Ordinance No. 2018-15

An Ordinance increasing the electric franchise fee on Northern States Power Company for providing electric energy service within the City of Minnetonka

The City of Minnetonka Ordains:

Section 1. Background. On Aug. 10, 1998, the Minnetonka City Council adopted Ordinance No. 1998-15 ("Franchise Ordinance"), granting an electric franchise to Northern States Power Company ("Company"). The Franchise Ordinance allows the City of Minnetonka to impose a franchise fee in the form of a fee per metered service.

Section 2. Existing Franchise Fee. By Ordinance No. 2005-04, the City of Minnetonka established a franchise fee for the electric franchise. The city council increased the fee by Ordinance No. 2007-29.

Section 3. Change to Franchise Fee. The city council has determined that an increase in the franchise fee is appropriate, commencing with the Company's Jan. 1, 2019 billing month. The amount of the fee will be in accordance with the following schedule:

<table>
<thead>
<tr>
<th>Customer Classification</th>
<th>Amount per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>$ 4.50</td>
</tr>
<tr>
<td>Small C&amp;I - Non-Demand</td>
<td>$ 4.50</td>
</tr>
<tr>
<td>Small C&amp;I - Demand</td>
<td>$13.50</td>
</tr>
<tr>
<td>Large C&amp;I</td>
<td>$45.00</td>
</tr>
<tr>
<td>Street Lighting</td>
<td>$ 0.00</td>
</tr>
<tr>
<td>Municipal Pumping – Non-Demand</td>
<td>$ 4.50</td>
</tr>
<tr>
<td>Municipal Pumping – Demand</td>
<td>$ 4.50</td>
</tr>
</tbody>
</table>

Section 4. Account Fee. This fee is an account based fee and not a meter-based fee. In the event that an entity covered by this ordinance has more than one meter, but only one account, only one fee shall be assessed to that account. In the event any entities covered by this ordinance have more than one account, each account shall be subject to the appropriate fee. In the event a question arises as to the proper fee amount for any account, the highest possible fee amount shall apply.

Section 5. Payment and Modification. The franchise fee shall be payable quarterly in accordance with Section 9.4 of the Franchise Ordinance. The franchise fee may be increased or decreased by ordinance from time to time, in accordance with Section 9.2 of the Franchise Ordinance.

Section 6. Disputes. Any dispute, including enforcement of a default regarding this ordinance will be resolved in accordance with Section 2.5 of the Franchise Agreement.

Section 7. Effective Date of Franchise Fee. The effective date of fee collection shall be Jan. 1,
2019 or ninety (90) days after the City sends written notice enclosing a copy of this adopted Ordinance to the Company by certified mail, whichever date is later.

Section 8. Effective Date of Ordinance. This ordinance becomes effective from and after its passage and publication, in accordance with Section 3.06 of the Minnetonka City Charter.

Adopted by the city council of the City of Minnetonka, Minnesota, on Sept. 17, 2018.

Brad Wiersum, Mayor

Attest:

David E. Maeda, City Clerk

Action on this Ordinance:

Date of introduction: Aug. 27, 2018
Date of adoption: Sep. 17, 2018
Motion for adoption: Bergstedt
Seconded by: Schack
Voted in favor of: Acomb-Schack-Bergsted-Ellingson-Wiersum
Voted against: Happe
Abstained: None
Absent: Calvert
Ordinance adopted.

Date of publication: Apr. 27, 2018

I certify that the foregoing is a true and correct copy of an ordinance adopted by the city council of the City of Minnetonka, Minnesota, at a meeting held on Sept. 17, 2018.

David E. Maeda, City Clerk

The stricken language is deleted; the underlined language is inserted.