

**Proposed Appendix C-1,
CenterPoint Energy Minnesota Gas,
Gas Franchise**

ORDINANCE
By Cashman and Chughtai

Amending Appendix C-1 of the Minneapolis Code of Ordinances relating to CenterPoint Energy Minnesota Gas, Gas Franchise.

The City Council of the City of Minneapolis ordains as follows:

Section 1. That the Minneapolis Code of Ordinances, Appendix C-1 be amended in the form of a complete revision to read as follows:

APPENDIX C-1 - CENTERPOINT ENERGY MINNESOTA GAS, GAS FRANCHISE

An ordinance granting CenterPoint Energy Resources Corp d/b/a CenterPoint Energy Minnesota Gas (“CenterPoint Energy” or “Company”), its successors and assigns, a nonexclusive franchise to construct, operate, repair, and maintain facilities and equipment for the transportation, distribution, manufacture, and sale of gas energy for public and private use and to use the public ways and grounds of the City of Minneapolis, Hennepin County, Minnesota (“City”), for such purpose, and prescribing certain terms and conditions thereof (“Ordinance”).

Section 1. Definitions. For purposes of this Ordinance, the following capitalized terms listed in alphabetical order shall have the following meanings:

1.1. City Utility System. Facilities used for providing public utility service owned or operated by the City or agency thereof, including, but not limited to, sewer, water, and storm water service.

1.2. Commission. The Minnesota Public Utilities Commission (“Commission”), or any successor agency or agencies, including an agency of the federal government, which preempts all, or part, of the authority to regulate gas retail rates now vested in the Commission.

1.3. Company. CenterPoint Energy, its successors, and assigns, including all successors or assigns that own or operate any part or parts of the Gas Facilities subject to this Franchise.

1.4. Downtown Area. The geographically defined area bounded by the Mississippi River, I-35W, 1-94, and Plymouth Avenue North, including the neighborhoods of Downtown West, Downtown East, Elliot Park, Loring Park, and North Loop.

1.5. Fee. The administrative fee the City is lawfully allowed to charge for issuing permits in its right-of-way. For purposes of this document Fee does not include Franchise Fee.

1.6. Franchise. The grant of rights made by the City to the Company in this Ordinance, subject to its terms and conditions.

1.7. Gas Energy. Gas Energy includes both retail and wholesale natural, manufactured, or mixed gas.

1.8. Gas Facilities. Gas transmission and distribution pipes, lines, ducts, fixtures, and all necessary equipment and appurtenances owned or operated by the Company in the City for the purpose of transporting, distributing, and managing Gas Energy for retail or wholesale use.

1.9. Gross Revenues. All gas distribution revenues received by the Company from retail customers of the Company who purchase, receive, or transport Gas Energy from or through the Company’s Gas Facilities within the City. For Gas Energy transported but not sold by the Company, gross revenues shall include only the revenues for the Company’s transportation of gas energy and not the revenues for a third party’s sale

of gas energy to customers within the City. Gross Revenue for the purposes of calculating the franchise fee imposed by Section 8 shall be subject to adjustment only as specifically provided in Section 8.3.

1.10. Notice. A written notice served by one party on the other party referencing one or more provisions of this Ordinance. Notice to the Company shall be mailed or personally delivered to CenterPoint Energy, Minnesota Division Vice President, 505 Nicollet Mall, Minneapolis, Minnesota, 55402. Notice to the City shall be mailed or personally delivered to the City Operations Officer, City Hall, 350 South Fifth Street, Minneapolis, Minnesota, 55415. Either party may change its respective address for the purpose of this Ordinance by written notice to the other party.

1.11. Public Ground. All real property for common use by the public that is owned by, controlled by, or dedicated to the City, for open space or similar purposes.

1.12. Public Way. The area on, below, or above a public roadway, highway, street, alley, cartway, bicycle lane, walkway, public sidewalk, or other public right-of-way, or other dedicated right-of-way for travel purposes and utility easements.

Section 2. Adoption of Franchise.

