

**MINUTES OF MUSCATINE, IOWA, CITY COUNCIL PROCEEDINGS
RELATING TO THE ADOPTION OF
FRANCHISE ORDINANCE NO. 91191-0410**

The City Council of the City of Muscatine, Muscatine County, Iowa, met in regular session on April 1, 2010 pursuant to the rules of said Council, the Mayor presiding and the Clerk recording:

Present: Richard W. O'Brien, Mayor, and Council Members Philip Fitzgerald, Scott Natvig, Robert Bynum, Dyann Roby, and Jerry Lange.

Absent: Council Members Osama Shihadeh and Mark LeRette

It was moved by Council Member Roby and seconded by Council Member Fitzgerald that said proposed Ordinance No. 91191-0410 be placed upon its first reading, of which the following is a copy:

ORDINANCE NO. 91191-0410

An Ordinance granting to INTERSTATE POWER & LIGHT COMPANY ("Company"), its successors and assigns, the right and franchise to acquire, construct, erect, maintain and operate a natural gas distribution system in the City of Muscatine, Muscatine County, Iowa, and the right to lay down, operate and maintain the necessary pipes, mains, and other conductors and appliances in, along and under the streets, avenues, alleys and public places of the City of Muscatine, Muscatine County, Iowa, as now or hereafter constituted, for a period of twenty-five (25) years, for the purpose of distributing, supplying and selling natural gas to the City and its inhabitants thereof and to persons and corporations beyond the limits thereof.

BE IT ORDAINED BY THE City Council of the City of Muscatine, Muscatine County, Iowa:

Section 1. There is hereby granted to INTERSTATE POWER & LIGHT COMPANY, hereinafter referred to as the "Company," its successors and assigns, the right, franchise and privilege for the term of twenty-five (25) years from and after the passage, adoption, approval and acceptance of this Ordinance, to lay down, maintain and operate the necessary pipes, mains and other conductors and appliances in, along and under the streets, avenues, alleys and public places in the City of Muscatine, Muscatine County, Iowa as now or hereafter constituted, for the purpose of distributing, supplying and selling gas to said City and the residents thereof and to persons and corporations beyond the limits thereof; also the right of eminent domain as provided in Section 364.2 of the Code of Iowa. The term "gas" as used in this franchise shall be construed to mean natural gas only.

Section 2. The mains and pipes of the Company must be so placed as not to interfere unnecessarily with water pipes, drains, sewers and fire plugs which have been or may hereafter be placed in any street, alley and public places in said City nor unnecessarily interfere with the proper use of the same, including ordinary drainage, or with the sewers, underground pipe and other property of the City, and the Company, its successors and assigns shall hold the City free and harmless from all damages arising from the negligent acts or omissions of the Company in the laying down, operation and maintenance of said natural gas distribution system.

Section 3. In making any excavations in any street, alley, avenue or public place, Company, its successors and assigns, shall protect the site while work is in progress by guards, barriers or signals, shall not unnecessarily obstruct the use of the streets, shall back fill all openings in such manner as to prevent settling or depressions in surface, and shall replace the surface, pavement or sidewalk of such excavations with same materials, restoring the condition as nearly as practical and if defects are caused shall repair the same.

Section 4. The Company shall, at its cost and expense, locate and relocate its existing facilities or equipment in, on, over or under any public street or alley in the City in such a manner as the City may at any time reasonably require for the purposes of facilitating the construction, reconstruction, maintenance or repair of the street or alley or any public improvement of, in or about any such street or alley or reasonably promoting the efficient operation of any such improvement. If the City orders or requests the Company to relocate its existing facilities or equipment for the primary benefit of a commercial or private project, or as the result of the initial request of a commercial or private developer or other non-public entity, the Company shall receive payment for the cost of such relocation as a precondition to relocating its existing facilities or equipment. The City shall consider reasonable alternatives in designing its public works projects so as not arbitrarily to cause the Company unreasonable additional expense in exercising its authority under this section. The City shall also provide a reasonable alternative location for the Company's facilities. The City shall give the Company reasonable advance written notice to vacate a public right-of-way. Vacating a public right-of-way shall not deprive the Company of its right to operate and maintain existing facilities, until the reasonable cost of relocating the same are paid to the Company.

