

**FRANCHISE AGREEMENT**  
**Spire Missouri Inc.**

\_\_\_\_\_, 2022

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**Section 1. Effective Date.**

This Franchise Agreement (this "Franchise") is made and entered into this \_\_\_ day of \_\_\_\_\_, 2022, by and between Kansas City, Missouri, ("City") and Spire Missouri Inc. ("Company"). The City and Company are at times collectively referred to herein as the "Parties" or individually as a "Party".

**Section 2. Definitions.**

For the purpose of this Franchise, the following words and phrases shall have the meaning given in this Section 2. When not inconsistent with the context, words used in the present tense include the future tense, words in the plural number include the singular number, and words in the singular number include the plural number. The words "shall" or "will" are mandatory and "may" is permissive. Words not defined in this Section 2 shall be given their common and ordinary meaning.

(A) "**City**" means the City of Kansas City, Missouri, a municipal corporation of the State of Missouri, and all of the territory within its present and future boundaries.

(B) "**Company**" means Spire Missouri Inc., or any successor, transferee or assignee of Spire Missouri Inc., but does not mean any other entity in which Spire Missouri Inc. has an ownership interest.

(C) "**Council**" or "**City Council**" means the elected governing body of the City of Kansas City, Missouri.

(D) "**Director of Public Works**" means the Director of Public Works of Kansas City, Missouri or his/her designee, or a person designated by the Board of Parks and Recreation Commissioners to the extent that the Board of Parks and Recreation Commissioners has jurisdiction over the relevant activity or subject matter.

(E) "**Facilities**" means the existing or future mains, pipes and other parts of the Company's gas distribution system located within the City including, without limitation, all necessary or appropriate mains, service pipes, conduits, conductors, vaults, vaporizers, regulators, meters, sensors, routers, poles, antennae, and any and all other equipment, appurtenances and fixtures as may be reasonably necessary or desirable in the operation of a natural gas distribution system.

(F) "**FERC**" means the Federal Energy Regulatory Commission.

(G) "**Franchise Administrator**" means the City Manager of Kansas City, Missouri or his/her designee.

(H) "**Missouri Commission**" means the Public Service Commission of the State of Missouri.

(I) "**Public Improvement**" means the construction, reconstruction, removal, repair, vertical or horizontal adjustment, realignment, rehabilitation, grading, regrading, widening, paving or repaving, for a governmental purpose, by the City, its contractors or agents, of facilities owned by the City, including, but not limited to, any sidewalk, curb, curb inlet, street, avenue, boulevard, parkway, alley, highway, bridge, culvert, viaduct, tunnel, over or underpass, telephone line, telecommunication line, traffic signal, traffic signals' wires, streetlight pole, sanitary sewer, storm sewer, manhole, field inlet, pipe and any and all appurtenances thereto within any Public Right of Way owned or dedicated to the City.

(J) "**Public Right of Way**" means the surface, the air space above the surface, and the underground space and rights below the surface of any right of way and of any public street, and any avenue, boulevard, alley or public highway, lane, path, sidewalk, drive, tunnel, parkway, waterway or other public right of way and all property owned, controlled or leased by the City including public utility easements or rights of way in which the City has jurisdiction except those devoted to a single use such as water system or aviation easements obtained by the City solely for such special use, and any temporary or permanent fixtures or improvements located thereon now or thereafter held by the City in which the City holds rights sufficient, without the consent of any other person, to permit the Company the use thereof for the purpose of installing or maintaining its Facilities. Notwithstanding the foregoing, "Public Right of Way" does not include any bridge or viaduct.

### **Section 3. Repeal of Existing Franchise.**

Ordinance No. 100833, enacted October 7, 2010, entitled:

“Granting to Missouri Gas Energy, a division of Southern Union Company, a Delaware corporation, a non-exclusive 10-year franchise to operate a natural gas distribution plant and system.”

and all amendments thereto and extensions and renewals thereof, if any, are hereby repealed.

#### **Section 4. Grant of Non-Exclusive Franchise.**

(A) **Authority to operate.** Subject to the terms, conditions and provisions of this Franchise, the City hereby grants unto the Company the right, privilege and authority to construct, maintain and operate in the present and future Public Rights of Way, its Facilities, together with the right, privilege and authority to acquire, construct, maintain and operate therein and thereon such additions and extensions thereto as may be necessary or desirable, all for the purpose of supplying natural gas for all purposes to the inhabitants of the City and consumers in the vicinity thereof; provided, however, that such rights, privileges and authority shall never be deemed to be exclusive to the Company, and the City reserves the right to grant a similar use of such Public Rights of Way to any person or corporation at any time during the term of this Franchise, provided that such grant does not materially interfere with the Company's physical ability to exercise the rights granted to it hereunder to lay and maintain its Facilities necessary to the sale, transportation and distribution of gas in and along the Public Rights of Way. Furthermore, such rights, privileges and authority shall be subject to the ordinances and other rules and regulations of the City, the Board of Parks and Recreation Commissioners, and any other proper entity, currently in effect and as may be properly amended or enacted from time to time.

