

DRAFT

**CITY OF WOODBURY
WASHINGTON COUNTY, MINNESOTA**

ORDINANCE NO. TO BE DETERMINED

An Ordinance of the City of Woodbury, Washington County, Minnesota Creating Chapter 9 – Franchises, Section 9-5 Implementing Gas Service Franchise Fee on Northern States Power Company, A Minnesota Corporation, Its Successors and Assigns, for Providing Gas Service Within the City of Woodbury

THE CITY COUNCIL OF THE CITY OF WOODBURY, WASHINGTON COUNTY, MINNESOTA DOES ORDTAIN:

The City of Woodbury Municipal Code is hereby amended to create Chapter 9 - Franchises, Section 9-5 – Northern States Power Company- Gas Franchise Fee:

Section 9-5 – Northern States Power Company – Gas Franchise Fee

(a) **Purpose.** The Woodbury City Council has determined that it is in the best interest of the City to impose a franchise fee on those public utility companies that provide gas services within the City of Woodbury.

(1) Pursuant to City Ordinance _____, a Franchise Agreement between the City of Woodbury and Northern States Power Company, a Minnesota corporation, its successors and assigns, the City has the right to impose a franchise fee on Northern States Power Company, a Minnesota corporation, its successors and assigns in the fee schedule attached hereto as Schedule A.

(b) **Franchise Fee Statement.**

A franchise fee is hereby imposed on Northern States Power Company, a Minnesota Corporation, its successors and assigns, under its gas franchise in accordance with the schedule attached here to and made a part of this Ordinance, commencing with the January, 2022 billing month.

This fee is an account-based fee on each premise and not a meter-based fee. In the event that an entity covered by this ordinance has more than one meter at a single premise, but only one account, only one fee shall be assessed to that account. If a premise has two or more meters being billed at different rates, the Company may have an account for each rate classification, which will result in more than one franchise fee assessment for gas service to that premise. If the Company combines the rate classifications into a single account, the franchise fee assessed to the account will be the largest franchise fee applicable to a single rate classification for energy delivered to that premise. In the event any entities covered by this ordinance have more than one premise, each premise (address) shall be subject to the appropriate fee. In the event a question arises as to the proper fee amount for any premise, the Company’s manner of billing for energy used at all similar premises in the City will control.

(c) **Payment.** The said franchise fee shall be payable to the City in accordance with the terms set forth in the Franchise.

(d) **Enforcement.** Any dispute, including enforcement of a default regarding this ordinance will be resolved in accordance with the Franchise Agreement.

(3) **Effective Date of Franchise Fee.** The effective date of this Ordinance shall be after its publication and ninety (90) days after the sending of written notice enclosing a copy of this adopted Ordinance to NSPM by certified mail. Collection of the fee shall commence as provided above.

This Ordinance was declared duly passed and adopted and was signed by the Mayor and attested to by the City Administrator this 11th day of August, 2021.

Anne W. Burt, Mayor

Attest:

Clinton P. Gridley, City Administrator

(SEAL)

SCHEDULE A

Franchise Fee Rates:

Gas Utility

The franchise fee shall be in an amount determined by applying the following schedule per customer premise/per month based on metered service to customers within the City:

<u>Class</u>	<u>Amount per month</u>
Residential	\$ 1.75
Commercial Firm Non-Demand	\$ 10.00
Commercial Firm Demand	\$100.00
Small Interruptible	\$ 90.00
Medium and Large Interruptible	\$ 55.00
Firm Transportation	\$ n/a
Interruptible Transportation	\$ n/a

Franchise fees are submitted to the City on a quarterly basis as follows:

January – March collections due by April 30.

April – June collections due by July 31.

July – September collections due by October 31.

October – December collections due by January 31.