

**ORDINANCE NO. 20-\_\_\_**

**AN ORDINANCE IMPLEMENTING AN ELECTRIC SERVICE FRANCHISE FEE ON CROW WING COOPERATIVE POWER AND LIGHT COMPANY, A MINNESOTA CORPORATION, D/B/A CROW WING POWER, ITS SUCCESSORS AND ASSIGNS, FOR PROVIDING ELECTRIC SERVICE WITHIN THE CITY OF PEQUOT LAKES.**

**THE CITY COUNCIL OF THE CITY OF PEQUOT LAKES DOES ORDAIN THAT:**

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

**Subd. 1. Purpose.** The Pequot Lakes City Council has determined that it is in the best interest of the City of Pequot Lakes (the “City”) to impose a franchise fee on those public utility companies that provide electric services within the City.

- (a) Pursuant to City Ordinance 20-\_\_\_, a Franchise Agreement (the “Franchise Agreement”) between the City and Crow Wing Cooperative Power And Light Company, a Minnesota corporation, d/b/a Crow Wing Power, its successors and assigns (the “Company”), the City has the right to impose a franchise fee on the Company, in an amount and fee design as set forth in Section 9 of the above-referenced Franchise Agreement and in the fee schedule attached hereto as Schedule A.

**Subd. 2. Franchise Fee Statement.** A franchise fee is hereby imposed on the Company under its electric franchise in accordance with the schedule attached hereto and made a part of this Ordinance as Schedule A, commencing with the Company’s \_\_\_\_\_, 20\_\_\_ 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 electric 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 Agreement. The Company shall make each payment when due. If required by the City, the Company shall provide at the time of each payment a statement summarizing how the franchise fee payment was determined, including information showing any adjustments to the total surcharge billed in the period for which the payment is being made to account for any uncollectibles, refunds or error corrections.

**Subd. 4. Surcharge.** The City recognizes that the Board of Directors may allow the Company to add a surcharge to customer rates of City residents to reimburse the 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.** 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 the Company by certified mail. Collection of the fee shall commence as provided above.

Passed and adopted by the City Council of the City of Pequot Lakes this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
James Tayloe, Mayor

ATTEST:

\_\_\_\_\_  
Nancy Malecha, City Administrator

## SCHEDULE A

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### **Franchise Fee Rates:**

Electric Utility

The franchise fee shall be in an amount determined by applying the following fee 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	\$1.00
Commercial Non-Demand	\$1.00
Commercial Demand	\$1.00
Irrigation	\$1.00
Time of Use	\$1.00

Franchise fees are to be collected by the Company at the rate listed above and 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.