PIPELINE ROUTING PERMIT

For A

NATURAL GAS PIPELINE

IN

ANOKA AND HENNEPIN COUNTIES

ISSUED TO

CENTERPOINT ENERGY RESOURCES CORP.

D/B/A

CENTERPOINT ENERGY MINNESOTA GAS

PUC DOCKET No. G-008/GP-06-426

In accordance with the requirements of Minnesota Statutes section 116I.015 and Minnesota Rules Chapter 4415, this Pipeline Routing Permit is hereby issued to:

CENTERPOINT ENERGY RESOURCES CORP.
D/B/A
CENTERPOINT ENERGY MINNESOTA GAS

CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy is authorized by this permit to construct and operate approximately 16.3 miles of new 20-inch (outside diameter) natural gas pipeline and associated facilities in Anoka and Hennepin Counties along the route identified in this Routing Permit and in compliance with the conditions contained in this Permit.

Dated: 7-28-06

BY THE ORDER OF THE COMMISSION

BURL A. HAAR
Executive Secretary

(SEAL)

I. PIPELINE ROUTING PERMIT

The Public Utilities Commission (PUC) hereby issues this Pipeline Routing Permit to the CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas (hereinafter "the Permittee") pursuant to Minnesota Statutes section 116I.015 and Minnesota Rules, Chapter 4415 to construct and operate a natural gas pipeline and associated facilities approximately 16.3 miles long that will begin at the Northern Natural Gas (Northern Natural) Town Border Station (TBS) at the intersection of 148th Lane NW and Prairie Road in Andover pass through Coon Rapids, and Fridley (Anoka County) and end at the Xcel Energy Riverside Generating facility on the east shore of the Mississippi River near downtown Minneapolis (Hennepin County). As shown in Exhibit 1.

The proposed pipeline will have an outside diameter of 20-inches and an operating pressure of 550 pounds per square inch gauge (psig). The pipeline will be buried underground and primarily within existing rights-of-way in the cities of: Andover, Coon Rapids, and Fridley (Anoka County); and Minneapolis (Hennepin County).

II. PROJECT DESCRIPTION

The natural gas pipeline authorized to be constructed in this Permit consists of approximately 16.3 miles of new 20-inch outside diameter steel pipe to transport natural gas. The proposed natural gas pipeline and associated facilities are designed to have a maximum capacity of 100.0 million cubic feet per day (Mcdf) The minimum throughput design is 0.0 Mcfd. The normal operating pressure of the pipeline and associated facilities will be 550 pounds per square inch gauge (psig). The maximum allowable operating pressure (MAOP) for the pipeline and associated facilities will be 650 psig. The pipeline is more specifically described in the CenterPoint Energy Riverside Pipeline Project Application for Pipeline Routing Permit dated April 6, 2006.

III. DESIGNATED ROUTE

The pipeline route designated by the Public Utilities Commission by this Permit is described as follows:

The authorized route is shown on the map attached hereto as Exhibit 1 and described as follows:

The pipeline will originate at the existing Northern Natural facility located on Prairie Road in Andover. The pipeline will traverse north approximately 200 feet to 148th Lane NW. The pipeline will then go west along the 148th Lane NW right-of-way for approximately 2,500 feet. The pipeline will continue west for approximately 600 feet until reaching the Burlington Northern Santa Fe Railroad right-of-way. The pipeline will then traverse south generally outside but adjacent to the railroad right-of-way for approximately 11.4 miles. Next, the pipeline will go west approximately 600 feet to the intersection of Island Park Drive NE and East River Road.

The pipeline will continue south along the west side of East River Road for approximately 4.1 miles until reaching the Xcel Riverside Power Plant facility.

The maximum width of the route will be limited to no more than 500 feet, or 250 feet on either side of the proposed centerline, with the exception of those areas identified in Exhibit 2.

The route width variations identified in Exhibit 2 may be necessary for the company to overcome potential site specific constraints. These constraints may arise from any of the following:

1. Unforeseen circumstances encountered during the detailed engineering and design process

2. Other permitting authorities

3. Existing infrastructure within the pipeline route, including but not limited to railroads, natural gas transmission pipelines, high voltage electric transmission facilities, or sewer lines.

IV. RIGHT-OF-WAY SELECTION

The designated route includes a variable width of up to 500 feet, except as noted in Exhibit 2, within which the actual right-of-way for the pipeline can be selected by the Permittee in order to accommodate landowner requests and to minimize impacts. CenterPoint anticipates using its existing right-of-way to the extent possible.

