

ORDINANCE #20-11

**CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

AN ORDINANCE IMPLEMENTING A GAS FRANCHISE FEE ON CENTERPOINT ENERGY MINNESOTA, ITS SUCCESSORS AND ASSIGNS, FOR PROVIDING GAS SERVICE WITHIN THE CITY OF RAMSEY, ANOKA COUNTY, MINNESOTA.

THE CITY OF RAMSEY ORDAINS:

SECTION 1: GAS FRANCHISE FEE

(a) *Definitions.* For the purposes of this Ordinance, the following terms shall have the following meanings:

(1) City. The City of Ramsey, County of Anoka, State of Minnesota.

(2) Company. Centerpoint Energy Minnesota, its successors and assigns.

(3) Franchise Agreement. The franchise agreement between the City and Company pursuant to City Ordinance #03-16.

(4) Notice. "Notice" means a writing served by any party or parties on any other party or parties. Notice to Company shall be mailed to Centerpoint Energy Minnesota, 505 Nicollet Mall, P.O. Box 59038, Minneapolis, Minnesota, 55459-0038.

Notice to City shall be mailed to the City Administrator, 7550 Sunwood Drive NW, Ramsey, Minnesota, 55303.

(b) *Purpose.* The Ramsey 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 and electric services within the City. Pursuant to the Franchise Agreement, the City has the right to impose a franchise fee on Company. All franchise fee revenues generated through this Ordinance shall be collected in lieu of special assessments for Pavement Management Program projects, and shall be dedicated only to Pavement Management Program projects including pavement preservation and street reconstruction projects.

(c) *Franchise Fee Statement and Schedule.* A franchise fee is hereby imposed on Company commencing with the October 1, 2020 billing month, and in accordance with the following fee schedule:

<u>Gas Utility</u> <u>Customer Classification</u>	<u>Amount per Account per Month (\$)</u>
Residential	\$ 7
Commercial/Industrial A (Up to 1,500 Therms)	\$ 10
Commercial/Industrial B (1,500-4,999 Therms)	\$ 20
Commercial/Industrial C (5,000 + Therms)	\$ 70
Small Volume, Dual Fuel A (“SVDF A”)	\$148
Small Volume, Dual Fuel B (“SVDF B”)	\$148
Institutional	\$148
Large Volume, Dual Fuel (“LVDF”)	\$800

(d) *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.

(e) *Payment.* After the initial notice period as provided in Section 1 (i) franchise fees are to be collected by the Company and submitted to the City in accordance with the following schedule:

- 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

(f) *Record Support for Payment.* The Company shall make each payment when due and, if requested by the City, shall provide a statement summarizing how the franchise fee payment was determined, including information showing any adjustments to the total made to account for any non-collectible accounts, refunds or error corrections. The Company shall permit the City, and its representatives, access to the Company’s records for the purpose of verifying such statements.

(g) *Payment Adjustments.* Payment to the City will be adjusted where the Company is unable to collect the franchise fee. This includes non-collectible accounts.

(h) *Dispute Resolution.* If either party asserts that the other party is in default in the performance of any obligation hereunder, the complaining party shall notify the other party of the default and the desired remedy. The notification shall be written. Representatives of the parties must promptly meet and attempt in good faith to negotiate a resolution of the dispute. If the dispute is not resolved within 30 days of the written notice, the parties may jointly select a mediator to facilitate further discussion. The parties will equally share the fees and expenses of this mediator. If a mediator is not used or if the parties are unable to resolve the dispute within 30 days after first meeting with the selected mediator, either party may commence an

action in District Court to interpret and enforce this Ordinance or for such other relief permitted by law.

- (i) *Effective Date of Franchise Fee.* The effective date of this Ordinance shall be after its publication and sixty (60) days or more after sending written notice enclosing a copy of this adopted Ordinance to Company by certified mail. Collection of the fee shall commence as provided above.
- (j) *Relation to Franchise Agreement.* This Ordinance is enacted in compliance with the Franchise Agreement and shall be interpreted as such.
- (k) *Commitment of Funds.* All funds collected by the City via this franchise fee shall be committed funds. The funds shall be used exclusively to fund Ramsey's Pavement Management Program. These funds may not be used for any other use.
- (l) *Periodic Review.* The City Council may review this Ordinance from time to time in whatever manner the City Administrator then determines to be appropriate, including, but not limited to, review by the City Council in either a work session or a regular session. Failure to review this Ordinance shall not in any way invalidate or limit it.
- (m) *Annual Review.* Annually, by December 14 of each respective year, the City Council will be provided an update of the franchise fees collected, expensed and balance remaining in the committed Pavement Management Program Fund.
- (n) *Rebate Program.* The City will rebate the lesser annual amount paid for franchise fees versus special assessments (those assessed beginning year 2015) over the remaining term of the special assessments, regardless if the assessment was pre-paid or is currently being paid through property taxes. Rebates will be in the form of a check to qualifying property addresses who have submitted an annual rebate application form. This rebate program applies strictly to qualifying property addresses during the effective term of their current assessment or this Ordinance, whichever expires first. If a qualifying property is sold during the effective term of their current assessment, the rebate program is no longer eligible for that respective property.

SECTION 2: EFFECTIVE DATE.

This Ordinance takes effect as provided by the City Charter. This Ordinance shall terminate five (5) years from the date passed and adopted by the City. If the termination date falls within the middle of a three-month collection period, the Ordinance shall terminate at the end of the collection period.

PASSED by the Ramsey City Council this the ____ day of _____, 20____.

Mayor

ATTEST:

City Clerk

Introduction Date:

Posting Dates:

Adoption Date:

Publication Date:

Effective Date: