

This Ordinance was filed with the State Corporation Commission on the _____ day of _____, 19____.

ORDINANCE NO. 517

AN ORDINANCE, granting to Kansas Gas Service Company, a Division of ONEOK, Inc., its successors and assigns, a natural gas franchise, prescribing the terms thereof and relating thereto, and repealing all ordinances or parts of ordinances inconsistent with or in conflict with the terms hereof.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF WATHENA, KANSAS:

SECTION 1. That in consideration of the benefits to be derived by the City of Wathena, Kansas, ("City"), and its inhabitants, there is hereby granted to Kansas Gas Service Company, ("Company"), said Company operating a system for the transmission and distribution of natural gas in the State of Kansas, the right, privilege, and authority for a period of twenty (20) years from the effective date of this ordinance, to occupy and use the several streets, avenues, alleys, bridges, parks, parking areas, and public places of said City, for the placing and maintaining of equipment and property necessary to carry on the business of selling and distributing natural gas for all purposes to the City, and its inhabitants, and through said City and beyond the limits thereof; to obtain said natural gas from any source available; and to do all things necessary or proper to carry on said business in the City.

SECTION 2. As further consideration for the granting of this franchise, and in lieu of any city occupation, license, or permit fees, or revenue taxes, the Company shall pay to the City during the term of this franchise five percent (5%) of the gross cash receipts from the sale of natural gas for consumption in the City for all purposes within the corporate limits of the City, such payments to be made monthly for the preceding monthly period. Gross cash receipts shall not include other operating revenues received by the Company, which are not related to the "sale of natural gas". These include, but are not limited to, delayed payment charges, connection fees, disconnection and reconnection fees, collection fees, and return check charges.

SECTION 3. That all mains, services, and pipe which shall be laid or installed under this grant shall be so located and laid as not to obstruct or interfere with any water pipes, drains, sewers, or other structures already installed. Company shall provide, prior to commencing work, information to the City concerning work to be performed in the streets, avenues, bridges, parks, parking areas, and public places of the City, as the City may from time to time require for purposes of record keeping. The City may require that the information be provided on its standard permit form, but without requiring approval, consent, or fees. In the event of an emergency Company shall have the right to commence work without having first providing such form(s).

SECTION 4. Company shall, in doing of the work in connection with its said gas mains, pipes, and services, avoid, so far as may be practicable, interfering with the use of any street, alley, avenue, or other public thoroughfare, it shall at its own expense and in a manner satisfactory to the duly authorized representatives of the City, replace such paving or surface in substantially as good condition as before said work was commenced.

SECTION 5. It is recognized that the natural gas to be delivered hereunder is to be supplied from a pipeline system transporting natural gas from distant sources of supply; and the Company, by its acceptance of this franchise as hereinafter provided, does obligate itself to furnish natural gas in such quantity and for such length of time, limited by the terms hereof, as the said sources and said pipelines are reasonably capable of supplying.

SECTION 6. That Company, its successors and assigns, in the construction, maintenance, and operation of its natural gas system, shall use all reasonable and proper precaution to avoid damage or injury to persons and property, and shall hold and save harmless the City from any and all damage, injury, and expense caused by the negligence of said Company, its successors and assigns, or its or their agents or servants.

SECTION 7. That within twenty (20) days from and after the passage and approval of this Ordinance, Company shall file the same with the State Corporation Commission for the Commission's approval.

SECTION 8. After the approval of this Ordinance by the State Corporation Commission, Company shall file with the City Clerk of the City its unconditional written acceptance of this Ordinance. Said Ordinance shall become effective and be in force and shall be and become a binding contract between the parties hereto, their successors and assigns, from and after the expiration of sixty (60) days from its final passage, approval, and publication as required by law, and acceptance by said Company.