2.1. Grant of Franchise. The City hereby grants the Company, from the date this ordinance becomes effective through 11:59:59 p.m. on December 31, 2034, the right to import, manufacture, distribute, and sell Gas Energy for public and private use within and through the limits of the City as its boundaries now exist or as they may be extended in the future, and also the right to transport Gas Energy through the limits of the City for use outside of the City limits. For these purposes, the Company may construct, operate, repair, and maintain Gas Facilities in, on, over, under, and across the Public Way and Public Ground, subject to the provisions of this Ordinance. The use of the Public Way and Public Ground by the Company and the regulation of the same by the City shall be consistent with state law and shall be:

(1) Subject to reasonable regulations by the City Council, including, but not limited to, the applicable provisions contained in Minneapolis Code of Ordinances, Chapters 52 and 427 through 430, as long as they are consistent with state law, and all other applicable ordinances and permit procedures;

(2) Consistent with the use of the Public Way for proper purposes by the public, by the City, by public utilities, and others; and

(3) Consistent with the use of Public Ground by the City and the public for the public purposes for which they are used and intended.

2.2. Option to Extend. Provided both parties agree, the term described in 2.1 may be extended for an agreed upon extension period.

2.3. Other Authority. Other than giving the Company the right to use the Public Way and Public Ground, this Ordinance is not intended in any way to affect, modify, or surrender any powers held by the City.

2.4. Not Exclusive. This Franchise is not exclusive.

2.5. Effective Date. This Franchise shall be in force and effect from and after the passage of this Ordinance and publication as required by law. The City, by Council resolution, may revoke this Franchise if the Company does not file a written acceptance with the City within sixty (60) days after publication.

2.6. Annual Franchise Performance and Planning Meeting; Annual Reporting. The Company and the City shall meet annually to discuss items of concern or interest related to this Franchise, including, but not limited

to, collaborative infrastructure planning, vegetation management, and reliability performance. The Company shall annually provide to the City Minneapolis-specific reporting information on service reliability for the Company's service area, for the City, and smaller subsets of the City as available, including information pertaining to the Key Performance Indicators identified in the Clean Energy Partnership Memorandum of Understanding. This information shall include but is not limited to: description of planned infrastructure investments and capital improvements, and aggregate customer usage and program participation, the exact format and content of which shall all be mutually agreed to by the City and the Company.

2.7. Service and Rates. The terms and conditions of service and the rates to be charged by the Company for Gas Energy in the City are subject to the exclusive jurisdiction of the Commission.

2.8. Dispute Resolution. If either party asserts that the other party is in default in the performance of any obligation hereunder, the complaining party shall notify the other party in writing of the default and the desired remedy. Representatives of the parties must promptly meet and attempt in good faith to negotiate a resolution of the dispute. If the dispute is not resolved within thirty (30) days of the written notice, the parties may jointly select a mediator to facilitate further discussion. The parties will equally share the fees and expenses of this mediator. If a mediator is not used, or if the parties are unable to resolve the dispute within thirty (30) days after first meeting with the selected mediator, either party may commence an action in Hennepin County District Court to interpret and enforce this Franchise or for such other relief as may be permitted by law or equity for breach of contract, or either party may take any other action permitted by law.

Section 3. Location, Other Regulations.

3.1. Location of Facilities. Gas Facilities shall be:

- (1) Located, constructed, and maintained in as safe and secure a manner as reasonably possible;
- (2) In such a manner as to not unnecessarily interfere with the safety and convenience of ordinary travel along and over Public Way or the public or governmental use thereof or the public or governmental use of Public Grounds;
- (3) So as not to disrupt normal operation of any City Utility System.

Subject to the terms of any particular right-of-way permit, the Company shall ensure that Gas Facilities are located or relocated in full compliance with Titles II and III of the Americans with Disabilities Act and associated regulations, 28 CFR Part 35, and in a manner that presents no temporary or permanent interference with any established Pedestrian Access Route in the Public Way. Gas Facilities shall be located on Public Grounds in a location accepted by the City. The Company's construction, reconstruction, operation, repair, maintenance, and location of Gas Facilities shall be subject to permits as required by the Minneapolis Code of Ordinances, including but not limited to Chapters 429 and 430, as they may be amended from time to time, and to such other regulations of the City consistent with authority granted the City to manage its Public Way and Public Ground under state law.

