

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 Jefferson, Greene 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 Jefferson, Greene County, Iowa, as now or hereafter constituted, for a period of twenty-five (25) years, subject to a limited right of cancellation at the end of the tenth (10), fifteenth (15), and twentieth (20) year anniversaries of the "Anniversary Date", and granting to said Company the right of eminent domain as provided in Section 364.2 of the Code of Iowa.

BE IT ORDAINED BY THE City Council of the City of Jefferson, Greene 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 provided herein 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 Jefferson, Greene 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. 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 and its contractors and other agents 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. Vacating a right-of-way shall not deprive the Company of its right to continue to operate and maintain existing facilities.

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 City grants to the Company the power to condemn property for the purpose of providing electric utilities to the extent necessary to serve a public use and in a reasonable relationship to an overall plan of transmitting electricity in the public interest. The Company shall consult with the City in advance of the exercise of such right so as to minimize the impact of such taking.

Section 7. The franchise granted by this Ordinance shall not be exclusive.

Section 8. 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, except that the City may cancel this franchise on the tenth (10), fifteenth (15) or twentieth (20) anniversary of the Anniversary Date of this franchise by notifying Company in writing of its desire to do so, said notification to be given within ninety (90) days of the tenth (10), fifteenth (15) or twentieth (20) anniversary respectively of this franchise. If Company is not notified of the cancellation by the tenth (10), fifteenth (15) or twentieth (20) anniversary then this franchise shall continue without cancellation until the twenty-fifth (25) year. The Anniversary Date shall be the date this franchise is filed with the City Clerk or otherwise effective by operation of law.

Section 9. Franchise fee. In its monthly billing Company shall include a franchise fee of zero percent (0%) on the gross receipts from the distribution, supply, or sale of natural gas for customers within the limits of the City of Jefferson, Greene County, Iowa. The Company shall commence collecting the 0% franchise fee on the date of January 1 or July 1, following six months from the date the acceptance of this Ordinance by the Company is filed with the City Clerk. The franchise fee may be increased or decreased by the City on or after January 1, 2009, and shall be limited to a maximum fee of 5%. The Grantor shall give the Company a minimum 6-month notice prior to the request to implement an increase or decrease in the franchise fee. Grantor 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 10. 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 11. The franchise fee shall include an additional charge equal to 0.06 percent (0.06%) on the gross receipts from the distribution, supply, or sale of gas for customers within the limits of the City of Jefferson, Greene County, Iowa. Said additional charge will cover the administrative and related expenses incurred by Company to accommodate City's franchise fee and shall only apply when a franchise fee is being collected pursuant to Section 9.

Section 12. City agrees that Company's obligations related to the franchise fee are limited to those obligations set forth in Sections 9, 11 and 15 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 13. 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 six (6) months from receipt of the written notice.

Section 14. The sum of such additional charges for the franchise fee and any additional charges related to Section 9 and 11 above shall be shown separately on the utility bill to each customer.

Section 15. 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 16. 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.

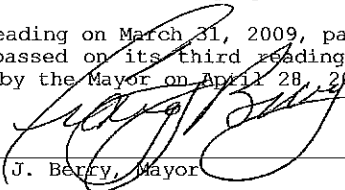
Section 17. Upon reasonable request the Company shall timely provide to the City, on a project specific basis, maps and information indicating the horizontal location, relative to the boundaries of the right-of-way, of all equipment which it owns or over which it has control and which is located in the project right-of-way. Mapping information provided shall be for the exclusive use of the City in the administering the use and occupancy of the public rights-of-way within the city and shall not be provided to or relied on by any person for any other purpose. At the request of the City mapping information will be reviewed with the City staff. Prior to any excavation by the City, or its agents, in addition to its responsibilities under the current Iowa One-Call System, or any successor system, City representatives must contact the Company regarding current information on the location of underground natural gas lines in the area concerned. Prior to excavating in the rights-of-way both parties shall contact and shall follow the procedures therefore of the corporation organized pursuant to Iowa Code Chapter 480 or an entity with a similar function utilized by both the City and the Company, currently the Iowa One-Call System. Any map or section thereof provided to City must be returned immediately to Company upon completion of project. All requests for Company maps must follow Company processes and applicable state and federal regulations and protocols.

Section 18. The expense of the publication of this Ordinance shall be paid by the Company.

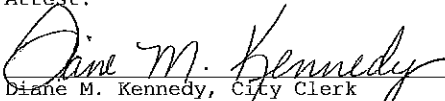
Section 19. The franchise granted by this Ordinance shall be conditioned upon acceptance by the Company in writing. The acceptance shall be filed with the City Clerk within ninety (90) days from passage of this ordinance.

Section 20. This Ordinance sets forth and constitutes the entire agreement between the Company and the City of Jefferson 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 Jefferson as of the date this Ordinance is accepted by the Company. Notwithstanding the foregoing, in no event shall the City of Jefferson enact any ordinance or place any limitations, either operationally or through the assessment of fees, that create additional burdens upon the Company, or which delay utility operations.

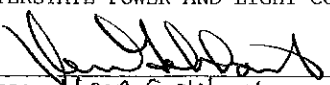
Passed by the City Council on its first reading on March 31, 2009, passed on its second reading on April 14, 2009, and passed on its third reading and finally adopted on April 28, 2009; and approved by the Mayor on April 28, 2009.

  
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Craig J. Berry, Mayor

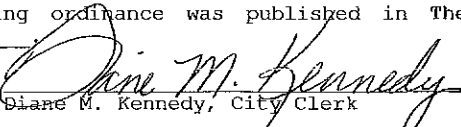
Attest:

  
\_\_\_\_\_  
Diane M. Kennedy, City Clerk

ACCEPTED by the Company on June 1, 2009.

INTERSTATE POWER AND LIGHT COMPANY  
By   
Name: Vern Gebhart  
Title: Vice president

I hereby certify that the foregoing ordinance was published in The Jefferson Herald on June 11, 2009

  
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Diane M. Kennedy, City Clerk



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 JEFFERSON, IOWA:

INTERSTATE POWER AND LIGHT COMPANY hereby accepts the natural gas franchise granted it by Ordinance No. 512 of the City of Jefferson, Iowa. This Acceptance is intended to be in accordance and compliance with the terms and provisions of said Ordinance.

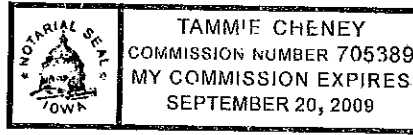
Dated this 18<sup>th</sup> day of June, 2009.

INTERSTATE POWER AND LIGHT COMPANY. ("Company")

By:   
Vern A. Gebhart Jr.

Title: Vice President – Energy Delivery Operations West

ATTEST:



I, Diane M. Kennedy, City Clerk of the City of Jefferson, Iowa, do hereby certify that on the 5<sup>th</sup> day of June, 2009 there was filed in my office by Interstate Power and Light Company, the Acceptance of the natural gas franchise granted by Ordinance No. 512 of the City of Jefferson, Iowa, and that the foregoing is a true copy of said Acceptance so signed.

Dated at Jefferson, Iowa, this 10<sup>th</sup> day of June, 2009

City Clerk of the City of Jefferson, Iowa

(SEAL)