(B) **Bridges and viaducts.** The Company shall have no right to construct, operate and maintain its Facilities and additions and extensions thereto on the present and future bridges and viaducts in the City (including any renovation, rehabilitation, or widening of existing bridges and viaducts, and any construction of new bridges and viaducts) unless and until the Company applies for and obtains authorization from the City for such activities. If necessary and appropriate, the City may authorize such activities on a case-by-case basis. The City and the Company recognize that such activities should generally be authorized so long as such activities, in the City's opinion, do not adversely affect the public health or safety, or the structural integrity and aesthetic qualities of the bridges and viaducts in the City. The Company shall not be permitted, without prior review and approval by the City, to change the size, shape or location of its existing Facilities on the bridges or viaducts. The City and the Company shall coordinate the mechanism and financial arrangements for the construction of the Company's Facilities on the bridges and viaducts in the City. The Company shall be responsible for all costs for the design and construction of its Facilities on the bridges and viaducts in the City, regardless of whether such Facilities are installed by the City's contractor or the Company's contractor. In the event that bridges or viaducts within the City are or will be owned and maintained by any federal, state or county governmental entity and such federal, state or county governmental entity imposes lawful occupancy, use or maintenance fees, or any requirement which differs from an equivalent City requirement, relating to the construction, operation and maintenance of the Company's Facilities and additions and extensions thereto, the Company shall hold the City harmless from such fees and requirements. All Facilities on the City's bridges and viaducts on the effective date of this ordinance shall be considered authorized under the terms of this section.

## **Section 5. Relations with the K.C. Terminal Railway Company.**

(A) **Continued use of facilities.** Pursuant to the provisions of Ordinance No. 2336, known as the K.C. Terminal Railway Company franchise, approved July 7, 1909, and as the same has been amended, said K.C. Terminal Railway Company, in Sec. 21 thereof, granted to the City the right to permit others to use certain viaducts for carrying along or under the same, their pipes, conduits or wires for any public purposes under the conditions in said section provided.

(B) **Company's obligations.** In accordance with and subject to said Sec. 21, the Company shall have the right to continue to use such viaducts in order to operate, repair and maintain its Facilities now existing on such viaducts as heretofore authorized by the City as may be necessary in the conduct of its business provided that: (1) the Company shall replace such Facilities only with materials of similar size and shape unless otherwise authorized by the City pursuant to Section 3(B); (2) such viaducts are of sufficient strength to carry such Facilities; and (3) in the use of the viaducts the Company shall not materially interfere with the operations of the K.C. Terminal Railway Company and shall keep such Facilities in good repair and free from defects in accordance with the provisions of the said Ordinance No. 2336 as amended.

(C) **Non-interference.** Nothing in this Franchise shall be construed as giving to the Company the right to control or interfere with the rights, privileges and franchises heretofore granted by the City to any other corporation or person for the use of the Public Rights of Way, bridges and viaducts of the City, nor shall anything in this Section 5 contained be construed as relieving the K. C. Terminal Railway Company from any obligation to the City or giving, granting or creating any new right to or for its benefit.

## **Section 6. Transfer of Franchise Rights and Obligations.**

(A) **Consent of City required.** The Company shall not, without prior approval by the City in writing, which shall not be unreasonably withheld, sell, assign, transfer or convey in any manner this Franchise or any of the rights or privileges granted hereunder to another entity (including any successor or assign of the Company); provided, however, that nothing herein shall be construed to prevent the Company from giving a mortgage or voluntary lien on any of its Facilities to secure indebtedness lawfully authorized on notice by the Missouri Commission to the City and an opportunity to be heard thereon before the Missouri Commission or other lawful authority of the State of Missouri having jurisdiction of the matter.

(B) **Continuation of franchise.** This Franchise shall be binding on the successors and assigns of the City and of the Company subject to approvals set forth in Section 5(A), except that this Franchise shall terminate if a sale, transfer, or assignment, as described in Section 5(A), is not approved by the City.

## **Section 7. Term of Franchise.**

(A) **Ten year term.** This Franchise, and the rights, privileges and authority granted hereunder, upon receipt of all necessary approvals, shall be in force for a period of ten years from the effective date of this ordinance.

(B) **Early termination.** Notwithstanding the foregoing, this Franchise shall terminate at the time any of the following events occur:

(1) **Mutual agreement.** The City and the Company mutually agree to terminate the Franchise;

(2) **Disapproval of transfer.** The City does not approve a sale, transfer or assignment of this Franchise as described in Section 5 herein.

### **Section 8. Changing Conditions.**

(A) **Renegotiation.** The Company and the City recognize that many aspects of the gas utility business are currently the subject of discussion, examination and inquiry by different segments of industry and affected regulatory authorities and that these activities may result in fundamental changes in the way the Company conducts its business and meets its service obligations. In recognition of the present state of uncertainty respecting these matters, the Company and the City agree, on request of the other, to negotiate in good faith an amendment to this Franchise or enter into separate, mutually satisfactory arrangements to effect a proper accommodation of such developments.

(B) **Continuation of gas service.** Without limiting the generality of the foregoing, if administrative or legislative changes are initiated which would allow the Company to discontinue service to any customer within the City for reasons other than a violation of the Company's rules and regulations as approved by the Missouri Commission, and such customer has no access to an alternative gas supplier, the Company and the City shall meet to negotiate in good faith to establish a means of preventing lapses in gas service to customers to which the Company plans to discontinue service. The Company and/or the City shall have the right to submit to mediation under Section 31 herein any issue that remains in dispute after such good faith negotiation efforts. In no event shall the Company unilaterally discontinue service to any person or entity within the City, including the City, which has no access to an alternative gas supplier and has not violated the Company's rules and regulations as approved by the Missouri Commission. In addition, the Company shall, upon request by the City, make a good faith effort to assist the City in obtaining alternative gas supply for such person or entity. During the term of this Agreement, City shall not prohibit the connection of or service to new natural gas customers within its boundaries, nor take any action to require the discontinuance of natural gas service, other than as may be set forth in the rules and regulations of the Missouri Public Service Commission. The City's lawful exercise of its authority to manage its right-of-way shall not constitute a prohibition of connection of or service to new natural gas customers within its boundaries, nor shall such exercise constitute a requirement to discontinue natural gas service.

