

Ordinance No. _____

**Ordinance implementing a natural gas franchise fee
on Centerpoint Energy Resources Corporation
d/b/a Centerpoint Energy Minnesota Gas (“Centerpoint Energy”),
its successors and assigns, for providing gas service
within the City of St. Louis Park**

The City of St. Louis Park does ordain:

SECTION 1. The City of St. Louis Park Municipal Code is hereby amended to include reference to the following special ordinance.

Subd. 1. Purpose. The St. Louis Park 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 St. Louis Park.

- (a) Pursuant to city ordinance 2507-16, a franchise agreement between the City of St. Louis Park and CenterPoint Energy Resources Corporation d/b/a CenterPoint Energy Minnesota Gas, its successors and assigns, the city has the right to impose a franchise fee on CenterPoint Energy in an amount and fee design as set forth in Section 8 of the CenterPoint Energy Resources Franchise and in the fee schedule attached hereto as Schedule A.

Subd. 2. Franchise fee statement. A franchise fee is hereby imposed on CenterPoint Energy, its successors and assigns, under its natural gas franchise in accordance with the schedule attached here to and made a part of this ordinance, commencing with the CenterPoint Energy June, 2019 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 natural 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, consistent with the Minnesota Public Utility Commission’s March 23, 2011 Order establishing franchise fee filing requirements in Docket No. E,G999/CI-09-970.

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. 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 CenterPoint Energy by certified mail. Collection of the fee shall commence as provided above.

First reading of ordinance	01/22/2019
Second reading of ordinance	02/04/2019
Date of publication	02/14/2019
Utilities begin collection	06/01/2019

Reviewed for Administration

Adopted by the city council January 22, 2019

Thomas K. Harmening, City Manager

Jake Spano, Mayor

Attest:

Approved as to form and execution:

DRAFT

Melissa Kennedy, City Clerk

Soren Mattick, City Attorney

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 retail customers within the City:

<u>Class</u>	<u>Amount per month</u>
Residential	\$5.50
Commercial B	\$10.00
Commercial C	\$46.50
SVDF A& B	\$46.50
LVDF	\$146.50

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.