3.2. Field Locations and Mapping. The Company shall provide field locations for its underground Gas Facilities within the City consistent with the requirements of Minnesota Statutes Section 216D, Minnesota Rules, and Minneapolis Code of Ordinances Section 429.90. In addition, upon written request by the City, the Company must promptly provide complete and accurate mapping information for Gas Facilities in accordance with the requirements of Minnesota Rules 7819.4000 and 7819.4100. City shall specify the locations for which such mapping information is requested and, to the extent possible, treat all infrastructure information shared by Company as proprietary, confidential, and non-public data pursuant

to the Minnesota Data Practices Act and applicable federal law.

3.3. Street Openings. Subject to Sections 3.1 and 3.4, the Company or its authorized subcontractor, shall not open or disturb any Public Ground or Public Way for any purpose (the “Work”) without first having obtained the required permits from the City, for which the City may impose a fee. In performing the Work, the Company shall also obtain any required lane use, obstruction, and/or sidewalk inspection permit required under Minneapolis Code of Ordinances Chapter 430 for which the City may impose a fee. Failure of the Company or its authorized subcontractor to comply with the terms of the obstruction, lane use, and/or sidewalk inspection permit, which are directly attributable to the Company or its authorized subcontractor, and over which the Company or its authorized subcontractor has control, shall result in the imposition of a proportional charge of the permit fee as appropriate for the circumstance. This Section 3.3 does not apply to work for routine maintenance or storm restoration. During the progress of the Work, the Company shall post signage identifying the Work as performed on behalf of the Company.

3.4. Emergencies. The requirements for obtaining permits from the City pursuant to Section 3.3 shall not apply when an emergency exists requiring the immediate repair of Gas Facilities to remedy a situation that jeopardizes the public health or safety. In an emergency, the Company shall notify the City by telephone and email to the office designated by the City before, if reasonably possible, commencing the emergency repair, but in any event as soon as practicable. Within two (2) business days after commencing the repair, the Company shall obtain any required permits and pay any required fees.

3.5. Restoration. Subject to the City’s right to restore the Public Way or Public Ground pursuant to Minnesota Rules, Part 7819.1100 and the Minneapolis Code of Ordinances, Section 430.70, and after performing the Work, the Company is responsible for, and is required to, shall promptly and diligently restore the Public Ground or Public Way, including paving and its foundation, to the same condition that existed before the commencement of the work, removing all dirt, rubbish, equipment, and material, and maintaining any paved surface restored by the Company, in good condition for two (2) years thereafter (the “Restoration Work”). The Company shall notify the City upon completion of the Restoration Work. Minneapolis Code of Ordinances Section 430.70 gives the City the right of first refusal to perform restoration work within the right-of-way. If the City performs the restoration, the City shall bill the Company for the restoration work within sixty (60) days of completion.

3.6. Avoidance of Damage. The Company must take reasonable measures to prevent the Gas Facilities from causing damage to persons or property. The Company must take reasonable measures to protect the Gas Facilities from damage that could be inflicted on the Gas Facilities by persons, property, or the elements. The Company and City must take protective measures consistent with Minnesota Statutes Section 216D.05 to avoid damage to and minimize interference with underground facilities when excavating or performing work. The Company shall be responsible for removal of graffiti from Gas Facilities. The Company shall provide notice to the City in the event that any City Utility System is damaged in performing the Work or the restoration Work.

