers ("Additional Insureds"), as an additional insured with regard to activities performed by or on behalf of CNG. The coverage shall contain no special limitations on the scope of protection afforded to the Additional Insureds. In addition, the insurance policy shall contain a clause stating that coverage shall apply separately to each insured against whom a claim is made, or suit is brought, except with respect to the limits of the insurer's liability. CNG shall provide to the City prior to or upon acceptance a true copy of the additional insured endorsement for each insurance policy required in this Section 10 and providing that such insurance shall apply as primary insurance on behalf of the Additional Insureds. Receipt by the City of any certificate showing less coverage than required is not a waiver of CNG's obligations to fulfill the requirements. CNG's insurance shall be primary insurance as respects the Additional Insureds, and the endorsement should specifically state that the insurance is the primary insurance. Any insurance maintained by the Additional Insureds shall be in excess of CNG's insurance and shall not contribute with it.

11.5 CNG is hereby obligated to notify the City of any cancellation, or intent not to renew any insurance policy required pursuant to this Section 10, thirty (30) days prior to any such cancellation. Within thirty (30) days prior to said cancellation or intent not to renew, CNG shall obtain and furnish to the City replacement insurance policies meeting the requirements of this Section 10. Failure to provide the insurance cancellation notice and to furnish to the City replacement insurance policies meeting the requirements of this Section 10 shall be considered a material breach of this Franchise and subject to the City's election of remedies described in Section 12 below. Notwithstanding the cure period described in Section 12, the City may pursue its remedies immediately upon a failure to furnish replacement insurance.

11.6 CNG's maintenance of insurance as required by this Section 10 shall not be construed to limit the liability of CNG to the coverage provided by such insurance or otherwise limit the City's recourse to any remedy available at law or equity. Further, CNG's maintenance of insurance policies required by this Franchise shall not be construed to excuse unfaithful performance by CNG.

11.7 As of the effective date of this Franchise, CNG is self-insured.

## **12. Indemnification.**

12.1 CNG shall indemnify, defend and hold harmless the City, its officers, employees, agents and representatives, from any and all third party claims or suits (and any damages, costs, judgments, awards or liability resulting from such claims or suits) to the extent the same are caused by or arise out of (a) for injury or death of any person or damage to property to the extent the same is caused by the actual or alleged negligence or willful misconduct of CNG, its agents, contractors, subcontractors, servants, officers or employees in the performance of this Franchise and any rights granted hereunder, (b) the breach by CNG of any of its obligations under this Franchise, or (c) a violation of Laws or an improper release of Hazardous Substances to the extent the same is caused by CNG's Facilities or CNG in the exercise of its rights granted under this Franchise. In addition to the indemnity outlined above, CNG shall also be responsible for each of the following to the extent the same is caused by CNG 's unlawful release of Hazardous Substances in violation of applicable Environmental Laws: (i) liability for a governmental agency's costs of removal or remedial action for such release by CNG of Hazardous Substances; (ii) damages to natural resources caused by such release by CNG of Hazardous Substances, including the reasonable costs of assessing such damages; (iii) liability for the City's costs of responding to such release by CNG of Hazardous Substances; and (iv) liability for any costs of investigation, abatement, correction, cleanup, fines, penalties, or other damages arising under any Environmental Laws that are caused by such release by CNG of Hazardous Substances.

12.2 Inspection or acceptance by the City of any work performed by CNG at the time of completion of construction shall not be grounds for avoidance by CNG of any of its obligations under this Section 11.2. Said indemnification obligations shall extend to claims which are not reduced to a suit and any claims which may be compromised, with CNG's prior written consent, prior to the culmination of any litigation or the institution of any litigation.