(C) **Participation in restructuring proceedings.** Unless otherwise specified in this Franchise, nothing in this Section shall be construed to limit the right of the Company or the City to take or advance whatever position each may deem appropriate regarding changes to the gas utility business.



## **Section 9. Compatibility With Tariffs, Rules and Regulations.**

**(A) Supremacy of and compliance with Missouri Commission and FERC rules.** The City and the Company recognize that the lawful provisions of any applicable (1) rules and regulations of the Missouri Commission and FERC and (2) schedules and tariffs of the Company approved by and in effect with the Missouri Commission and FERC, are controlling over any inconsistent provision in this Franchise dealing with the same subject matter. In the opinion of both the Company and the City, no provision of this Franchise is inconsistent with any of the lawful provisions of the Company's schedules and tariffs or with any lawful rule or requirement of the Missouri Commission or FERC in effect as of the date of execution of this Franchise. If the Missouri Commission or FERC makes any proposal which, in the City's opinion, would be inconsistent with any provision of this Franchise, the City may request the Company's opinion on the consistency of such proposal with the Franchise. The Company shall respond to such request in a timely manner. If the Company makes a good faith determination that such Missouri Commission or FERC proposal would be inconsistent with any provision of this Franchise, the Company shall, to the extent time permits, consult with the City before taking any formal position on such proposal, or if time does not permit, as soon as possible thereafter. If the Missouri Commission or FERC prescribes final rules or requirements so that the Company may not reasonably comply with both the provisions of this Franchise and the rule or requirement of the Missouri Commission or FERC, the Company shall comply with such rule or requirement instead of such provision of this Franchise.

**(B) Filings of inconsistent matters; renegotiation.** If, during the term of this Franchise, the Company shall file a schedule or tariff with the Missouri Commission or FERC which conflicts with or is inconsistent with any portion of this Franchise, the Company shall contemporaneously provide a copy of such schedule or tariff to the City Attorney. The City and the Company recognize that such Company filings generally should not occur during the term of this Franchise. The Company shall promptly notify the City in writing of any such schedule or tariff which is approved by the Missouri Commission or FERC. The City may, within thirty (30) days after the City's receipt of such notification, inform the Company in writing that the City desires to commence negotiations to amend such portion of this Franchise in conflict with or inconsistent with such approved schedule or tariff. Within thirty (30) days after the Company's receipt of such written notice from the City, the Company shall, at a mutually agreeable time and place, commence such negotiations. The City and the Company shall thereafter conduct such negotiations at reasonable times, in good faith, and with due regard to all pertinent facts and circumstances.

## **Section 10. Most Favored Nation Provision.**

**(A)(1) Replacement of franchise by the City.** Should the Company, during the term of this Franchise, accept or enter into with any other municipality within the Company's current service area, a franchise or contract with different terms, conditions or provisions than are included in this Franchise, the Company shall offer the City such franchise or contract which may be accepted by the City only in its entirety and become effective and binding on the parties once accepted by the City Council.

(2) **Replacement of franchise by the Company.** Should the City, during the term of this Franchise, accept or enter into with any other natural gas utility company a franchise or contract with different terms, conditions or provisions than are included in this Franchise, the City shall offer the Company such franchise or contract which may be accepted by the Company only in its entirety and become effective and binding on the parties once accepted by the Company.

(B) **Consistent rates.** Unless cost justified and to the extent not inconsistent with Missouri law, including lawful Missouri Commission rules or regulations or approved Company tariffs, the Company, during the term of this Franchise, shall not charge more for any service or supply provided within the City than for similar or identical service or supply provided to any other similarly situated customer or consumer of the Company in Missouri.

### **Section 11. Regulation by the City.**

(A) **Compliance with all local laws.** In performing any activity set forth in this Franchise, the Company shall comply with all lawful City ordinances, codes, resolutions, regulations, standards, and procedures, including but not limited to those governing traffic control within the City and those established by the Board of Parks and Recreation Commissioners for property under its control, and all lawful state or federal laws, regulations or standards, as now or hereafter may exist.

(B) **Exercise of City's police power.** The City expressly reserves, and the Company expressly recognizes, the City's right and duty to adopt, from time to time, in addition to the provisions contained in this Franchise, such lawful Charter provisions, ordinances, regulations, standards, codes and procedures as may by the City be deemed necessary in the exercise of its police and franchise powers for the protection of the health, safety and welfare of its citizens. The Company shall, at all times during the term of this Franchise, be subject to and comply with such lawful provisions, ordinances, regulations, standards, codes and procedures.