Section 5. Said Company, its successors and assigns, shall throughout the term of the franchise distribute to all consumers gas of good quality and shall furnish uninterrupted service, except as interruptible service may be specifically contracted for with consumers; provided, however, that any prevention of service caused by fire, act of God or unavoidable event or accident shall not be a breach of this condition if the Company resumes service as quickly as is reasonably practical after the happening of the act causing the interruption.

Section 6. The franchise granted by this Ordinance shall not be exclusive.

Section 7. Franchise fee. In its monthly billing Company shall include a franchise fee of two percent (2%) on the gross receipts from the distribution, supply, or sale of natural gas for customers within the limits of the City of Muscatine, Muscatine County, Iowa. The Company shall make all reasonable effort to commence collecting the 2% franchise fee by the date of July 1, 2010, but no later than October 1, 2010. The franchise fee may be increased or decreased by the City on or after January 1, 2011, and shall be limited to a maximum fee of 5%. The City shall give the Company a minimum 90-day notice prior to the request to implement an increase or decrease in the franchise fee. The City shall be solely responsible for the proper use of any amounts collected as franchise fees, and shall only use such fees as collected for a purpose as allowed by applicable law. Collection of the franchise fee shall cease at the earlier of the City's repeal of the franchise fee or the end of the Ordinance term.

Section 8. The franchise fee shall be applied to all customers' bills in accordance with Iowa Code Chapter 364.2(f) and 423B.5. The Company shall not grant exemptions or refunds of the franchise fee beyond that granted by the Code of Iowa. If at any time the Iowa Utilities Board or another authority having proper jurisdiction, prohibits the collection or payment of a franchise fee, the Company shall be relieved of its obligation to collect and pay to the City the franchise fee.

Section 9. City agrees that Company's obligations related to the franchise fee are limited to those obligations set forth in Sections 7, 8 and 12 herein. City further agrees to bear all costs (including attorney fees), and to defend, indemnify and hold Company harmless from any and all liability, claims or causes of action associated with disputes related to the billing and/ or collection of the franchise fee, provided that the City shall not be obligated to bear such costs or to defend, indemnify and hold Company harmless if such disputes arise from claims of inaccurate billing by the Company.

Section 10. Upon receipt of a final and unappealable order or approval authorizing annexation, or changes in the limits of said City, the City Clerk shall provide written notification to an officer of Company of such annexation or change in the limits of said City, and the Company shall apply the franchise fee to its customers who are affected by the annexation or change in the limits of the City, commencing no more than six (6) months from receipt of the written notice and City's verification of addresses within the annexed area.

Section 11. The amount of franchise fee shall be shown separately on the utility bill to each customer.

Section 12. The Company shall remit collected franchise fees to the City on a quarterly basis, within thirty (30) days after last day of the last revenue month of the quarter.

Section 13. That said franchise fee shall be in lieu of any other payments to the City for the Company's use of streets, avenues, alleys and public places in the said City and other administrative or regulatory costs with regard to said franchise; and said pipes, mains, and other conductor and appliances in, along and under the streets, avenues, alleys and public places in the said City for the purpose of distributing, supplying and selling gas to said City and the residents thereof and to persons and corporations beyond the limits thereof shall be exempt from any special tax, assessment, license or rental charge during the entire term of this ordinance.


Section 14. The term of the franchise granted by this Ordinance and the rights granted thereunder shall continue for the period of twenty-five (25) years from and after its acceptance by the said Company, as herein provided.

Section 15. The expense of the publication of this Ordinance shall be paid by the Company.

Section 16. The franchise granted by this Ordinance shall be conditioned upon acceptance by the Company in writing. The acceptance shall be filed with the City Clerk within ninety (90) days from passage of this Ordinance.

Section 17. This Ordinance sets forth and constitutes the entire agreement between the Company and the City of Muscatine with respect to the rights contained herein, and may not be superceded, modified or otherwise amended without the approval and acceptance of the Company. Upon acceptance by the Company, this Ordinance shall supersede, abrogate and repeal the prior gas system ordinance between the Company and the City of Muscatine as of the date this Ordinance is accepted by the Company. Notwithstanding the foregoing, in no event shall the City of Muscatine enact any ordinance or place any limitations, either operationally or through the assessment of fees other than those approved and accepted by the Company within this Ordinance, that create additional burdens upon the Company, or which delay utility operations.