12.3 The City shall promptly notify CNG of any claim or suit for which indemnification is provided under Section 11.1 and request in writing that CNG indemnify the City. The City's failure to so notify and request indemnification shall not relieve CNG of any liability that CNG might have, except to the extent that such failure prejudices CNG's ability to defend such claim or suit. If a conflict of interest exists between the City and counsel engaged by CNG to represent CNG and the City in connection with such claim or suit, CNG's obligations under Section 11.1 will remain in full force and effect and in such case CNG shall be further obligated to remedy the situation by resolving the conflict of interest or engaging (at no cost to the City) different or separate counsel that does not have a conflict of interest with the City. The City may, at its cost and expense, participate in the defense of any such action using counsel of its choice. In the event that CNG refuses the tender of defense in any suit or any claim, as required pursuant to the indemnification provisions contained herein, and said refusal is subsequently determined by a court having jurisdiction (or such other tribunal that the parties shall agree to decide the matter), to have been a wrongful refusal on the part of CNG, CNG shall pay all of the City's reasonable costs for defense of the action,

including all expert witness fees, costs, and attorney's fees, and including costs and fees incurred in recovering under this indemnification provision.

12.4 Solely to the extent required to enforce the indemnification provisions of this Section 11.4, CNG waives its immunity under Title 51 RCW, Industrial Insurance; provided, however, the foregoing waiver shall not in any way preclude CNG from raising such immunity as a defense against any claim brought against CNG by any of its employees. This waiver has been mutually negotiated by the parties.

12.5 To the extent a court of competent jurisdiction determines that this Franchise is subject to RCW 4.24.115, as it exists or may be amended, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of CNG, if officers, officials, employees, and volunteers, and or the City, CNG's liability shall be only to the extent of CNG's negligence.

12.6 Notwithstanding any other provisions of this Section 11, CNG assumes the risk of damage to its Facilities located in the Franchise Area from activities conducted by the City, its officers, agents, employees, volunteers, elected and appointed officials, and contractors, except to the extent any such damage or destruction is caused by or arises from the negligence or intentional misconduct of the City, its officers, agents, employees, volunteers, or elected or appointed officials, or contractors. In no event shall the City or CNG be liable for any indirect, incidental, special, consequential, exemplary, or punitive damages, including by way of example and not limitation lost profits, lost revenue, loss of goodwill, or loss of business opportunity in connection with its performance or failure to perform under this Franchise. CNG further agrees to indemnify, hold harmless and defend the City against any claims for damages, including, but not limited to, business interruption damages, lost profits and consequential damages, brought by or under users of CNG's Facilities as the result of any interruption of service due to damage or destruction of CNG's Facilities caused by or arising out of activities conducted by the City, its officers, agents, employees or contractors, except to the extent any such damage or destruction is caused by or arises from the negligence or intentional misconduct of the City, its officers, agents, employees, volunteers, or elected or appointed officials, or contractors.

12.7 The provisions of this Section 11 shall survive the expiration, revocation, or termination of this Franchise.

### **13. Default and Enforcement.**

13.1 In addition to any other remedy provided in this Franchise, the City reserves the right to pursue any remedy available at law or in equity to compel or require CNG and/or its successors and assigns to comply with the terms of this Franchise and the pursuit of any right or remedy by the City shall not prevent the City from thereafter declaring a revocation for breach of the conditions. In addition to any other remedy provided in this Franchise, CNG reserves the right to pursue any remedy available at law or in equity to compel or require the City, its officers, employees, volunteers, contractors and other agents and



representatives, to comply with the terms of this Franchise. Further, all rights and remedies provided herein shall be in addition to and cumulative with any and all other rights and remedies available to either the City or CNG. Such rights and remedies shall not be exclusive, and the exercise of one or more rights or remedies shall not be deemed a waiver of the right to exercise at the same time or thereafter any other right or remedy. Provided, further, that by entering into this Franchise, it is not the intention of the City or CNG to waive any other rights, remedies, or obligations as provided by law, equity or otherwise, and nothing contained in this Franchise shall be deemed or construed to affect any such waiver. The parties reserve the right to seek and obtain injunctive relief with respect to this Franchise to the extent authorized by applicable law and that the execution of this Franchise shall not constitute a waiver or relinquishment of such right

13.2 If CNG shall fail to comply with the provisions of this Franchise, the City shall provide written notice of such non-compliance. Except in an emergency circumstance, or as otherwise described in this Franchise, CNG shall then have thirty (30) days to cure such violation; provided, however, if any failure to comply with this Franchise by CNG cannot be corrected with due diligence within said thirty (30) day period (CNG's obligation to comply and to proceed with due diligence being subject to unavoidable delays and events beyond its control), then the time within which CNG may so comply shall be extended for such time as may be reasonably necessary and so long as CNG commences promptly and diligently to effect such compliance.

