

CITY OF LAKE ELMO  
WASHINGTON COUNTY  
STATE OF MINNESOTA

ORDINANCE NO. 2025-07

AN ORDINANCE IMPLEMENTING A GAS SERVICE FRANCHISE FEE ON NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION, ITS SUCCESSORS AND ASSIGNS, FOR PROVIDING GAS SERVICE WITHIN THE CITY OF LAKE ELMO

THE CITY COUNCIL OF THE CITY OF LAKE ELMO DOES ORDAIN:

**SECTION 1.** The Municipal Code is hereby amended to include reference to the following Special Ordinance.

**Subd. 1. Purpose.** The Lake Elmo 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 natural gas services within the City.

- (a) Pursuant to City Ordinance 2025-04, a Franchise Agreement between the City of Lake Elmo 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 an amount as set forth in the fee schedule attached hereto as Schedule A.

**Subd. 2. 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 NSPM June, 2025 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.

**Subd. 3. Payment.** The said franchise fee shall be payable to the City in accordance with the terms set forth in Section 9 of the Franchise.

**Subd. 4. Surcharge.** The City recognizes that the Minnesota Public Utilities Commission may allow Company to add a surcharge to customer rates of city residents to reimburse Company for the cost of the fee.

**Subd. 5. Enforcement.** Any dispute, including enforcement of a default regarding

this ordinance will be resolved in accordance with Section 2.5 of the Franchise Agreement.

**Subd. 6. Effective Date of Franchise Fee.** This Ordinance shall be after its passage and publication. Collection of the fee shall commence as provided in above.

Passed and approved: March 4, 2025.

  
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Charles Cadenhead, Mayor

Attest:

  
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Julie Johnson, City Clerk

SEAL

SCHEDULE A

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**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 retail customers within the City:

<u>Class</u>	<u>Amount per month</u>
Residential	\$ 2.00
Commercial Firm Non-Demand	\$ 8.00
Commercial Firm Demand	\$ 18.00
Small Interruptible	\$ 80.00
Medium and Large Interruptible	\$ 175.00
Firm Transportation	\$ 175.00
Interruptible Transportation	\$ 175.00

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.