(D) **Abandonment of regulation by the Missouri Commission.** In the event that the Missouri Commission, in the City's opinion, significantly reduces its regulation of or ceases to regulate any activity affecting any aspect of the Company's gas business within the City (including but not limited to rates for gas services, gas quality and pressure, metering, billing, gas shut-offs, repair and construction of the Company's Facilities, termination and reinstatement of service, gas for domestic and industrial purposes, transfer of the Company's Facilities, service during cold weather, affiliate relations, gas supply and distribution), the City shall, to the extent permitted by law, have the right to regulate any such Company activity.

### **Section 12. Payment of Fees to the City.**

The Company agrees to pay any lawful fees imposed by current City ordinances and those enacted from time to time during the term of this Franchise. The Company further agrees to pay lawful fees imposed as a result of such ordinances being modified or amended, in whole or in part, by the City.

### **Section 13. Construction, Maintenance, Excavation and Restoration on Public Rights of Way.**

(A) **Permits.** Whenever it becomes necessary for the Company to excavate in the Public Rights of Way in order to install, construct, repair, maintain, adjust, relocate or replace any of the Company's Facilities now located, or to be located on the Public Rights of Way, the Company shall first obtain all appropriate written permits from the City (such as excavation and traffic control permits) and pay any fees set forth in relevant City ordinances or other rules and regulations or in this Franchise. Excavation and traffic control permits issued under this Section shall state the particular parts or points of the Public Rights of Way where excavations are made or to be made, and the length of time within which the Company shall be required to complete its work.

(B) **Placement of facilities.** All future Company Facilities shall be set so that, at the time such Facilities are installed, they will not interfere with any existing water mains or sewer mains or City telecommunication facilities, parks, trees and other landscape plantings, or any other municipal use of the Public Rights of Way; provided, however, that the City may, upon written application by the Company and for good cause shown, relieve the Company on a case-by-case basis of its obligations under this sentence. Additionally, in setting its Facilities, the Company shall make a reasonable attempt not to interfere with any existing facilities of entities lawfully occupying the Public Rights of Way. All such Company Facilities shall also interfere as little as practicable with ordinary travel of the Public Rights of Way.

(C) **Emergency excavation.** The Company may excavate in the Public Rights of Way prior to obtaining a permit therefor in emergency situations only; provided, however, that the Company shall report all such excavations to the Director of Public Works and apply for a permit on the next business day following commencement of each such excavation. For purposes of this Subsection (C), "emergency situations" are those where the health and safety of the citizens of the City are in imminent danger. The Company shall hold and save the City harmless from all loss and damage by reason of such emergency excavations as more fully provided elsewhere in this Franchise.

(D) **Restoration of sites.** Within a reasonable time after the Company installs, constructs, repairs, maintains, adjusts, relocates or replaces its Facilities on the Public Rights of Way, the Company shall refill all trenches in which its Facilities are located in accordance with applicable City ordinances. The Company shall replace and restore, at no expense to the City, the City-owned pavement, sidewalks, curbs and grassed areas disturbed, destroyed or injured by such Company work with like materials and to at least their former condition. If such City-owned pavement, sidewalks, curbs or grassed areas shall have been laid under any guarantee for their maintenance and repair for a period of time, the Company shall also keep the restored pavement, sidewalks, curbs and grassed areas in repair for such period as specified on the permit issued to the Company as authorized or required by applicable City ordinance. The restoring of the pavement, sidewalks, curbs and grassed areas shall be subject to inspection by the Director of Public Works. After the restoration work has been completed, the Company shall promptly notify the Director of Public Works, in writing, that the same has been done. If, upon inspection, the Director of Public Works finds such work to be unsatisfactory, the Director of Public Works may condemn the same and the Company shall repair or replace the work at its cost within a reasonable amount of time as specified by the Director of Public Works; provided, however, that no such condemnation shall be made

subsequent to the expiration of the Company's obligation to maintain the restored pavement, sidewalk, curb or grassed area as above provided. If the Company fails, neglects or refuses to refill such trenches and restore the City-owned pavement, sidewalks, curbs and grassed areas to at least their former condition within the time specified in applicable City ordinances, then, after providing 72 hours' notice to the Company, the City may do all of such work at the cost and expense of the Company, for which the Company shall reimburse the City within a reasonable amount of time after the presentation of a bill therefor by the City. The City shall grant any request by the Company to extend the time to restore the City-owned pavement, sidewalk, curb or grassed area if the City determines that performance by the Company within the permitted time was rendered impossible because of events which were beyond reasonable control of the Company. Such extension shall be for the shortest period necessary to complete the restoration.

(E) **Scope of excavation.** The Company shall not open or encumber, at any one time, any more of the Public Rights of Way than may, in the opinion of the Director of Public Works, be reasonably necessary to enable it to proceed with advantage in laying or repairing its Facilities nor shall it permit any such Public Right of Way so opened or encumbered by it in the installation, construction or repair of its Facilities to remain open or encumbered for a longer period of time than shall, in the opinion of the Director of Public Works, be reasonably necessary. In all cases where any such Public Right of Way shall be excavated or encumbered by the Company, it shall take all precautions for the protection of the public, usual in such circumstances, and as may be required by general ordinances of the City, and the Company shall be solely responsible for all damages to persons and property on account of performing the aforesaid work in the Public Rights of Way.

(F) **Advance notice.** In order to avoid unnecessary and costly delays and to permit the Company to complete its relocation activities, the City shall provide to the Company reasonable advance notice of the City's projects, and the Company shall prepare, complete and provide to the City the Company's design for any activity described in this Section prior to or concurrently with the completion of the design of the relevant project of the City. The Company shall complete its relocation activities no later than the time when the City's contractor begins to work on the relevant City project, unless prior mutual arrangements are made that allow the Company to work on its relocation activities concurrently with the City's contractor.