V. REVIEW OF PLAN AND PROFILE AND RIGHT-OF-WAY SPECIFICATIONS

At least 14 days before right-of-way preparation begins on any segment of the pipeline, the Permittee shall provide the PUC with a plan and profile of the right-of-way and the specifications and drawings for right-of-way preparation, construction, cleanup, and restoration for the segment for which construction is scheduled. The Permittee may not commence construction until the 14 days has expired or until the PUC has advised the Permittee that it has completed its review of the plan and profile and specifications and drawings. If the Permittee intends to make any significant changes in its plan and profile or the specifications and drawings for right-of-way preparation, construction, cleanup, and restoration after review by the PUC, the Permittee shall notify the PUC at least five days before implementing the changes. The Permittee shall also provide the Minnesota Office of Pipeline Safety with the information it gives the PUC. The Permittees plan and profile and specifications and drawings, shall become a condition of the Permit and shall be complied with by the Permittee.

VI. PERMIT DISTRIBUTION

The Permittee shall, within 10 days of receipt of this pipeline routing permit from the PUC, send a copy of the permit to the office of each regional development commission of a development region, soil and water conservation district, watershed district, watershed management district office, office of the auditor of each county, and clerk of each city and township crossed by the designated route. At least five days before commencing construction of the pipeline on a landowner's property, the Permittee shall provide a copy of this pipeline routing permit to the landowner. (Minnesota Rules part 4415.0175, subp. 2).

VII. PERMIT CONDITIONS

The following conditions apply to pipeline right-of-way preparation, construction, cleanup, and restoration.

A. CONSTRUCTION PRACTICES

1. The Permittee shall comply with those practices set forth in its application for right-of-way preparation, construction, cleanup and restoration for the new pipeline.

2. Following completion of construction, the Permittee shall clean up the right-of-way and all premises on which pipeline construction activities were conducted. This shall include, but not be limited to removal of debris, fence repair, removal of temporary road and ditch crossings, additional grading to correct for soil settling and seeding of the right-of-way as required by permit conditions or agency permits.

3. The Permittee shall restore the work area as quickly as possible after installation of the pipe.

4. The Permittee shall comply with applicable state rules and regulations.

5. The Permittee shall clear the right-of-way only to the extent necessary to assure suitable access for construction, safe operation, and maintenance of the pipeline.

6. The Permittee shall stabilize stream banks disturbed by pipeline construction with vegetation using native plant species indigenous to the area or by other methods required by applicable state or federal permits or laws.

7. Precautions shall be taken by the Permittee to protect and segregate topsoil in cultivated lands unless otherwise negotiated with the affected landowner.

8. Compaction of cultivated lands by the Permittee must be kept to a minimum and confined to as small an area as practicable.

9. Precautions to protect livestock and crops must be taken by the Permittee unless otherwise negotiated with the affected landowner.

10. All appropriate precautions to protect against pollution of the environment must be taken by the Permittee.

11. All waste and scrap that is the product of the pipeline construction process must be removed or properly disposed of before construction ends.

12. Cleanup of personal litter, bottles, and paper deposited by right-of-way preparation and construction crews must be done on a daily basis.

13. The Permittee shall repair or replace all drainage tiles broken or damaged during right-of-way preparation, construction, and maintenance activities, unless otherwise negotiated with the affected landowner.

14. The Permittee shall repair private roads and lanes damaged when moving equipment or when obtaining access to the right-of-way, unless otherwise negotiated with the affected landowner.

15. The permittee shall replace or repair all fences and gates removed or damaged as a result of right-of-way preparation, construction, and restoration activities, unless otherwise negotiated with the affected landowner.

16. Shelterbelts and trees must be protected by the Permittee to the extent possible in a manner compatible with the safe operation, maintenance, and inspection of the pipeline.

17. The Permittee shall, to the extent possible, restore the area affected by the pipeline to the natural conditions that existed immediately before construction of the pipeline. Restoration must be compatible with the safe operation, maintenance, and inspection of the pipeline.

B. COMPLIANCE WITH STATE AGENCIES

The Permittee shall comply with all terms and conditions of permits or licenses issued by any State Agency as identified in the Route Permit Application.