Mayor of the City of Muscatine
Muscatine County, Iowa

(SEAL)

First Reading: April 1, 2010

Second Reading: April 8, 2010

Third Reading: April 15, 2010

Publication: April 28, 2010

UPON ROLL CALL, Council Members voted upon said motion as follows: (insert name and vote either "YES" or "NO")

<u>Fitzgerald, yes</u>	<u>Lange, yes</u>
<u>Natvig, yes</u>	<u>Bynum, no</u>
<u>Roby, yes</u>	

Four Members of the Council being present and having voted "YES," Mayor declared said motion carried, and said proposed Ordinance No. 91191-0410 was placed upon its first reading and was read the first time.

The City Council of the City of Muscatine, Muscatine County, Iowa, met in an in-depth session on April 8, 2010 pursuant to the rules of said Council, the Mayor presiding and the Clerk recording:

Present: Mayor Richard W. O'Brien and Council Members LeRette, Fitzgerald, Natvig, Shihadeh, Bynum, Roby, and Lange.

It was moved by Council Member Roby and seconded by Council Member Fitzgerald that said ordinance be placed upon its second reading.

UPON ROLL CALL, Council Members voted upon said motion as follows: (insert name and vote either "YES" or "NO")

<u>Fitzgerald, yes</u>	<u>Lange, yes</u>
<u>Natvig, yes</u>	<u>Shihadeh, yes</u>
<u>Roby, yes</u>	<u>LeRette and Bynum, no</u>

Five Members of the Council being present and having voted "YES," Mayor declared said motion carried, and said proposed Ordinance No. 91191-0410 was placed upon its second reading and was read the second time.

The City Council of the City of Muscatine, Muscatine County, Iowa, met in regular session on April 15, 2010 pursuant to the rules of said Council, the Mayor presiding and the Clerk recording:

Present: Mayor Richard W. O'Brien and Councilmembers LeRette, Fitzgerald, Natvig, Bynum, Roby, and Lange.

Absent: Councilmember Shihadeh

It was moved by Council Member Roby, and seconded by Council Member Fitzgerald that proposed Ordinance No. 91191-0410 be placed upon its final passage and passed.

UPON ROLL CALL, Council Members voted upon said motion as follows: (insert name and vote either "YES" or "NO")

<u>Fitzgerald, yes</u>	<u>Lange, yes</u>
<u>Natvig, yes</u>	<u>LeRette, no</u>
<u>Roby, yes</u>	<u>Bynum, no</u>

Four Members of the Council being present and having voted "YES," Mayor O'Brien declared the motion carried, and the Ordinance passed and adopted.

There being no further business before the meeting, on motion duly made, seconded and carried, the Council adjourned.



Mayor of the City of Muscatine

Attest:



City Clerk



CERTIFICATE OF CITY CLERK

I, City Clerk of the City of Muscatine, Muscatine County, Iowa, do hereby certify that Ordinance No. 91191-0410 was duly and legally adopted and passed on third reading by the City Council of the City of Muscatine, Muscatine County, Iowa, at a meeting held on the 15th day of April, 2010; that it was on the same day signed by the Mayor; that it has been recorded in the Ordinance Books of the City and that the recording thereof has been signed by the Mayor and City Clerk. I further certify that:

- An Official Notice of Public Hearing was made on March 24, 2010 for said proposed Ordinance No. 91191-0410;
- The Official Notice for proposed Ordinance No. 91191-0410 included the full text of said ordinance;
- A Public Hearing was held for said proposed Ordinance No. 91191-0410 on April 1, 2010;
- Ordinance No. 91191-0410 was passed on first reading on April 1, 2010;
- Ordinance No. 91191-0410 was passed on second reading on April 8, 2010;
- Publication of passage of said Ordinance No. 91191-0410 was made on April 28,, 2010;
- Publications thereof were made in the Muscatine Journal, a newspaper published and/or distributed in Muscatine, Muscatine County, Iowa, and of general circulation in said City.

WITNESS my hand and the City seal this 28th day of April, 2010.


Clerk for the City of Muscatine,

(SEAL)

PROOF OF PUBLICATION

I, Jeff Lee, being duly sworn, on my oath, say that I am an advertising clerk at the *Muscatine Journal*, a newspaper of general circulation, published in the City of Muscatine, Muscatine County, Iowa; and that the following Notice:

Alliant Energy
Ordinance No. 91191-0410
City Of Muscatine

Of which the annexed printed slip is a true, correct and complete copy, was published in said *Muscatine Journal* one time having been made there in on:

April 28, 2010

Jeff Lee

STATE OF IOWA
MUSCATINE COUNTY

Subscribed and sworn to before me this
3rd day of May 2010

Beth Lester

Beth Lester, Notary Public



Beth Lester
Iowa Notarial Seal
Commission number 745921
My Commission Expires 03/20/2013

and appliances in, along and under the streets, avenues, alleys and public places in the said City for the purpose of distributing, supplying and selling gas to said City and the residents thereof to persons and corporations beyond the limits thereof shall be exempt from any special tax, assessment, license or rental charge during the entire term of this ordinance.