(G) **Improvements in the Public Right of Way.** Whenever the City shall engage in a Public Improvement project or authorize by ordinance any Public Improvement project in a Public Right of Way in, along or across which the Company shall have installed any of its Facilities, it shall be the duty of the City to provide reasonable advance notice to the Company and to provide such plans as the Company may reasonably require. The Company shall, at no expense to the City, change or relocate the appropriate part of its Facilities so as to conform to the Public Improvement project upon a request therefor, from the Director of Public Works, to do so; provided, however, that the Company shall not be required by the Director of Public Works to change or relocate its Facilities at the Company's expense more often than once in three years at any given location so as to conform to the Public Improvement project. It shall be the further responsibility of the Company to promptly review all Public Improvement projects submitted to it by the Director of Public Works for such review and to notify the Director of Public Works of all alterations of the Company's Facilities which will be occasioned by the proposed Public Improvement project. Upon

the Company's request, the City shall make reasonable efforts to establish on-site reference points that identify the Public Right of Way from which the Company may locate its Facilities. Upon reasonable notification by the Director of Public Works of the timing of the Public Improvement project, the Company shall use all reasonable efforts to make and complete the required alteration of its Facilities prior to the commencement of the project.

**(H) Subordination to City's use of easements.** The Company's right to use public easements shall be subordinated to the City's use of such easements, without causing delay to the City's project schedule. Nothing in this Subsection (H) shall be construed to affect the Company's ability to seek compensation for moving its Facilities located in private easements.

**(I) Responsible persons.** Within five days after the effective date of this Franchise, the Company shall provide to the City the name, address, phone and facsimile numbers of the person within the Company responsible for addressing and responding to any questions and complaints that the City may have in relation to excavation permits and traffic control permits.

**(J) Coordination of projects.** In performing any activities described in this Section, the Company shall coordinate with other utilities or other governmental or private entities engaged in the construction, excavation, installation, maintenance, renovation, repair, adjustment, restoration, relocation and replacement of utility facilities, so that as many of the activities are undertaken and completed as part of the same project as practicable.

#### **Section 14. Horticultural Projects.**

**(A) Coordination of planning and projects.** The Company recognizes the impact on the aesthetic and environmental benefits of trees when it excavates in the Public Rights of Way in order to install, construct, repair, maintain, adjust, relocate or replace any of the Company's Facilities now located, or to be located on such Public Rights of Way. The City recognizes the additional future costs that may be imposed on the Company by planting trees near the Company's Facilities. The Company and the City therefore agree to develop close cooperation between the Company and the City in matters that may affect the horticultural operations of the City and the Company's natural gas operations. The parties shall establish direct lines of communication between the relevant City and Company officials authorized to deal with matters affecting trees located within the Public Rights of Way. The Company shall notify the City's representatives, and receive comments from the City, prior to finalization of the Company's tree plan for an area. The City will notify the Company, and receive comments from the Company, prior to finalization of the City's commitment to plant trees in the Public Rights of Way, which may have an impact on the Company's Facilities.

**(B) Boring and micro tunneling.** The Company recognizes that trees and other landscape plantings need to be protected from any physical injury caused by the Company's activities involving its Facilities, and that open excavation in tree root zones may cause irreparable damage to trees and other landscape plantings. Accordingly, to the extent that the Company engages in activities which may affect the root zone, the Company shall use boring and micro tunneling. If the Company demonstrates that it is economically prohibitive or technically infeasible to do so, the City may grant an exception to the requirement that the Company use boring and micro tunneling.

**(C) Removal and replacement of trees.** The Company shall remove and replace, at its expense, all trees which die or are significantly damaged as a result of the Company's activities, as mutually determined by the City Forester and the Company's authorized representative, for a period of two years from the completion of such activities. The Company shall remove such dead or damaged trees within thirty days from the date of notification by the City, and replace such trees with trees of the same or similar species and size, but in no case less than 2" caliper or more than 5" caliper. All replacement trees shall meet the standards of the American Association of Nurserymen. The City shall determine the size, species and location of replacement trees. The Company shall plant the replacement trees in the next appropriate planting time after removal, as determined by the City. All replacement trees shall have a one year warranty and shall be watered by the Company throughout the warranty period to ensure establishment. Nothing in this Section shall be construed to waive any right or power of the City, including the Board of Parks and Recreation Commissioners, to file any claim or otherwise seek compensation against the Company for its failure to comply with or fulfill any obligation set forth in this Section.

### **Section 15. Location of Company Facilities.**

The Company shall promptly, upon requests from time to time made by the Director of Public Works, provide to the Director plats of its Facilities located in the areas of the City designated in the requests and shall, upon request, provide such assistance as may reasonably be necessary in physically locating the Facilities.

### **Section 16. Reportable Incidents and Service Interruptions.**

**(A) Reports to the City.** If the Company notifies the Missouri Commission of any reportable incidents as required by applicable Missouri Commission regulations or the Company's schedules and tariffs, the Company shall contemporaneously notify the City of any such reportable incidents.

**(B) Notification of interrupted service.** The Company shall make a good faith effort to notify potentially affected customers prior to performing any work on its Facilities that may result in an interruption of gas service to customers in the City.