3.7. Coordination of Company Projects and Public Improvements. The Company shall periodically, and at least annually, review the City’s six-year capital program for purposes of coordinating Company projects and improvements to Gas Facilities within the City. The Company must annually provide to the City, on or before April 1, its updated two-year plans for “major projects” defined as any projects occurring within the Downtown Area and anticipated to impact traffic for in excess of three (3) days, any project anticipated to impact traffic for in excess of seven (7) days regardless of location, any project requiring right-of-way excavation in excess of one thousand (1,000) lineal feet, or any project anticipated to cost in excess of five hundred thousand dollars (\$500,000). Company’s CIP is subject to change depending on weather, funding, labor, and other issues. Company will promptly inform City of any changes to the CIP that impact City. Either party may request a meeting among appropriate representatives for purposes of discussing coordination of improvement projects or work, and both parties hereby agree to reasonably accommodate such meeting

requests. The Company will comply with Minneapolis Code of Ordinances, Chapters 427-430, and the City's generally applicable practices so long as they comply with state law.

The City must give the Company reasonable advance notice of plans for improvements to Public Ground or Public Way when the City has reason to believe that Gas Facilities may affect or be affected by the improvement. The notice must contain, if known:

- (1) The nature and character of the improvements;
- (2) The Public Ground and Public Way upon which the improvements are to be made, (iii) the extent of the improvements;
- (3) The time when the City will start the work;
- (4) If more than one Public Ground or Public Way is involved, the order in which the work is to proceed.

In an emergency situation, the City shall notify the Company by telephone and email to the representative designated by the Company before, if reasonably possible, commencing the emergency work, but in any event as soon as practicable.

3.8. Compliance with Laws. In its operations under this Ordinance, the Company shall observe all applicable federal, state, and local laws, rules, regulations, and orders with respect to the transmission, distribution, transformation, or furnishing of gas energy. The Company shall not release, spill, or dispose in the Public Way or Public Ground, or permit to be released, spilled or disposed in the Public Way or Public Ground, any materials, substances, and wastes regulated as toxic or hazardous to health, natural resources, or the environment by the State of Minnesota, the United States government, or any other government authority with jurisdiction ("Hazardous Substances"). In the event the Company releases, spills, or disposes Hazardous Substances into the Public Way or Public Ground (with or without the permission of the City), Company shall comply with all applicable laws, regulations, and lawful governmental orders of federal, state, and local governmental agencies related to such Hazardous Substances. The Company must immediately notify the City and provide a written report, within three (3) days, with the knowledge or cause for belief of the release. The Company shall remove or remediate any Hazardous Substances caused or permitted by the Company to be located on, in, or surrounding the Public Way and Public Ground within the City in compliance with all applicable laws, regulations, and lawful governmental orders, and pay or cause to be paid all costs associated therewith.

The Company shall not be responsible for removing or remediating any pre-existing Hazardous Materials encountered in the Public Way or Public Ground within the City. The indemnification terms and conditions of Section 5 shall apply to all claims made against the City by any person, including any governmental agency, who or which asserts any right to costs, damages, or other relief based upon the terms and conditions imposed upon the Company under this Section 3.8 or which arise from or are related to the Company's acts or failure to act in compliance with any law, rule, regulation, or lawful order governing Hazardous Substances. The Company and the City acknowledge that the intended purpose of this agreement is to authorize the Company to transport natural gas through its distribution system in the city of Minneapolis. Accordingly, to the extent that natural gas is transported through the Company's distribution system without spill, release, or disposal in the Public Way or Public Ground, it shall not be considered a Hazardous Substance as defined herein.

3.9. Permit or Other Fees. Notwithstanding anything to the contrary herein, the Company shall pay, in lieu of any permit or other fees or expenses charged by the City, an annual right-of-way permitting flat fee of one hundred thousand dollars (\$100,000.00). The Company shall be subject to penalties or administrative fines in the same manner as other right-of-way users. The only other fees chargeable under this agreement shall be franchise fees in accordance with the Fee Ordinance. The flat fee is payable to the City's utility connections division, or its successor, by December 30 of each calendar year of the agreement and any extensions, unless

otherwise mutually agreed by the parties.

Section 4. Relocations.

4.1. Relocation. The Company shall promptly and at its expense, with due regard for seasonal working conditions, permanently remove and relocate its facilities in the Public Way when it is necessary to prevent interference, and not merely for the convenience of the City, in connection with:

- (1) A present or future government use of the Public Way or Public Ground for a public project;
- (2) The public health or safety; or
- (3) The safety and convenience of travel over the right-of-way.