C. COMPLIANCE WITH COUNTY, CITY OR MUNICIPAL PERMITS

The Permittee shall comply with all terms and conditions of permits or licenses issued by the Cities of Andover, Coon Rapids, Fridley and Minneapolis.

D. COOPERATION WITH ENTITIES HAVING EXISTING EASEMENTS AND INFRASTRUCTURE IN THE PIPELINE ROUTE

The Permittee shall cooperate with all entities that have existing easements or infrastructure within the pipeline route to ensure minimal disturbance to existing or planned developments.

E. ARCHAEOLOGICAL SURVEY

The Permittee shall work with the Minnesota Historical Society prior to commencing construction to determine whether an archaeological survey will be necessary for any length of the proposed pipeline. The Permittee shall mark and preserve any archaeological sites that are found during construction and shall promptly notify the Minnesota Historical Society (MHS) and the PUC of such discovery. The Permittee shall not excavate at such locations until so authorized by the Minnesota Historical Society.

F. ACCESS TO PROPERTY FOR CONSTRUCTION

1. The Permittee shall obtain all necessary permits authorizing access to public rights-of-way.

2. The Permittee shall obtain approval of the landowners for access to private property.

3. The Permittee shall work with property owners to identify and address any special problems the landowners may have that are associated with the pipeline.

G. COMPLAINTS

1. The Permittee shall establish a complaint reporting procedure in accordance with the requirements of Attachment 1 to this permit prior to commencing construction. The Permittee shall advise the PUC in writing when such procedure has been established.

2. The Permittee shall advise the PUC in writing of any substantial complaints received by the Permittee during the course of construction that are not resolved within 30 days of the complaint.

I. PERMIT AMENDMENT

The Permittee may apply to the PUC for an amendment of the route designation or to any of the permit conditions in accordance with the requirements and procedures of Minn. Rules part 4415.0185.

J. PERMIT MODIFICATION OR SUSPENSION

This permit may be modified or suspended in accordance with the requirements of Minnesota Rules part 4415.0205 at any time a modification or suspension is warranted.

VIII. TERMINATION OF PUC JURISDICTION OVER THE PIPELINE

Upon determination by the Permittee that it has completed construction of the pipeline and restored the land in accordance with all permit conditions and agreements with landowners, the Permittee shall file with the PUC a written certification that the permitted pipeline construction has been completed in compliance with all permit conditions. The certification shall be considered by the PUC within 60 days of its filing. The PUC shall accept or reject the certification of completion and make a final determination regarding costs or reimbursements due. If the PUC rejects the certification, it shall inform the Permittee in writing of which deficiencies, if corrected, will allow the certification to be accepted. When corrections of the deficiencies are completed, the Permittee shall notify the PUC, and the PUC shall reconsider the certification at its next regularly scheduled meeting, provided the notification is received at least 20 days before the meeting. After acceptance of the certification by the PUC, the PUC's jurisdiction over the Permittees pipeline routing permit shall be terminated. (Minnesota Rules part 4415.0207).

ATTACHMENT 1

MINNESOTA
PUBLIC UTILITIES COMMISSION
COMPLAINT REPORT PROCEDURES FOR PIPELINES

1. Purpose

To establish a uniform and timely method of reporting complaints received by the permittee concerning the permit conditions for right-of-way preparation, construction, cleanup and restoration, and resolution of such complaints.

2. Scope

This reporting plan encompasses complaint report procedures and frequency.

3. Applicability

The procedures shall be used for all complaints received by the permittee.

4. Definitions

Complaint - A statement presented by a person expressing dissatisfaction, resentment, or discontent as a direct result of pipeline right-of-way preparation, construction, cleanup and restoration. Complaints do not include requests, inquiries, questions, or general comments.

Substantial Complaint - Any complaints submitted to the permittee in writing that, if substantiated, could result in permit modification or suspension pursuant to the applicable regulations.

Person - An individual, partnership, joint venture, private or public corporation, association, firm, public service company, cooperative, political subdivision, municipal corporation, government agency, public utility district, or any other entity, public or private, however organized.

5. Responsibilities

Everyone involved with pipeline right-of-way preparation, construction, cleanup and restoration is responsible to ensure expeditious and equitable resolution of all complaints. It is therefore, necessary to establish a uniform method for documenting and handling complaints directed to this project. The following procedures will satisfy this requirement:

A. The permittee shall document all complaints by maintaining a record of all applicable information concerning the complaint, including the following:

1. Name of the permittee and project.
2. Name of complainant, address and phone number.
3. Precise property description or tract number (where applicable).
4. Nature of complaint.
5. Response given.
6. Name of person receiving complaint and date of receipt.
7. Name of person reporting complaint to the PUC and phone number.
8. Final disposition and date.

