

**THIS IS A DRAFT OF AN ORDINANCE TO BE PROPOSED AT THE  
SEPTEMBER 17, 2018 WAITE PARK CITY COUNCIL MEETING**

**CITY OF WAITE PARK  
ORDINANCE NO. 2018 - \_\_\_\_\_**

**AN ORDINANCE IMPLEMENTING AN ELECTRIC SERVICE FRANCHISE FEE ON  
STEARNS ELECTRIC ASSOCIATION, A MINNESOTA CORPORATION, ITS  
SUCCESSORS AND ASSIGNS, FOR PROVIDING ELECTRIC SERVICE  
WITHIN THE CITY OF WAITE PARK**

THE CITY COUNCIL OF THE CITY OF WAITE PARK DOES ORDAIN:

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

**Subd. 1. Purpose.** The Waite 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 electric services within the City of Waite Park.

(a) Pursuant to City Ordinance 2018-02, a Franchise Agreement between the City of Waite Park and Stearns Electric Association, a Minnesota corporation, its successor and assigns, the City has the right to impose a franchise fee on Stearns Electric Association, a Minnesota corporation, its successors and assigns, in an amount and fee design as set forth in Section 9 of the Stearns Electric Association Franchise and in the fee schedule attached hereto as Schedule A.

**Subd. 2. Franchise Fee Statement.** A franchise fee is hereby imposed on Stearns Electric Association, a Minnesota corporation, its successors and assigns, under its electric franchise in accordance with the schedule attached hereto and made a part of this Ordinance, commencing with the Stearns Electric Association December 1, 2018, 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.

**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.

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**Subd. 5.      Enforcement.** Any dispute, including enforcement of a default regarding this ordinance will be resolved in accordance with Section 11.2 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 Stearns Electric Association by certified mail. Collection of the fee shall commence as provided above.

Passed and approved: \_\_\_\_\_, 2018.

CITY OF WAITE PARK

By \_\_\_\_\_  
Richard E. Miller, Mayor

ATTEST:

By \_\_\_\_\_  
Shaunna Johnson, City Administrator

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**SCHEDULE A**

**Franchise Fee Rates:**

Electric 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:

General Service Rate or EnergyWise Rate - Residential	\$4.00
Large Commercial (Interruptible Three Phase or Large C&I)	\$109.00
Small Commercial (Interruptible Single Phase or Small C&I)	\$109.00
Irrigation - Commercial (and Seasonal W/Demand)	\$109.00
Small Three Phase - Commercial (<50kW) (Small C&I No Demand)	\$6.75
Security Lighting - Commercial	\$0.00

Franchise fees are submitted to the City at least quarterly 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