

EXAMPLE AGREEMENT \_ CITY OF BRYAN  
AGREEMENT WILL BE DEVELOPED IN THIS FORMAT  
FOR EXECUTION

## STANDARD UTILITY AGREEMENT

City: Austin

Roadway: Howard Lane

This Agreement ("Agreement") by and between the City of Austin, Texas, ("City"), and Atmos Energy Corporation, ("Utility"), acting by and through its duly authorized representatives, shall be effective on the latter of the dates executed below.

**WHEREAS**, the City's proposed roadway improvements will necessitate the adjustment, removal, and/or relocation of certain facilities of Utility as indicated in the following statement of work (the "Work"): Install approximately 1,030 feet of Atmos Energy's 12" steel pipeline at two locations to accommodate the City of Austin Howard Lane road extension project; and more specifically shown in Utility's plans and specifications (the "Plans") attached hereto as Attachment "A".

**WHEREAS**, the estimated cost of the Utility's Work is shown on the Utility's good faith estimate attached hereto as Attachment "B" (the "Estimate").

**WHEREAS**, the City will provide evidence to the Utility of the encumbrance of the amount of the Estimate in its City budget and pay the entire amount of the Estimate to Utility either in monthly installments based on the percentage of completion of the Work, including a payment of a reasonable mobilization charge prior to commencement of the Work, or a lump sum at completion, and the parties will reconcile the actual cost of the Work upon completion of the Work.

**NOW THEREFORE**, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Utility hereby agrees to perform the engineering and construction necessary to complete the Work as shown on the Plans. All Work shall be performed in a good and workmanlike manner, and in accordance with the Plans (except for minor deviations from the Plans, e.g. due to field conditions). Utility agrees that it and its contractors will coordinate their work with the City so as not to unreasonably interfere with the performance of separate work by the City.
2. The Utility shall commence construction promptly after: (i) receiving written notice to proceed from the City, (ii) receiving evidence of the encumbrance of funding for payment of the full amount of the Estimate, (iii) obtaining any right of way necessary for such Work, (iv) resolving all legal and physical impediments to the commencement of construction (e.g., the relocation of other utilities); and, if applicable, receipt of a reasonable mobilization charge.
3. Utility shall diligently pursue completion of the Work and use reasonable efforts to coordinate the completion of the Work with City's schedule.
4. All Work to be performed pursuant to this Agreement and reflected on the Plans shall be at the sole cost and expense of the City, including but not limited to those direct and indirect costs shown on the Estimate. Upon completion of the Work, Utility shall send City a final invoice detailing the actual cost of the Work compared to the Estimate. If the actual cost of the Work exceeds the Estimate, City shall pay Utility the difference within 30 days of such determination; and if the actual cost of the Work is less than the Estimate, then Utility shall pay City any overpayment within 30 days of such determination.
5. Any modification to the Plans (other than minor field adjustments) shall be submitted in advance to City for review and approval. At City's request, Utility shall prepare an updated Estimate reflecting

the change in the Plans. City shall evidence its approval of a change in Plans by written change order or similar instrument.

6. It is expressly understood that the Utility conducts the adjustment, removal, or relocation at its own risk, and that the City makes no warranties or representations regarding the existence or location of utilities currently within its right of way. The parties agree that, to the extent allowed by Texas law, each party is responsible for its own proportionate share of any liability for its negligent acts or omissions arising out of or connected to the work contemplated hereunder, as determined by a court of competent jurisdiction. The Utility will ensure that all required insurance coverage is in place for the work prior to the commencement of any construction activities.

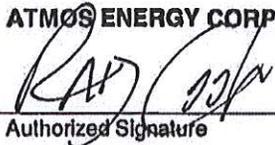
7. This Agreement contains the following attachments:

1. Plans – Attachment "A"
2. Cost Estimate – Attachment "B"

The signatories of this agreement warrant that each has the authority to enter into this agreement on behalf of the party represented.