13.3 If following such cure period CNG fails to resolve the non-compliance issue, the City may pursue any available remedy at law or in equity or other remedies including but not limited to denial of pending or future permits or remedies allowed under YMC 8.72.080 until the issue is resolved and the issuance of stop work orders. In addition to the payment of any damages, the City shall have the right to repair any damage or defect in the Franchise Area, including restoration of the affected area, at CNG's sole cost and expense.

13.4 Termination of this Franchise shall not release either party from any liability or obligation with respect to any matter occurring prior to such termination, nor shall such termination release CNG from any obligation to remove or secure its Facilities and restore the Franchise Area pursuant to the terms of this Franchise.

#### **14. Nonexclusive Franchise.**

This Franchise is not, and shall not be deemed to be, an exclusive Franchise. This Franchise shall not in any manner prohibit the City from granting other and further franchises over, upon, and along the Franchise Area that do not interfere with CNG's rights under this Franchise. This Franchise shall not prohibit or prevent the City from using the Franchise Area or affect the jurisdiction of the City over the same or any part thereof.

#### **15. Franchise Term.**

This Franchise is hereby granted for a term of ten (10) years from and after the date of the final acceptance of this Ordinance by CNG, herein referred to as the primary term. This

franchise will automatically renew upon review and approval by the City for successive periods of five (5) years unless cancelled at the end of a term by either party by written notice to the other party no less than one hundred eighty (180) calendar days prior to the end of the primary term or the then current successive term.

15.1 CNG shall have no rights under this Franchise nor shall CNG be bound by the terms and conditions of this Franchise unless CNG accepts the Franchise pursuant to Section 21.

**16. Decommissioned Facilities; Post-Service Abandonment.**

16.1 Notification: CNG shall notify the City when it permanently discontinues use of and decommissions any of its Facilities within the Franchise Area. Such notification shall occur within thirty (30) calendar days of the date CNG decommissions the Facilities. This notification shall normally occur via a permit application for the work required within the Franchise Area.

16.2 CNG will normally abandon decommissioned facilities in place. CNG's abandonment procedures are documented in Company Procedures on file with the Washington Utilities and Transportation Commission. CNG will provide the City with a copy of the relevant procedure(s) upon request. The City will notify CNG if it is required that decommissioned facilities be removed from the Franchise Area. Upon notification, CNG will provide a mitigation plan for removing the decommissioned Facilities. The mitigation plan shall address how and when the Facilities will be removed and shall include any mitigation measures CNG proposes to address the impacts of the decommissioned Facilities to the Franchise Area. Unless otherwise approved by the City, removal and mitigation should be accomplished within one hundred and eighty (180) calendar days after the City's removal notification described above is given to CNG.

16.3 Within thirty (30) calendar days of receiving a mitigation plan submitted by CNG pursuant to this section, the City will review the plan and either approve the plan, require changes and resubmittal. The City will not unreasonably withhold approval of CNG's proposed plan and may require changes if it determines, in its reasonable discretion, that the plan fails to adequately mitigate the impacts of CNG's permanently decommissioned Facilities. Following the City's approval in writing of a mitigation plan, CNG shall promptly and in good faith implement the plan, including any required changes determined by the City and obtain all required permits for its work in the Franchise Area. If the City fails to approve the mitigation plan within thirty (30) calendar days of receiving the plan, this shall be deemed a denial by the City.