In addition, the City may require the Company, at the Company's expense, to relocate or remove its Gas Facilities from Public Ground if the City finds that such Gas Facilities impair, or will impair, an existing or proposed public use of the Public Ground.

This Franchise shall not constitute a taking by the City nor be construed as a waiver or modification of any easement or prescriptive rights acquired by the Company independent of and without reliance by the Company on this Franchise or the Company's rights under state or county permit.

4.2. Relocation within Five Years. If the City orders a relocation of Gas Facilities within five (5) years of ordering relocation of the same Gas Facilities at the Company's expense, the City shall reimburse Company for non-betterment, actual costs on a time and materials basis, without any markup. Provided, however, that if a subsequent relocation is required because of a natural disaster, or the extension of a City Utility System to a previously unserved area, the Company will be required to relocate the Gas Facilities at its expense.

4.3. Projects with Federal Funding. The City acknowledges that the Company may request reimbursement for utility relocation costs from federal and/or state sources. The City will not object to the Company's requests for reimbursement from federal or state sources provided such costs do not directly or indirectly reduce funds available to the City from these sources or reduce funds for projects that will benefit the City. The City reserves its right to oppose the Company's requests if the City has a reasonable basis to believe such a request will negatively impact the feasibility of a project, or reduce funds as described above.

4.4. State Highway Projects. Relocation of Gas Facilities due to a federally-aided state trunk highway project shall be governed by the applicable provisions of Minnesota Statutes Section 161.46, as may be amended.

Section 5. Indemnification.

5.1. Indemnification. The Company will defend, indemnify, and hold harmless the City from all liability or claims of liability for bodily injury or death to persons, or for property damage, in which the claim alleges a negligent, wrongful act or omission of the Company or its employees, agents, or independent contractors in constructing, installing, maintaining, operating, inspecting, or issuing permits, or repairing the Company's facilities. Further, the Company will defend, indemnify, and hold harmless the City from all liability or claims of liability for bodily injury or death to persons, or for property damage, in which the claim is based on the City's negligent, wrongful act, or omission in issuing the permit, or in failing to properly or adequately inspect or enforce compliance with a term, condition, or purpose of the permit granted to the Company. However, the Company is not required to indemnify the City for losses or claims occasioned by the negligent or otherwise wrongful act or omission of the City.

5.2. Defense of City. In the event that the Company must indemnify the City against a claim, the Company at its sole cost and expense shall defend the City against such claim if the City provides written notice to the Company within a reasonable period wherein the Company is not prejudiced by the lack of such notice. If the Company is required to indemnify and defend, it will thereafter have control of such litigation, including selection of defense counsel. The Company agrees, however, to consult in good faith with the City as to who will defend such claim. The Company may not settle such claim without the consent of the City, which consent shall not be unreasonably withheld. This section is not, as to third parties, a waiver of any defense or immunity otherwise available to the City. The Company, in defending any claim on behalf of the City, shall be entitled to assert every defense or immunity that the City could assert in its own behalf.

Section 6. Vacation of Public Way and Public Ground. The City and the Company shall comply with Minneapolis Code of Ordinances Section 429.140 and Minnesota Rules 7819.3100 and 7819.3200 with respect to any request for vacating Public Way and Public Ground. In no case, however, shall the City be liable to Company for failure to specifically preserve a right-of-way under Minnesota Statutes Section 160.29.

Section 7. Assignment. Neither party may assign this Franchise without the prior approval of the other party, which will not be unreasonably withheld. Notwithstanding the foregoing, if the Company merges with, is acquired by, or acquires another company, it reserves the right to assign this Franchise.

Section 8. Franchise Fee.

8.1. Franchise Fee. The City has elected to exercise its rights under applicable law, including specifically Minnesota Statutes Sections 216B.36 and 300.13, to impose a franchise fee on the Company.