### **Section 17. Damages to Property.**

**(A) Company damage to City's facilities.** In the construction, maintenance, operation, installation, excavation, renovation, repair, adjustment, restoration, relocation and replacement of its Facilities, the Company shall use all necessary care to avoid doing or permitting to be done any damage to the water pipes, sewers, conduits or any property of the City or to trees along the Public Rights of Way and shall use all reasonable care to avoid injury to the property of any person or corporation. If the Company shall in such work do, or permit to be done, any such damage, the Company shall promptly notify the City of such damage and promptly restore the property so damaged to the condition in which it was before being damaged, or pay just compensation therefor, and shall also be liable for any other damages which may result because of such damage to the City; provided, however, that with respect to horticultural projects, the Company's obligation and liability shall be as set forth in Section 14. Furthermore, to effectuate prompt resolution of claims,

the City will promptly notify the Company of damage to the City's facilities believed to be caused by the Company.

**(B) City damage to Company's facilities.** In the construction, maintenance, operation, installation, excavation, renovation, repair, adjustment, restoration, relocation and replacement of its facilities, the City shall use all necessary care to avoid doing or permitting to be done any damage to the Facilities of the Company and shall use all reasonable care to avoid injury to the property of any person or corporation. If the City shall in such work do, or permit to be done, any such damage, the City shall promptly notify the Company of such damage. Furthermore, to effectuate prompt resolution of claims, the Company will promptly notify the City of damage to the Company's facilities believed to be caused by the City.

### **Section 18. Indemnity.**

**(A) Company's indemnity of City.** The Company shall, at all times and under all circumstances, indemnify, hold and save harmless the City from each and all lawsuits, actions, liability, damage, injury, claims, demands, judgments, losses, costs or expenses, relating to or arising out of or occasioned by reason of, either directly or indirectly, any act, or failure to act, of the Company, its officers, agents, servants and employees, contractors and subcontractors, with respect to the operations of the Company within the City and the exercise by the Company of the rights and privileges under this Franchise. If the City is sued in any court by any person, firm, association, company or corporation to recover damages for injuries to persons or property on account of the operations of the Company within the City and the exercise by the Company of the rights and privileges under this Franchise, the Company shall be made a party to and defend all such suits and pay the final judgments, if any, resulting therefrom.

### **Section 19. Insurance.**

**(A) Insurance required for Company and City.** The Company shall maintain Commercial General Liability insurance in the minimum amount of two million dollars each occurrence, and four million aggregate, for bodily injury, property damage, or personal injury. Should the General Assembly or the courts of the State of Missouri modify the rule of sovereign immunity as it exists on January 1, 2021, by increasing the potential liability of the City beyond these amounts, upon notice from the City, the Company shall endeavor to provide liability insurance which will meet or exceed those new amounts. The City shall be included as an additional insured to the Company's Commercial General Liability insurance policy. Contractors hired by the City shall acquire and maintain insurance as required under the City's standard contract requirements current at that time.

**(B) Annual certificate of insurance.** The Company shall annually submit a certificate of insurance to the City confirming that a satisfactory policy is in effect, which policy shall be renewed on its anniversary throughout the term of this Franchise. Company shall notify the City in writing of any cancellation of such policy at least ten days prior to any cancellation.

### **Section 20. Bankruptcy.**

In addition to all other rights, powers and remedies available to the City, the City shall have the separate and distinct right to revoke this Franchise and all the rights, authority, power, privileges and permissions granted to the Company under this Franchise, if the Company is adjudged to be bankrupt. However, should the City be prohibited from revoking this Franchise due to the Company's bankruptcy, the Company shall, as a means of assuring future payments of franchise fees and assuring future compliance with all other requirements of this Franchise, provide to the City within 30 days of an order of a court of competent jurisdiction adjudging the Company to be bankrupt and entitled to the protection of state or federal bankruptcy laws, a bond in the amount of the franchise fees paid by the Company to the City the previous year.

## **Section 21. Rates.**

(A) **Compliance with rate orders.** All rates established and charges made by the Company for gas distributed and sold hereunder shall be subject to valid and lawful orders of the Missouri Commission or other competent regulatory body having jurisdiction in the premises; provided, however, that nothing contained herein shall be construed as waiving the rights of either the City or the Company to a review in the courts in such manner as is now or may hereafter be provided by law of any findings or order of the Missouri Commission.

(B) **Notice to City of rates.** The Company shall provide to the Franchise Administrator complete schedules of its current and future rates and rules and regulations as filed with the Missouri Commission.

(C) **Separate rate agreement.** The Company and the City shall negotiate in good faith rates for gas services provided by the Company to the City with the intent to enter into a separate rate agreement for approval by the Missouri Commission which uses a rate design agreed to by the City, and contains appropriate aggregation provisions. Nothing in this Subsection (C) shall be construed to require the execution of a rate agreement for gas services as a result of such negotiation.

## **Section 22. Equal Employment Opportunity.**

The Company shall not discriminate against any employee or applicant for employment because of race, creed, color or national origin and shall post on its premises at its office or offices of employment within the City a notice or notices stating that it will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, or sex.

## **Section 23. Affirmative Action Plans.**

Within 10 days after the effective date of this Franchise and from time to time as appropriate or whenever requested by the City, the Company shall provide to the City any and all plans relating to the Company's efforts to promote and expand employment opportunities for minorities and women within the Company.

