

**ORDINANCE
of the
CITY OF MINNEAPOLIS**

By Gordon

Amending the Minneapolis Code of Ordinances by adding a new Appendix C-2 relating to the Centerpoint Energy Resources Corp., d/b/a Centerpoint Energy Minnesota Gas, Gas Franchise Fee.

The City Council of the City of Minneapolis do ordain as follows:

Section 1. That the Minneapolis Code of Ordinances be amended by adding thereto a new Appendix C-2 to read as follows:

An ordinance implementing a gas energy franchise fee on Centerpoint Energy Minnesota Gas ("Centerpoint Energy") for providing gas energy service within the City of Minneapolis.

Article 1: Franchise Fee

Section 1.1 Consistent with Ordinance 2014-Or-____ and Minnesota law, a franchise fee is hereby imposed on CenterPoint Energy Minnesota Gas, its successors and assigns (the "Company"). The franchise fee shall be an amount equal to the percentage of that portion of the Company's annual Gross Revenues, as defined in Ordinance 2014-Or-____, arising from its operations within the City, as follows:

- a. For Residential service customers, four and one-half percent (4.5%) of Gross Revenues;
- b. For Large Volume Firm and Large Volume Dual Fuel customers, three percent (3%) of Gross Revenues;
- c. For all other customers, five percent (5%) of Gross Revenues;

Section 1.2 For Large Volume Firm and Large Volume Dual Fuel customers, in the event that the City imposes a franchise fee or tax on all alternate, competing fuels, including but not limited to fuel oil, propane and coal, then the City may, with notice to Company, and without the Company's consent raise the franchise fee payable to the City to the same level as the franchise fee or tax imposed on alternate competing fuels, but in no event more than 5% of Gross Revenues;

Section 1.3 This franchise fee shall be paid to the City in lieu of any other permit or licensing fees, charges, or costs imposed on the Company for providing gas service or performing work necessary to providing gas service in the City's Public Ground or Public Way during the term of this franchise. Company shall pay fees as provided in Section 3.3 of Ordinance 2014-Or-____.

Article 2: Fee Payment

Section 2.1 The franchise fee shall be payable according to Section 8.3 of Ordinance 2014-Or-____. All capitalized terms in this Fee Ordinance that are not defined herein shall have the same meaning as in Ordinance 2014-Or-____.

Section 2.2 Each payment shall be accompanied by a statement filed with the Finance Officer of the City showing the amount of Gross Revenues for the preceding billing month, the basis for the computation of the payment, and such other relevant facts to support the computation as may be requested by the City from time to time. The City shall have access at all reasonable times to inspect, examine or audit such accounts, books, records, documents and papers of the Company relating to its utility operations in the City as necessary to verify the accuracy of the Company's franchise fee payments.

Article 3: Effective Date

This Fee Ordinance shall be in force and effect from and after its passage and publication as required by law and upon the Company's duly authorized acceptance of the Franchise, as executed within sixty (60) days after passage and publication of the Franchise, but no earlier than January 1, 2015.