16.4 In addition to any further requirements agreed upon by the City and CNG, (a) CNG shall, at CNG's expense, decommission such Facilities so as to render the Facilities safe in accordance with applicable law, (b) such decommissioned Facilities will continue to be subject to the terms of this Franchise (including but not limited to the relocation provisions in Section 5 and the indemnification provisions in Section 11), and (c) as requested by the City, CNG shall provide the City with maps that show the approximate location of such

Facilities In no case shall CNG be permitted to abandon above ground facilities in place. Abandoned above ground facilities shall be removed in its entirety. Further, and for the avoidance of doubt, all Facilities permanently decommissioned by CNG within the Franchise Area will be deemed to be operated and maintained by CNG for purposes of this Franchise and continue to be subject to the terms of this Franchise.

16.5 If the Parties fail to agree upon a plan, CNG fails to comply with an approved plan, or circumstances require City action prior to approval of a plan, the City may, but is not required to, take such steps as it deems necessary to remove and/or mitigate for the impacts of the permanently decommissioned Facilities. Any costs incurred by the City as a result of CNG's failure to comply with its obligations under this Section 15 with respect to permanently decommissioned Facilities shall be reimbursed by CNG within thirty (30) calendar days of the City invoicing CNG for such costs.

16.6 Notwithstanding Section 15.1, if CNG becomes aware that removal of any decommissioned Facilities of CNG within the Franchise Area is required to eliminate or prevent an emergency or hazardous condition that endangers the property, life, health or safety of any person or entity, CNG shall promptly, at no cost to the City, remove such decommissioned Facilities.

16.7 If, after the expiration or termination of this Franchise, CNG at any time ceases to provide all natural gas service within the jurisdictional boundaries of the City and ownership of the Facilities of CNG within the Franchise Area is not transferred to a replacement or substitute natural gas service provider (including, without limitation, the City), CNG will continue to be responsible for maintaining such Facilities within the Franchise Area.

16.8 The provisions of this Section 15 shall survive the expiration or termination of this Franchise.

## **17. Assignment.**

17.1 CNG shall not assign this Franchise to any third party without the prior written consent of the City, which consent shall not be unreasonably withheld or delayed. Any assignee shall, within forty five (45) days of the date of any assignment, file written notice of the assignment with the City together with its written acceptance of all terms and conditions of this Franchise and provide the City the additional insured endorsements as required pursuant to Section 10 and any performance or maintenance guarantees as required by Section 8 ("Assignment Documents"). No assignment by CNG shall be effective prior to the City's receipt of the Assignment Documents. Notwithstanding the foregoing, CNG shall have the right, without such notice or such written acceptance or other such Assignment Documents, to mortgage its rights, benefits and privileges in and under this Franchise for the benefit of bondholders.

17.2 All the provisions, conditions, terms and requirements contained herein shall be binding upon CNG's successors and assigns and all privileges, as well as all obligations of

CNG, shall insure to its successors and assigns equally as if they were specifically mentioned where CNG is named in this Franchise.

17.3 The City's approval of the assignment of this Franchise consistent with this Section 16 does not relieve CNG of any liabilities arising out of the terms of this Franchise to the extent such liabilities are accrued prior to the effective date of such assignment.

**18. Recovery of Costs.**

18.1 As specifically provided by RCW 35.21.860, the City may not impose a franchise fee or any other fee or charge of whatever nature or description upon CNG. However, as provided in RCW 35.21.860, the City may recover from CNG actual administrative expenses incurred by the City that are directly related to: (i) receiving and approving a permit, license or this Franchise, (ii) inspecting plans and construction, or (iii) preparing a detailed statement pursuant to Chapter 43.21 RCW. In accordance with and subject to the foregoing, CNG hereby agrees to pay such actual administrative expenses incurred by the City, including the City's legal costs incurred that are directly related to receiving and approving this Franchise pursuant to RCW 35.21.860, within thirty (30) days of receipt of an invoice from the City. No permits shall be issued until such time as the City has received payment of this fee.

18.2 The City expressly and specifically reserves all rights to recover costs and fees available to the City under applicable provisions of the Yakima Municipal Code to the fullest extent such rights are not in conflict with the terms or conditions of this Franchise or with RCW 35.21.860 or any other federal or state law.