**ATMOS ENERGY CORPORATION**

By:

  
Authorized Signature

Name:

Rad Cook  
Print or Type

Title:

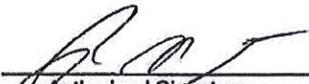
Vice President, Operations  
Mid-tex Division  
Atmos Energy Corporation

Date:

9/16/12

**CITY OF AUSTIN**

By:

  
Authorized Signature

Name:

Robert Goode  
Print or Type

Assistant City Manager

Title:

Date:

6/27/12

  
Assistant City Attorney

Approved as to Form

**PROJECT COST ESTIMATE**  
**TRANSMISSION** Bryan Still Creek Wastewater Improvements - Line L8-9-5 (6" Steel)  
 Brazos County, TX  
 Completed by: Ramon Martinez (UEI) (Config 1847479)

Date: 11/13/2013

**Direct Costs**

**Materials - with Stores Overheads (Atmos PO's and McJunkin materials)**

| Qty                      | Description   | Price Ea. | Atmos Costs |
|--------------------------|---|-----------|-------------|
| 80                       | PIPE, 6.625" x 0.188" WT, API 5L - X42, STEEL LINE PIPE, ERW, DRL, FBE (14-16 MILS), ARO (30-40 MILS) | 24.21     | \$ 1,937    |
| 4                        | ELL, WELD, 6.625", 90 DEG, LR, STD WT, ASTM-A-234 GR. WPB, ANSI B16.9                                 | 45.77     | \$ 183      |
| 10                       | POWERCRETE J, 2 LB KIT W/ APPLICATOR  | 34.97     | \$ 350      |
| 1                        | Misc. Piping Materials (Pipe, Valves, Fittings, Gaskets, Bolts, Etc.)                                 | 5.00%     | \$ 106      |
| Atmos Materials Subtotal |   |           | \$ 2,576    |
| Sales Tax (8-1/4%)       |   |           | \$ 212      |
| Freight (2.5%)           |   |           | \$ 64       |
| Materials Total          |   |           | \$ 2,852    |

**Materials - w/o Stores Overheads (Items purchased by Contractors)**

| Qty                           | Description | Price Ea. | Atmos Costs |
|-------------------------------|-------------|-----------|-------------|
| Contractor Materials Subtotal |             |           | \$ -        |
| Sales Tax (8-1/4%)            |             |           | \$ -        |
| Materials Total               |             |           | \$ -        |

**Land Costs (Fee Property)**

| Qty              | Description  | Price / Ea | Atmos Costs |
|------------------|--------------|------------|-------------|
|                  | Station Site |            | \$ -        |
| Total Land Costs |              |            | \$ -        |

**Land Rights (Capitalized)**

| Qty                     | Description                     | Price / Ea | Atmos Costs |
|-------------------------|---------------------------------|------------|-------------|
|                         | Easements (Site & Road)         |            | \$ -        |
|                         | Temporary Easements & Workspace |            | \$ -        |
|                         | Land Owner Damages              |            | \$ -        |
| Total Land Rights Costs |                                 |            | \$ -        |

**Other Expenditures**

| Qty               | Description | Price / Ea | Atmos Costs |
|-------------------|-------------|------------|-------------|
| Total Other Costs |             |            | \$ -        |

**Total Direct Capital Labor (Company Labor)**

| Qty                 | Description   | Price / Hr | Atmos Costs |
|---------------------|---|------------|-------------|
| 10                  | Engineering   | \$ 95      | \$ 950      |
| 10                  | Field Ops (Misc.)   | \$ 70      | \$ 700      |
| 10                  | Construction Management                                   | \$ 70      | \$ 700      |
| 16                  | Environmental   | \$ 70      | \$ 1,120    |
| 16                  | ROW Agent   | \$ 70      | \$ 1,120    |
| 20                  | FCC   | \$ 70      | \$ 1,400    |
| 0                   | MIC   | \$ 70      | \$ -        |
| 0                   | Measurement Group - Meter Check-out                       | \$ 70      | \$ -        |
| 0                   | SCADA Group (Atmos RTU Programming & Field Commissioning) | \$ 70      | \$ -        |
| 0                   | SCADA Communications (Radio installation)                 | \$ 70      | \$ -        |
| Company Labor Total |   |            | \$ 5,990    |