Section 14. The term of the franchise granted by this Ordinance and the rights granted thereunder shall continue for the period of twenty-five (25) years from and after its acceptance by the said Company, as herein provided.

Section 15. The expense of the publication of this Ordinance shall be paid by the Company.

Section 16. The franchise granted by this Ordinance shall be conditioned upon acceptance by the Company in writing. The acceptance shall be filed with the City Clerk within ninety (90) days from passage of this Ordinance.

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and may not be superceded, modified or otherwise amended without the approval and acceptance of the Company. Upon acceptance by the Company, this Ordinance shall supersede, abrogate and repeal the prior gas system ordinance between the Company and the City of Muscatine as of the date this Ordinance is accepted by the Company. Notwithstanding the foregoing, in no event shall the City of Muscatine enact any ordinance or place any limitations, either operationally or through the assessment of fees other than those approved and accepted by the Company within this Ordinance, that create additional burdens upon the Company, or which delay utility operations.

Richard W. O'Brien
Mayor of the City of Muscatine
Muscatine County, Iowa

Attest:
Gregg Mandsager
City Clerk

First Reading: April 1, 2010
Second Reading: April 8, 2010
Third Reading: April 15, 2010
Publication: April 28, 2010

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Section 9. City agrees that Company's obligations related to the franchise fee are limited to those obligations set forth in Sections 7, 8 and 12 herein. City further agrees to bear all costs (including attorney fees), and to defend, indemnify and hold Company harmless from any and all liability, claims or causes of action associated with disputes related to the billing and/or collection of the franchise fee, provided that the City shall not be obligated to bear such costs or to defend, indemnify and hold Company harmless if such disputes arise from claims of inaccurate billing by the Company.

Section 10. Upon receipt of a final and unappealable order or approval authorizing annexation, or changes in the limits of said City, the City Clerk shall provide written notification to an officer of Company of such annexation or change in the limits of said City, and the Company shall apply the franchise fee to its customers who are affected by the annexation or change in the limits of the City, commencing no more than six (6) months from receipt of the written notice and City's verification of addresses within the annexed area.

Section 11. The amount of franchise fee shall be shown separately on the utility bill to each customer.

Section 12. The Company shall remit collected franchise fees to the City on a quarterly basis, within thirty (30) days after last day of the last revenue month of the quarter.

Section 13. That said franchise fee shall be in lieu of any other payments to the City for the Company's use of streets, avenues, alleys and public places in the said City and other administrative or regulatory costs with regard to said franchise; and said pipes, mains, and other conductor



Interstate Power and Light Co.
An Alliant Energy Company

200 First Street SE
P.O. Box 351
Cedar Rapids, IA 52406-0351

Office: 1.800.822.4348
www.alliantenergy.com

ACCEPTANCE

TO THE MAYOR AND CITY COUNCIL
CITY OF MUSCATINE, IOWA:

INTERSTATE POWER AND LIGHT COMPANY hereby accepts the natural gas franchise granted it by Ordinance No. 91191-0410 of the City of Muscatine, Iowa. This Acceptance is intended to be in accordance and compliance with the terms and provisions of said Ordinance.

Dated this 24th day of May, 2010.

INTERSTATE POWER AND LIGHT COMPANY. ("Company")

By: _____

Vern A. Gebhart Jr.

Title: Vice President – Energy Delivery Operations West

ATTEST:

Linda L. Kipp



I, Gregg Mandsager, City Clerk of the City of Muscatine, Iowa, do hereby certify that on the 28th day of May, 2010 there was filed in my office by Interstate Power and Light Company, the Acceptance of the natural gas franchise granted by Ordinance No. 91191-0410 of the City of Muscatine, Iowa, and that the foregoing is a true copy of said Acceptance so signed.

Dated at Muscatine, Iowa, this 28 day of May, 2010.

Gregg Mandsager
City Clerk of the City of Muscatine, Iowa