**19. Notice.**

Any notice or information required or permitted to be given to the parties under this Franchise shall be sent to the following addresses unless otherwise specified by personal delivery, overnight mail by a nationally recognized courier, or by U.S. certified mail, return receipt requested and shall be effective upon receipt or refusal of delivery:

City of Yakima  
City Manager  
129 N 2<sup>nd</sup> Street  
Yakima, WA 98901

City of Yakima  
Community Development Director  
129 N 2<sup>nd</sup> Street  
Yakima, WA 98901

Cascade Natural Gas Corporation  
Attn: Region Director  
555 S Cole Road  
Boise, ID 83709

**20. Survival.**

All of the provisions, conditions, and requirements of Section 5, Section 6, Section 7, Section 8, Section 10, Section 15 of this Franchise shall be in addition to any and all other obligations and liabilities CNG may have to the City at common law, by statute, or by contract, and shall survive this Franchise, and any renewals or extensions, to the extent provided for in those sections. All the provisions, conditions, regulations, and requirements contained in this Franchise shall further be binding upon the successors, executors, administrators, legal representatives, and assigns of CNG and all privileges, as well as all obligations and liabilities of CNG shall inure to its successors and assigns equally as if they were specifically mentioned where CNG is named.

**21. Miscellaneous.**

21.1 If any term, provision, condition or portion of this Franchise shall be held to be invalid, such invalidity shall not affect the validity of the remaining portions of this Franchise which shall continue in full force and effect. The headings of sections and paragraphs of this Franchise are for convenience of reference only and are not intended to restrict, affect or be of any weight in the interpretation or construction of the provisions of such sections or paragraphs.

21.2 This Franchise is subject to the provisions of any applicable tariff on file with the Washington Utilities and Transportation Commission ("WUTC") or its successor. In the event of any conflict or inconsistency between the provisions of this Franchise and such tariff on file with the WUTC as of the effective date of this Franchise, the provisions of such tariff shall control.

21.3 This Franchise may be amended only by written instrument, signed by both parties, which specifically states that it is an amendment to this Franchise and is approved by the City Council.

21.4 If, during the term of this Franchise, there becomes effective any change in federal or state law (including, but not limited to, a change in any tariff filed by CNG with the WUTC) and such change:

21.4.1 specifically requires or allows the City to enact a code or ordinance which conflicts with this Franchise; or

21.4.2 results in a CNG tariff that conflicts with this Franchise; then, in such event, either party may, within ninety (90) days of the effective date of such change, notify the other party in writing that such party desires to commence negotiations to amend this

Franchise. Such negotiations shall only encompass the specific term or condition affected by such change in federal or state law and neither party shall be obligated to reopen negotiations on any other term or condition of this Franchise. Within thirty (30) days from and after the other party's receipt of written notice to so commence such negotiations, the parties shall, at a mutually agreeable time and place, commence such negotiations. The parties shall thereafter conduct such negotiations at reasonable times, in a reasonable manner, in good faith and with due regard to all pertinent facts and circumstances; provided, however, that (a) in the event the parties are unable, through negotiation, to reach mutual agreement upon terms and conditions of such amendment, then either party may, by written notice to the other, demand that the parties seek to arrive at such agreement through mediation or, if no such demand has previously been submitted, terminate this Franchise upon not less than ninety (90) days prior written notice to the other party; and (b) pending such negotiations, mediation and/or termination, and except as to any portion thereof which is in conflict or inconsistent with such change in federal or state law, the Franchise shall remain in full force and effect. For purposes of this Section, the term "mediation" shall mean mediation at the local offices of Judicial Arbitration and Mediation Services, Inc. ("JAMS"), or, if JAMS shall cease to exist or cease to have a local office, mediation at the local offices of a similar organization. The parties may agree on a jurist from the JAMS panel. If they are unable to agree, JAMS will provide a list of the three available panel members and each party may strike one. The remaining panel member will serve as the mediator.

21.5 This Franchise shall be construed in accordance with the laws of the State of Washington. The United States District Court for the Eastern District of Washington, and Yakima County Superior Court have proper venue for any dispute related to this Franchise.