SECTION 9. This Ordinance, when accepted as above provided shall constitute the entire agreement between the City and the Company relating to this franchise and the same shall supersede and cancel any prior understandings, agreements, or representations regarding the subject matter hereof, or involved in negotiations pertaining thereto, whether oral or written.

SECTION 10. This franchise is granted pursuant to the provisions of K.S.A. 12-2001.

SECTION 11. That any and all ordinances or parts of ordinances in conflict with the terms hereof are hereby repealed and of no effect.

SECTION 12. Should the State Corporation Commission take any action with respect to this franchise ordinance, which or may preclude Kansas Gas Service Company from recovering from its customers any cost provided for hereunder, the parties hereto shall renegotiate this ordinance in accordance with the State Corporation Commission's ruling.

PASSED AND APPROVED this 30 day of July, 1999

James P. McCreary

MAYOR

(SEAL)

ATTEST:

Karen Gillard

City Clerk

ASSIGNMENT OF FRANCHISES

(Kansas)

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which for all purposes are acknowledged, **ONEOK, Inc.**, an Oklahoma corporation acting by and through Kansas Gas Service, a Division of ONEOK, Inc. (referred to for convenience herein as "ONEOK"), transfers, contributes, assigns, distributes and conveys to **ONE Gas, Inc.**, an Oklahoma corporation ("ONE Gas"), all of ONEOK's rights, title and interests in and to all of the franchises and all rights and privileges granted under the respective franchise ordinances described in "Attachment 1 - KS" appended hereto, effective as of the "Effective Time" set forth below. As a part of the consideration for this assignment and transfer, ONE Gas hereby expressly agrees to accept and become responsible for the full performance of all conditions, covenants, obligations and liabilities contained in each of the franchises and the respective franchise ordinances.

This Assignment of Franchises shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

SIGNED AND EFFECTIVE on the 27th day of January, 2014 at 12:01 a.m. (Central Time) (the "Effective Time").

ONEOK, Inc.

By: John W. Gibson
Name: John W. Gibson
Title: Chairman and Chief Executive Officer



ONE Gas, Inc.

By: John W. Gibson
Name: John W. Gibson
Title: Chairman of the Board



"Attachment 1- KS" follows this page

ATTACHMENT "1 - KS"

City	Ordinance
Wathena	517



**Kansas
Gas Service™**

A Division of ONE Gas

7421 West 129th Street
Overland Park, KS 66213
www.kansasgasservice.com

Dennis J. Okenfuss
Vice President Operations

February 12, 2014

Via Certified Mail, Return Receipt Requested

Jim Richardson
City Clerk
City of Wathena, Kansas
206 St. Joseph
PO Box 27
Wathena, Kansas 66090

RE: Ordinance No. 517 Franchise Agreement between ONEOK, Inc. and the City of Wathena, Kansas

Dear Mr. Richardson:

By letter dated September 30, 2013, ONEOK, Inc. advised the City of Wathena that it had entered into a transaction whereby ONEOK, Inc. would contribute all of its natural gas distribution assets, including its franchise with the City of Wathena, Kansas, (Ordinance No. 517) to ONE Gas, Inc. Under this transaction, Kansas Gas Service will operate its natural gas facilities in Wathena and the rest of Kansas as a division of ONE Gas, Inc.

On January 31, 2014, the transaction was closed and Kansas Gas Service is now a division of ONE Gas, Inc. As part of this transaction, ONEOK, Inc. assigned its franchise with the City of Wathena pursuant to the attached assignment document. As set forth in the Assignment document, ONE Gas expressly agrees to accept and become responsible for the full performance of all conditions, covenants, obligations and liabilities contained in its franchise with Wathena.

Kansas Gas Service, now a division of ONE Gas, Inc. is looking forward to the continued opportunity to provide safe and reliable natural gas service in the Wathena service area. If you have questions regarding this letter please contact Margaret Steele at 913-758-2737.

Yours truly,

Vice President of Operations
Kansas Gas Service, a Division of ONE Gas, Inc.

Attachment