## **Section 24. Weatherization Program.**



To the extent authorized by the Missouri Commission, the Company shall contribute annually to the City for the implementation of a weatherization program for low-income customers. The terms and conditions of the weatherization program shall be as provided by the Missouri Commission or, if the Missouri Commission does not establish a specific elements of the program, as agreed to by the Company and City.

#### **Section 25. Compliance with Air, Water and Noise Pollution Laws.**

The Company shall take measures which will result in its Facilities and operations meeting the standards imposed by applicable city, county, state, and federal air, water and noise pollution laws and regulations, and laws and regulations governing the transportation of hazardous materials. Upon the City's request, the Company will respond to the City's reasonable questions regarding such measures.

#### **Section 26. Toll-Free Number for Emergencies.**

Within five days after the effective date of this Franchise or when its first customers are provided service, whichever is later, the Company shall establish, if not already established for other service territories, a twenty-four hour toll free number to respond to emergency concerns (such as gas leaks) raised by its customers. Such toll free number shall be separate and distinct from the Company's telephone number for non-emergency matters (such as billing questions), and shall be listed in the local telephone directories and stated prominently on the Company's customer bills. The Company shall notify the City's Fire Department immediately upon receipt of all such emergency calls.

#### **Section 27. Technological Improvements.**

The Company shall use reasonable efforts to incorporate and install technological advances into its equipment, administration and service, as well as into its conservation programs, when such advances have been shown to be technically and economically feasible and safe and beneficial.

#### **Section 28. Oversight.**

(A) **Franchise Administrator.** The Franchise Administrator is hereby designated the official of the City having full power and authority to take appropriate action for and on behalf of the City and its inhabitants to enforce the provisions of this Franchise and to investigate any alleged violations or failures of the Company to comply with the provisions hereof, or to adequately and fully discharge its responsibilities and obligations hereunder. The failure or omission of the Franchise Administrator to so act shall not constitute any waiver or estoppel, nor limit independent action by other City officials.

(B) **Company's cooperation with Franchise Administrator.** In order to facilitate such duties of the Franchise Administrator, the Company agrees:

(1) **Access to records.** To grant the Franchise Administrator reasonable access to the books and financial and technical records of the Company, insofar as they relate to any matters

covered by this Franchise, including but not limited to contracts and documents relating directly or indirectly to the volumes and revenues of gas transported and/or sold by the Company to customers located within the City. The Company shall keep its books and records in accordance with such relevant standards as may from time to time be prescribed by the Missouri Commission or other regulatory body.

(2) **Access to reports.** To provide, upon the City's request, available reports containing or based on information available from the Company's books and records, and to grant the Franchise Administrator reasonable access to such reports. Such reports shall include, but are not limited to, the following types of reports:

(a) **Company's real property.** A list of all real property and leasehold interests in real property owned by the Company within the municipal boundaries of the City. Upon request by the City, such list shall include the legal description and land area of each listed property and shall be accompanied by a map showing the location of each listed property;

(b) **Capital improvement plans.** Short-term (three years or less) and long-term (over three years) plans for all capital improvements, construction, and excavation within the City or affecting service to the City and its residents; and

(c) **Map of facilities.** A map indicating the location of the Company's gas distribution facilities within and contiguous to the City.

(d) **Proprietary reports.** The Company may identify any or all such reports, as appropriate, as proprietary documents not subject to public disclosure under the Missouri Sunshine laws and regulations. The City will promptly inform the Company of any third-party request for Company documents in the possession of the City. The Company shall intervene in support of the City in any action seeking disclosure of such reports if the Company claims the documents are not subject to disclosure.

(3) **Annual review or method of billing the City.** To meet with the Franchise Administrator at least annually for the purpose of reviewing, implementing, and/or modifying procedures and methods for the efficient processing of computerized bills rendered by the Company to the City.

(4) **Annual review of cooperative efforts.** To meet with the Franchise Administrator at least annually to share information useful in coordinating the management, operation and maintenance of the Facilities of the Company and the operations and property of the City.

(5) **Missouri Commission and FERC filings provided to City.** To provide the City Attorney or his/her designee, upon the City's request, with contemporaneous copies of all filings which the Company makes with the Missouri Commission and FERC, including, but not limited to, its annual report, all advice letters and applications, together with supporting testimony and exhibits. In addition, if the City intervenes in a proceeding before

the Missouri Commission or FERC, the Company, upon the City's request, shall provide the City Attorney and his/her designee with prompt access to all documents provided to other parties in connection with such proceeding. The City Attorney or his/her designee may, where appropriate and necessary, and subject to the rules and regulations of the Missouri Commission and FERC, intervene and participate as a party in any proceeding affecting the Company's rates or service and any subsequent litigation.

(C) **Limitation on access.** Nothing in this Section requires the Company to provide to the City access to any books, records and reports which are not pertinent to the City's performance of auditing activities under this Franchise.

### **Section 29. Independent Contractors.**

(A) **Notification to City.** The Company shall cooperate with the City by informing the commissioner of revenue of the names, addresses, and federal identification numbers of its independent contractors and subcontractors utilized in the building, upgrading, operation or maintenance of the Company's Facilities. However, the Company shall not be obligated to make a study of the projects on which the contractor has worked within the City provided that the Company allows the City access to pertinent information relating to such contractors within the Company's possession.