21.6 CNG shall assume the cost of posting, filing, and publication of this Franchise as such posting, filing, and publication is required by law, and is payable upon CNG's filing of acceptance of this Franchise.

21.7 The failure of either party to insist upon or enforce strict performance of any of the provisions of this Franchise or to exercise any rights under this Franchise shall not be construed as a waiver or relinquishment to any extent of its right to assert or rely upon any such provisions or rights in that or any other instance; rather, the same shall be and remain in full force and effect.

21.8 This Franchise constitutes the entire understanding and agreement between the parties as to the subject matter within this Franchise and no other agreements or understandings, written or otherwise, shall be binding upon the parties upon execution of this Franchise.

21.9 All rights and remedies provided herein shall be in addition to and cumulative with any and all other rights and remedies available to either the City or CNG. Such rights and remedies shall not be exclusive, and the exercise of one or more rights or remedies shall not

be deemed a waiver of the right to exercise at the same time or thereafter any other right or remedy.

21.10 If a suit or other action is instituted in connection with any controversy arising out of this Franchise, each party shall pay all its own legal costs and attorney fees incurred in defending or bringing such claim or lawsuit, including all appeals, in addition to any other recovery or award provided by law; provided, however, nothing in this section shall be construed to limit the City's right to indemnification under Section 11 of this Franchise.

21.11 The Franchise between the City and CNG adopted on September 15, 2015, through Ordinance No. 2015-026 and accepted by CNG on September 21, 2015, is hereby superseded and replaced by this Franchise as of the Effective Date of this Franchise, and this Franchise, and all exhibits attached hereto shall constitute the entire Franchise between the parties.

21.12 Nothing in this Franchise shall be construed to create any rights in or duties to any third party, nor any liability to or standard of care with reference to any third party. This Franchise shall not confer any right or remedy upon any person other than the City and CNG. No action may be commenced or prosecuted against either the City or CNG by any third party claiming as a third-party beneficiary of this Franchise. This Franchise shall not release or discharge any obligation or liability of any third party to either the City or CNG.

21.13 CNG agrees to comply with the applicable provisions of State and Federal Equal Employment Opportunity and Nondiscrimination statutes and regulations.

21.14 CNG shall comply with all federal and state laws and regulations, including regulations of any administrative agency thereof, as well as the general ordinances, resolutions, rules and regulations of the City, pursuant to the City's lawful authority, heretofore or hereafter adopted or established during the entire term of this Franchise. In the event any valid and superior law, rule or regulation of any governing authority or agency having jurisdiction contravenes the provisions of this Franchise subsequent to its adoption, then the provisions of this Franchise shall be superseded only to the limited extent that the provisions hereof are in conflict and contrary to any such law, rule or regulation. Nothing in this Franchise shall limit the City's right of eminent domain under state law. Nothing in this Franchise shall be deemed to waive the requirements of any lawful code or resolution of the City regarding permits, fees to be paid or manner of construction.

## **22. Acceptance.**

This Franchise may be accepted by CNG by its filing with the City Clerk an unconditional written acceptance within fifteen (15) days from the City's final approval and execution of this Franchise, in the form attached as Exhibit B. As part of acceptance of this Franchise, CNG shall provide to City Engineering the certificate of insurance and the additional insured endorsements obtained pursuant to Section 10, any performance bonds, if applicable, pursuant to Section 8, and the costs described in Section 17.1. Failure of CNG

to so accept this Franchise shall be deemed a rejection by CNG and the rights and privileges granted shall cease.

**23. Corrections by City Clerk or Code Reviser.**

Upon approval by the City Attorney, and the City Engineer, the City Clerk and the code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; ordinance, section or subsection numbering; or references to other local, state or federal laws, codes, rules, or regulations. •

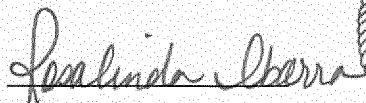
**24. Effective Date.**

This ordinance shall take effect and be in force thirty (30) days from and after its passage and publication as provided by law.