8.2. Fee Continuation. The franchise fee imposed pursuant to Appendix C-2 of the Minneapolis Code of Ordinances (the "Fee Ordinance") remains in effect so long as this Franchise remains in place and for up to one (1) year from the date of termination of this Franchise while the parties are negotiating a new agreement.

8.3. Fee Payment. The franchise fee shall be payable monthly and shall be calculated as provided in the Fee Ordinance. The payment shall be due forty-five (45) days after the end of the month for which the payment is due. The time and manner of collecting the franchise fee is subject to the approval of the Commission. No franchise fee shall be payable by the Company if the Company is legally unable to first collect an amount equal to the franchise fee from its customers in each applicable class of customers by imposing a surcharge in the Company's applicable rates for gas service. The Company shall pay the City the fee as provided in the Fee Ordinance subject to reductions to account for uncollectibles, refunds, and correction of erroneous billings. The Company agrees to make its records available for inspection by the City at reasonable times provided that the City and its designated representative agree in writing not to disclose any information which would indicate the amount paid by any identifiable customer or customers or any other information regarding identified customers.

8.4. Separate Ordinance. The franchise fee shall be imposed by the separate Fee Ordinance duly adopted by the City Council and Mayor. No amendment to the Fee Ordinance shall be adopted until at least sixty (60) days after notice enclosing such proposed ordinance or ordinance amendment has been provided to the Company. Section 2.8 of this ordinance shall constitute the sole remedy for resolving disputes between the Company and the City in regard to the interpretation, or enforcement, of the separate Fee Ordinance. The Fee Ordinance may be changed by the City from time to time by ordinance; provided, however, such changes shall not occur more often than once within any twelve (12) consecutive calendar months and shall be effective upon the same notice requirements.

8.5. Equivalent Fee Requirement. (a) *Other energy franchises.* The annual dollar amount of the franchise fee collected from a Company customer, or a reasonable estimate of the franchise fee that would be collected from a prospective Company customer, for gas service provided under this Franchise shall not be materially greater than the annual dollar amount of the franchise fee that would be collected for similar service to such customer by a new energy supplier under the terms of a new franchise, assuming comparable energy usage by said customer.

(b) *Definitions.* For the purposes of this section only, the following terms shall have the meanings given.

Similar service shall mean the supply of energy to a customer for the same end-use purpose or function as the gas which is or could be furnished by the Company.

New franchise shall mean a franchise granted to a new energy supplier after January 1, 2025, or an amendment to an existing franchise held by another energy supplier after January 1, 2025.

New energy supplier shall mean a supplier of energy other than the company which begins supplying energy in the City Public Way after January 1, 2025.

(c) *Waiver.* The City may waive the requirement under paragraph (b) if, after one (1) month's notice to, and subsequent consultation with, the Company, the City finds by resolution, in its sole discretion, that waiver is necessary to encourage economic development within the City related to clean or renewable energy projects not being performed by the Company. If a waiver is given for clean or renewable energy projects, the Company shall receive a reciprocal waiver if the Company begins performing the same clean or renewable energy project. Once the requirement is waived, the City, in its sole discretion, may reinstate it at any time, after a sixty (60)-day written notice. If the Company consents in writing to a new franchise or separate ordinance collecting or failing to collect a fee from a new energy supplier in contravention of this section, the conditions of this section will be waived to the extent of such written consent.

8.6. No Waiver or Release. No acceptance of any payment shall be construed as an accord that the payment made is in fact the correct amount, nor shall such acceptance of the payment be construed as a release of any claim that the City may have for further sums payable under the provisions of this Ordinance. All amounts paid shall be subject to audit and re-computation by the City.

8.7. Franchise Fee Modification. (a) *Change in Law.* If a change in applicable law renders the Company unable to collect an amount equal to the franchise fee from its customers by imposing a surcharge in the Company's applicable rates for gas services, the Company shall give Notice of such change to the City.

(b) *Challenge to Franchise Fee.* If any person challenges the collection or any aspect of the franchise fee or payment made to the City pursuant to this Franchise, the Company shall promptly provide notice of such challenge to the City and shall, in any event, continue to diligently exercise its efforts to sustain the franchise fee and remitting of payments.