(B) **Notification of tax responsibilities.** The Company shall inform its independent contractors and subcontractors of their obligation to follow all applicable laws, including the payment of the City's earnings tax or net profits tax.

### **Section 30. Failure to Comply.**

(A) **Compliance by Company.** In the event that the Company fails, neglects or refuses to comply with any provision of this Franchise, including but not limited to any specific time limit or deadline set forth in this Franchise, the City shall so notify the Company and the Company shall remedy such failure, neglect or refusal within thirty (30) days after such notice, or as otherwise agreed by the Company and the City. If the Company disputes the validity of the City's claim, the Company and the City shall, no later than fifteen (15) days following the City's notice, meet and discuss in good faith such claim in an effort to resolve any controversy. If the Company and the City are unable to resolve such controversy after such meeting and after mediation as set forth in Section 31 herein, the Company shall, at the City's request, remedy such failure, neglect or refusal, but such Company action shall not be deemed a waiver of the Company's claim. If there is a final order issued by a court or agency of competent jurisdiction finding the Company responsible for such failure, neglect or refusal, the Company shall be liable to the City for all costs incurred by the City resulting from the Company's noncompliance including but not limited to the costs of enforcing such activities, including attorneys' fees.

(B) **Compliance by City.** In the event that the City fails, neglects or refuses to comply with any provision of this Agreement, including but not limited to any specific time limit or deadline set forth in this Agreement, the Company shall so notify the City and the City shall remedy such failure, neglect or refusal within thirty (30) days after such notice, or as otherwise agreed by the

Company and the City. If the City disputes the validity of the Company's claim, the Company and the City shall, no later than fifteen (15) days following the Company's notice, meet and discuss in good faith such claim in an effort to resolve any controversy.

**(C) Remedies.** In the event that the City or the Company fails to fulfill any obligation under this Franchise, the City or the Company shall have, in addition to any other remedy provided by law or provided elsewhere in this Franchise, a breach of contract claim against the other which the City or the Company shall have the right to pursue, at the City's or the Company's sole discretion, before any court or agency of competent jurisdiction.

### **Section 31. Mediation of Disputes.**

Any dispute arising under this Franchise may, after a good faith attempt to resolve the dispute is unsuccessful, be submitted to an outside mediator mutually selected by the City and the Company.

### **Section 32. Notices.**

Unless otherwise specified herein, all notices from the Company to the City pursuant to or concerning this Franchise shall be delivered to the Franchise Administrator, the City Attorney, and the Director of Public Works. The Company shall maintain within the City throughout the term of this Franchise an address for service of notices by mail, and a local office and telephone number for the conduct of matters relating to the Franchise during normal business hours. Within 15 days after the effective date of this Franchise, and from time to time as necessary, the Franchise Administrator shall provide the names and addresses of appropriate City officials identified in this or other sections of this Franchise.

### **Section 33. Delegation of Duties.**

All things provided in this Franchise to be done by the Director of Public Works, the Director of Finance, the City Clerk, the City Manager, or other officer or department of the City, may be performed by any other official or department of the City, when so provided by ordinance or charter of the City.

### **Section 34. Non Waiver.**

**(A) Effect of franchise.** Except as authorized by law, the granting of this Franchise shall not waive, abridge, release, limit, surrender, impair, remove, or subordinate:

(1) **Power of the City.** Any right, power, duty, or jurisdiction now or hereafter possessed by the City under the Constitution and statutes of the State of Missouri and under the Charter of the City;

(2) **Power of the State.** Any right, power, duty, or jurisdiction now or hereafter possessed by the State of Missouri, or any officer, agency, department, or commission thereof;

(3) **Power of other jurisdictions.** Any provision of any constitution, statute, or order of a competent authority;

(4) **Power of other authorities.** Any obligation or duty now or hereafter imposed by law or by order of a competent authority; or

(5) **Access to the courts.** Any right of the City or the Company to obtain judicial review of any judgment or decree of a judicial tribunal or any order of a competent authority.

(B) **Continuing obligation to comply.** Neither the City nor the Company shall be excused from complying with any of the terms and conditions of this Franchise by any failure of the other, or any of its officers, employees, or agents, upon any one or more occasions, to insist upon or to seek compliance with any such terms and conditions.

### **Section 35. Severability.**

If any provision of this Franchise or its application to any circumstances is held invalid, such invalidity shall not affect other provisions or applications of this Franchise, and to this end the provisions hereof are declared to be severable.

### **Section 36. Execution.**

The Company shall signify its acceptance of this Franchise by its execution hereof. The City shall concurrently execute this Franchise and the officials of the City are hereby authorized and directed to sign this Franchise under Ordinance No. [REDACTED]. The City Clerk is hereby authorized to attest to the same under seal of the City.

**[Remainder of Page Intentionally Left Blank  
Signatures on Subsequent Page]**

IN WITNESS WHEREOF, the City and the Company have duly executed this Franchise Agreement on the date first above written.

**KANSAS CITY, MISSOURI**

**SPIRE MISSOURI INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Director of Public Works

By: \_\_\_\_\_  
Name: Craig R. Hoferlin  
Title: Vice President, Safety Management  
Systems

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Director of Parks & Recreation Department  
Date: \_\_\_\_\_

APPROVED AS TO FORM:

APPROVED AS TO FORM:

\_\_\_\_\_  
Assistant City Attorney

\_\_\_\_\_  
General Counsel