B. The permittee shall assign an individual to summarize complaints for transmittal to the PUC.

6. Requirements

The permittee shall report all complaints to the PUC according to the following schedule:

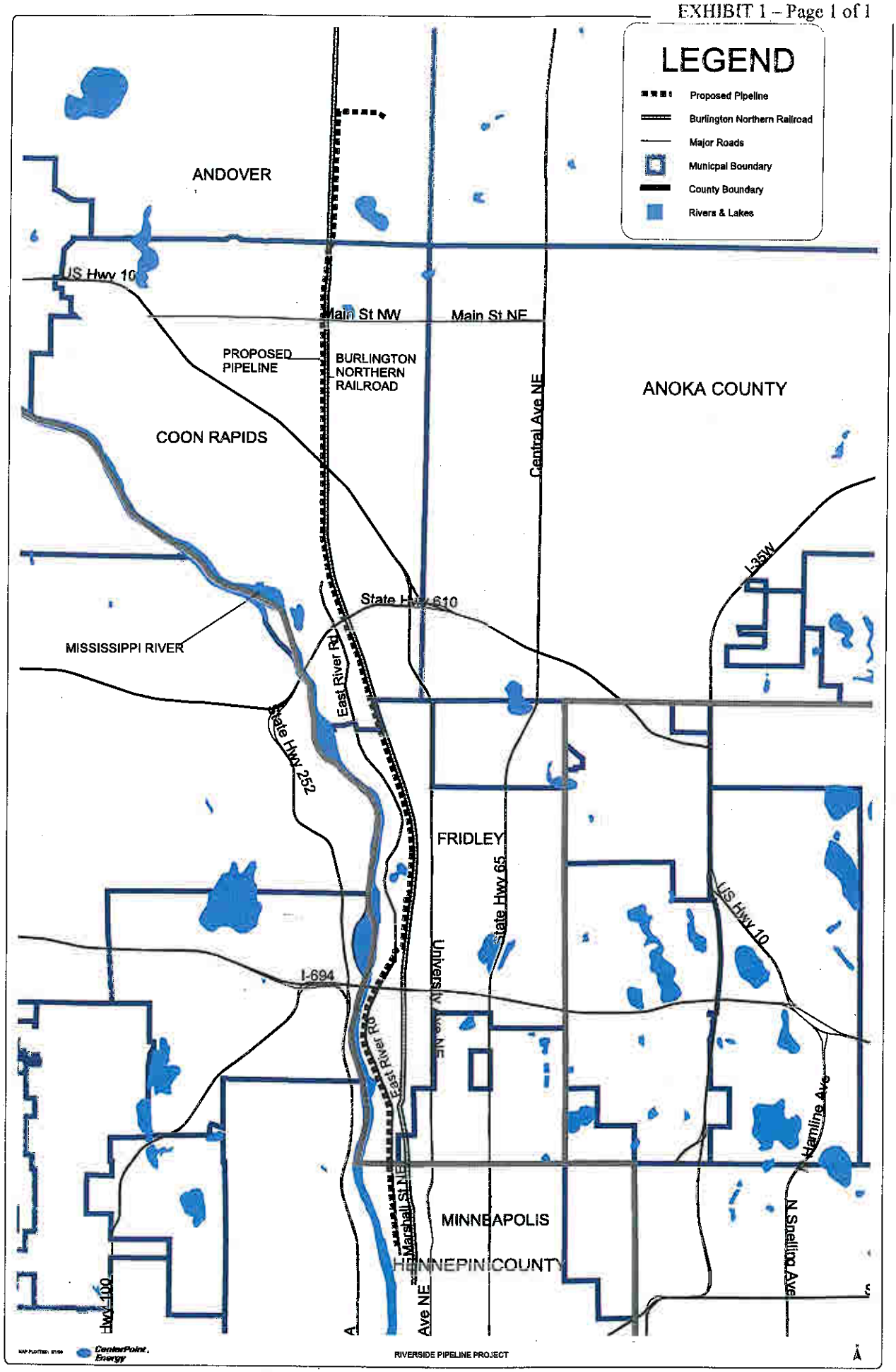
Immediate Reports - All substantial complaints shall be reported to the PUC by phone the same day received or on the following working day for complaints received after working hours. Such reports are to be directed to Pipeline Permit Compliance, 651-296-5089.