(c) *Automatic Reduction.* If for any reason the amount or rate of the franchise fee due hereunder or under the Fee Ordinance shall be determined to be in excess of the amount or rate allowed by law, then the amount or rate shall be reduced to the maximum amount or rate permitted by law.

(d) *Reasonable Modification.* For any other change in applicable law adversely impacting the franchise fee not covered by subparagraphs (a) and (c) above, the parties will promptly meet and confer about such changes and, to the extent permitted by, will make reasonable modifications to the Fee Ordinance or this Franchise in an effort to provide that the City receives an amount of franchise fee that is equivalent to the franchise fees paid to the City as of the date that such change in applicable law adversely impacted the franchise fee revenue. Any dispute concerning the appropriate changes shall be addressed as provided in

Section 2.8 herein. Notwithstanding the foregoing, no modification will be acceptable if the Company is legally unable to first collect the amount to be imposed from its customers by imposing a surcharge in the Company's applicable rates for gas service.

Section 9. Abandoned Facilities. The Company shall notify the City of the Company's intent to abandon or no longer use any Gas Facilities in the Public Way or Public Ground, including, but not limited to, any vaults or similar facilities. The Company shall remove, at the Company's sole expense, such abandoned or unused Gas Facilities when work is performed, if required in conjunction with other right-of-way, repair, excavation, or reconstruction work, unless this requirement is waived by the City, unless the City Engineer or their designee provides written approval of such Gas Facilities remaining in place, upon such terms and conditions as the City deems appropriate.

Section 10. Reports and Records.

10.1. Inspecting Company Records. The City shall have access at all reasonable times to inspect, examine, or audit such accounts, books, records, reports, contracts, 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. Any such information shall be provided in a manner consistent with all applicable laws, regulations, and Commission orders.

10.2. Annual Information. The Company shall provide to the City the annual information it provides to the Commission regarding customer complaints.

Section 11. Provisions of Ordinance.

11.1. Severability. Every section, provision, or part of this Ordinance is declared separate from every other section, provision, or part and if any section, provision, or part shall be held invalid, it shall not affect any other section, provision, or part. This Franchise and other ordinances of the City shall be construed to give effect to all provisions to the maximum extent possible. In the event of a direct conflict between the provisions of any other City ordinance and this Franchise, the terms of this Franchise shall govern.

11.2. Limitation on Applicability. This Ordinance constitutes a Franchise between the City and the Company as the only parties, and no provision of this Franchise shall in any way inure to the benefit of any third person (including the public at large) so as to constitute any such person as a third party beneficiary of the Franchise or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any person not a party hereto.

11.3. Early Termination. The City may terminate the Franchise if it has been determined that the Company is not working in good faith to honor its obligations under this Franchise and/or the Clean Energy Partnership Memorandum of Understanding. The City shall notify the Company in writing of the specific facts supporting its allegation and its desired remedy (Notice of Concerns). Representatives of the parties must promptly meet and attempt in good faith to negotiate a resolution to the concerns. If the parties are unable to resolve the issues identified within ninety (90) days after Company's receipt of the Notice of Concerns, the City may terminate this Franchise by providing written notice to the Company at least twelve (12) months before the effective termination date. The City may terminate the Franchise only upon a vote of two-thirds (2/3) of all the members of the City Council.

11.4. Point of Contact. The Company shall provide the City with the contact information of the person designated as the single point of contact for the City on issues related to this Franchise, reliability and service issues, and other such matters. The Company shall provide the City with updated point of contact information as necessary during the term hereof.

11.5. Obligation to Respond. Absent extenuating circumstances, the Company shall respond within five (5) business days to inquiries made by the City.

Section 12. Amendment Procedure. Either party to this Franchise may at any time propose that the Franchise be amended to address a subject of concern and the other party will consider whether it agrees that the amendment is mutually appropriate.

Section 13. Previous Franchises Superseded. This Ordinance supersedes any previous gas franchise granted to the Company or its predecessor.