**Contractor Labor**

| Qty                  | Description  | Price / Day | Price / Hr Or / Each | Price / Ft | Atmos Costs |
|----------------------|--|-------------|----------------------|------------|-------------|
| Contract Engineering |  |             |                      |            |             |
| 3                    | Senior Project Engineer                              |             | \$ 121               |            | \$ 363      |
| 6                    | Project Manager                                      |             | \$ 118               |            | \$ 708      |
| 30                   | Engineer   |             | \$ 99                |            | \$ 2,970    |
| 35                   | Senior CAD Designer                                  |             | \$ 96                |            | \$ 3,360    |
| 3                    | Project Controls Specialist                          |             | \$ 99                |            | \$ 297      |
| 2                    | Clerical   |             | \$ 58                |            | \$ 116      |
| 0                    | ROW Agent (3rd Party)                                |             | \$ 75                |            | \$ -        |
| 0                    | Environmental Review (3rd Party)                     |             | \$ 75                |            | \$ -        |
| 5                    | Environmental Inspection During Construction         | \$ 220      |                      |            | \$ 1,100    |
| 1                    | Survey Crew  | \$ 1,750    |                      |            | \$ 1,750    |
| 80                   | Pipeline Installation                                |             |                      | \$ 625     | \$ 50,000   |
| 0                    | Hot Tap Service, TDW                                 | \$ 3,700    |                      |            | \$ -        |
|                      | Painting (sandblast, prime, and finish)              | \$ -        |                      |            | \$ -        |
| 0                    | 16' X 6' Swing Gates W/ Posts, Hardware, Barbed Wire |             | \$ 1,500             |            | \$ -        |
| 3                    | Construction Inspector (3RD Party)                   | \$ 835      |                      |            | \$ 2,505    |
| 2                    | NDT Company (X-Ray)                                  | \$ 1,800    |                      |            | \$ 3,600    |
| Contract Labor Total |  |             |                      |            | \$ 66,769   |

**Other Expenditures w/o Overheads (RHUTTS)**

|  |    |       |
|--|----|-------|
| Gas Loss   | \$ | -     |
| Project Reserves for Construction and Scheduling (10%) | \$ | 7,561 |
| Other Expenditures Total                               | \$ | 7,561 |

**zBenefits Overheads (51.89% of Company Labor)**

\$ 3,108

**zStore Overheads (1% of Atmos Purchased Materials))**

\$ 29

**Total Direct Costs** **\$ 86,309****Indirect Costs (as of 11-13-2012)**

| Description   | Costs            |
|---|------------------|
| Other Expenditures w/o Overheads (RHUTTS: 24% of Company Labor + 11% of Contractor Labor) | \$ 8,782         |
| zAFUDC Debt (0.63% of Direct & Indirect Totals excluding AFUDC)                           | \$ 716           |
| zDivision Overheads (11.27% of Direct Costs)  | \$ 9,727         |
| zCorp Overheads (10.25% of Direct Costs)  | \$ 8,847         |
| <b>Total Indirect Costs</b>   | <b>\$ 28,072</b> |

**DIRECT & INDIRECT TOTALS** **\$ 114,381**

|  |                   |
|--|-------------------|
| <b>ESTIMATED TOTAL PROJECT COST (CAPITALIZED)</b>                              | <b>\$ 114,381</b> |
| <b>TAX GROSS-UP COSTS (18.15%, NON-CAPITALIZED)</b>                            | <b>\$ 20,760</b>  |
| <b>FRANCHISE FEE (4%)</b>  | <b>\$ 4,575</b>   |
| <b>TOTAL COSTS ASSOCIATED WITH PROJECT (CAPITALIZED &amp; NON-CAPITALIZED)</b> | <b>\$ 139,716</b> |

## Notes:

- 1) No waterbody crossings and does not include costs for karst discovery
- 2) Construction Estimate prior to actual Construction Bids; costs based on recent Atmos Energy jobs with similar scopes of work.
- 3) One general contractor from inception to completion and prices contingent on availability of contractor at time of award
- 4) Estimate does not include costs for holding schedule in extreme weather conditions
- 5) Construction Estimate does not include costs associated with SWPPP Permitting
- 6) Existing pipe shall be abandoned in place.
- 7) Corporate Overhead Rate varies at time of item cost.
- 8) Construction Estimate based on most recent drawings provided by Jones & Carter.
- 9) Construction Estimate based on existing Line L8-9-5 having the ability to be shut down for construction tie-in. No costs were added for bypasses.
- 10) Environmental costs are based on previous Atmos Energy job with similar Scope of Work
- 11) Source of construction cost is Atmos Construction Services
- 12) Construction costs are for pipeline only
- 13) Survey costs based on previous Atmos Energy job with similar Scope of Work
- 14) NDE provided by 3rd Party
- 15) Inspection provided by 3rd Party
- 16) Construction Management provided by Atmos Energy
- 17) Estimate total based on base line cost estimate plus 10% to give true +/-10% number