

**City of South St. Paul
Dakota County, Minnesota**

Ordinance No. 1328

**AN ORDINANCE REGARDING A GAS FRANCHISE FEE ON NORTHERN STATES
POWER COMPANY, D/B/A XCEL ENERGY, ITS SUCCESSORS AND ASSIGNS, FOR
PROVIDING GAS SERVICE WITHIN THE CITY OF SOUTH ST. PAUL**

WHEREAS, the City Council has a Gas Franchise Agreement (“Franchise Agreement”) with Northern States Power Company, D/B/A Xcel Energy which requires the actual fees to be set by separate ordinance.

THE CITY COUNCIL OF THE CITY OF SOUTH ST. PAUL DOES ORDAIN:

SECTION 1. The South St. Paul 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 South St. Paul. Subject to the provisions of the franchise agreement, the franchise fee is paid as full compensation for the right to transmit and furnish gas energy for light, heat, power and other purposes for public and private use within and throughout the City.

A. FRANCHISE FEE STATEMENT. Pursuant to Section 9.2 of the Franchise Agreement, a franchise fee hereby imposed on Northern States Power, D/B/A Xcel Energy, its successors and assigns, shall be as follows:

1. The Gas Franchise Fees shall be 5.0% of gross earnings, as defined in the Franchise Agreement, effective as of April 1, 2018.

The 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.

B. PAYMENT. The franchise fee shall be payable to the City in accordance with the terms set forth in Section 9 of the Franchise Agreement.

C. SURCHARGE. The City recognizes that the Minnesota Public Utilities Commission may allow Northern States Power Company, D/B/A Xcel Energy to add a surcharge to customer rates of city residents to reimburse Northern States Power Company, D/B/A Xcel Energy for the cost of the fee.

D. ENFORCEMENT. Any dispute, including enforcement of a default regarding this ordinance will be resolved in accordance with Section 2.5 of the Franchise Agreement.

SECTION 2. UNCODIFIED. This ordinance shall not be codified into the City Code.

SECTION 3. SUMMARY PUBLICATION. Pursuant to Minnesota Statutes Section 412.191, in the case of a lengthy ordinance, a summary may be published. While a copy of the entire ordinance is available without cost at the office of the City Clerk, the following summary is approved by the City Council and shall be published in lieu of publishing the entire ordinance:

Effective April 1, 2018, the City approves an increase in the gas franchise fee to be charged to Xcel Energy's customers that reside within the City from 4% to 5% of Xcel Energy's gross earnings.

SECTION 4. EFFECTIVE DATE OF ORDINANCE. This ordinance shall become effective after its publication and ninety (90) days after the sending of written notice enclosing a copy of this adopted ordinance to Xcel Energy by certified mail. Collection of the fee shall commence as provided above.

Approved: December 4, 2017

Published: December 10, 2017

Christy Wilcox, City Clerk