Monthly Reports

By the 15th of each month, a summary of all complaints, including substantial complaints received or resolved during the proceeding month, and a copy of each complaint shall be sent to Pipeline Permit Compliance, Minnesota Department of Commerce, 85 7th Place East, Suite 500, St. Paul, MN 55101.

7. Complaints Received by the PUC

Copies of complaints received directly by the PUC from aggrieved persons regarding pipeline right-of-way preparation, construction, cleanup and restoration shall be promptly sent to the permittee.


LEGEND
Proposed Pipeline
Burlington Northern Railroad
Major Roads
Municpal Boundary
County Boundary
Rivers & Lakes
ANDOVER
US Hwy 10
Main St NW
Main St NE
PROPOSED PIPELINE
BURLINGTON NORTHERN RAILROAD
ANOKA COUNTY
COON RAPIDS
Central Ave NE
I-35W
State Hwy 610
MISSISSIPPI RIVER
East River Rd
State Hwy 252
FRIDLEY
State Hwy 65
US Hwy 10
I-694
University Ave NE
East River Rd
Hamline Ave
Marshall St NE
MINNEAPOLIS
HENNEPIN COUNTY
N Snelling Ave
Hwy 100
Ave NE
RIVERSIDE PIPELINE PROJECT
CenterPoint Energy

Map Location Label	Location	Requested Route Corridor Width	Explanation
Area A	North end of route – City of Andover	Approximately 2500 foot by 3800 foot area defined as follows: 200 ft east of Prairie Road; 250 ft north of 148th Lane NW; 250 ft west of the proposed pipeline route; and 100 ft south of Andover Blvd. NW	Provide CenterPoint Energy with the flexibility to modify the route from the interconnect with Northern Natural to the railroad corridor.
Area B	Bunker Hills Regional Park – From Bunker Lake Blvd to 600 ft north of Main Street	500 ft on either side of the proposed pipeline route.	Allow for route variations within the county park in the event that protected plants or other construction constraints are identified within the proposed pipeline right-of-way.
Area C	From 600 ft north of Main Street to 121st Street	600 ft to the west of the proposed pipeline route and 250 ft to the east of the proposed pipeline route.	Allow for route adjustments along an Xcel Energy electric transmission line.
Area D	State Highway 10 Crossing – 800 ft north of Highway 10 to Egret Street.	500 ft to the west of the proposed pipeline route and 250 ft east of the proposed pipeline route.	Allow for adjustments to the State Highway 10 crossing, and the crossings of the meandering Coon Creek.
Area E	I-694 Crossing – From 61st Ave. NE to 600 ft south of I-694.	500 ft to the west of the proposed pipeline route and 1500 ft to the east of the proposed pipeline route.	Allow for adjustments to the I-694 crossing based on engineering and survey data, as well as requirements of Mn/DOT.
Area F	East River Road - From 600 ft south of I-694 to the south endpoint of the pipeline route.	250 ft to the west of the proposed pipeline route and 350 ft to the east of the proposed pipeline route.	Allow for the possibility of locating the pipeline on the east side of East River Road.

145th Lane NW
145th Lane NW
Area A
Area B
Match Line
MAP KEY
CenterPoint Energy
RIVERSIDE PIPELINE PROJECT

Bunker Lake Blvd NW
Area B
Match Line
Main St NW
Area C
MAP KEY
CenterPoint Energy
RIVERSIDE PIPELINE PROJECT

Mainline
Northdale Blvd
Area D
Match Line
MAP KEY
CenterPoint Energy
RIVERSIDE PIPELINE PROJECT

Coon Rapids Blvd
Foley Blvd NW
State Hwy 610
East River Rd
85th Ave
MAP KEY
CenterPoint Energy
RIVERSIDE PIPELINE PROJECT

81st Ave NE
79th Ave NE
73rd Ave NE
MAP KEY
CenterPoint Energy
RIVERSIDE PIPELINE PROJECT

Match Line
Mississippi St
Area E
F694
Area F
Match Line
MAP KEY
CenterPoint Energy
RIVERSIDE PIPELINE PROJECT

Match Line
Area F
CenterPoint Energy
RIVERSIDE PIPELINE PROJECT