PASSED BY THE CITY COUNCIL OF THE CITY OF YAKIMA THIS 18TH DAY OF NOVEMBER, 2025;

AND SIGNED IN AUTHENTICATION OF ITS PASSAGE THIS 18TH DAY OF NOVEMBER, 2025.

Attest:



Rosalinda Ibarra, City Clerk





Mayor Patricia Byers

APPROVED AS TO FORM:



Sara Watkins, City Attorney

City Engineer (Vacant)

PUBLISHED: NOVEMBER 22, 2025

EFFECTIVE: DECEMBER 22, 2025




**SUMMARY OF ORDINANCE NO. 2025-033**

of the City of Yakima, Washington

On the 18<sup>th</sup> day of November, 2025, the City Council of the City of Yakima, passed Ordinance No. 2025-033. A summary of the content of said ordinance, consisting of the title, provides as follows:

AN ORDINANCE GRANTING CASCADE NATURAL GAS CORPORATION, A WASHINGTON CORPORATION, ITS SUCCESSORS AND ASSIGNS, THE RIGHT, PRIVILEGE, AUTHORITY AND FRANCHISE TO SET, ERECT, LAY, CONSTRUCT, EXTEND, SUPPORT, ATTACH, CONNECT, MAINTAIN, REPAIR, REPLACE, ENLARGE, OPERATE AND USE FACILITIES IN, UPON, OVER, UNDER, ALONG, ACROSS AND THROUGH THE RIGHTS OF WAYS OF THE CITY OF YAKIMA TO PROVIDE FOR THE TRANSMISSION, DISTRIBUTION AND SALE OF GAS AND SUCH OTHER SERVICES AS MAY BE PROVIDED BY SUCH FACILITIES, PROVIDING FOR SEVERABILITY AND ESTABLISHING AN EFFECTIVE DATE.

The full text of this Ordinance will be mailed upon request. DATED this 18th day of November, 2025.

  
City Clerk Rosalinda Ibarra

STATE OF WASHINGTON

)

) ss.

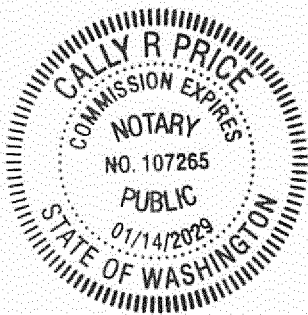
COUNTY OF YAKIMA

)

I certify that I know or have satisfactory evidence that Patricia Byers is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument, and acknowledged it as the Mayor of Yakima to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: NOV. 17, 2025

Seal or Stamp



Cally R. Price

(Signature)

Notary

Title

Cally R. Price

Printed Name

My commission expires: 1/14/2029

### STATEMENT OF ACCEPTANCE

Cascade Natural Gas Corporation for itself, its successors and assigns, accepts and agrees to be bound by all lawful terms, conditions and provisions of the Franchise attached and incorporated by this reference. Cascade Natural Gas Corporation declares that it has carefully read the terms and conditions of this Franchise and unconditionally accepts all of the terms and conditions of the Franchise and agrees to abide by such terms and conditions. Cascade Natural Gas Corporation has relied upon its own investigation of all relevant facts, and it has not been induced to accept this Franchise and it accepts all reasonable risks related to the interpretation of this Franchise.

Cascade Natural Gas Corporation

By: [Signature] Date: 11-17-25  
Eric Martuscelli  
VP, Field Operations & Customer Experience

### ACKNOWLEDGEMENT

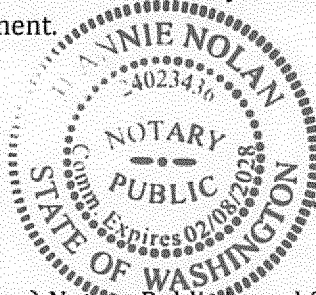
STATE OF WASHINGTON )

COUNTY OF BENTON ) ss.

I certify that I know or have satisfactory evidence that Eric Martuscelli is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Franchise Agreement, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: 11/17/25

Notary Seal



[Signature]  
(Signature of Notary)

(Legibly Print Stamp Name of Notary) Notary Public in and for the State of Washington

My appointment expires: 02/28

