

**CITY OF OAKDALE
ORDINANCE NO. 908**

**SETTING A FRANCHISE FEE ON ELECTRIC OPERATIONS WITHIN THE CITY OF OAKDALE –
NORTH SAINT PAUL MUNICIPAL ELECTRIC UTILITY**

Subdivision 1. Purpose. The Oakdale 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 of Oakdale.

(a) Pursuant to City Ordinance No. 907, a Franchise Agreement between the City and North Saint Paul Municipal Electric Utility (“Municipal”), the City has the right to impose a franchise fee on Municipal in amount and fee design as set forth in Section 9 of the Franchise and in Subdivision 8 of this Ordinance.

Subdivision 2. Franchise Fee Statement. A franchise fee is hereby imposed on Municipal under its Electric Franchise in accordance with the schedule attached hereto and made a part of this ordinance, commencing with Municipal’s January 2024 billing month.

Subdivision 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 and this Ordinance.

Subdivision 4. Surcharge. The City recognizes that Municipal may surcharge its customers in the City in the amount of the fee.

Subdivision 5. Record Support for Payment. Municipal shall make each payment when due and, if requested by the City, shall furnish a statement of electric usage by each customer class at the time of each payment for the period for the payment was made. Municipal shall permit the City’s designated representative reasonable access to the company’s records for the purpose of verifying such statements.

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

Subdivision 7. Effective Date of Franchise Fee and Repeal of City Code, Section 23-52. Notwithstanding the effective date of this ordinance and notwithstanding any contrary provisions in the Franchise, the effective date of the fee collected under Subdivision 2 of this ordinance is the later of ten (10) days after the publication or after the sending of written notice enclosing a copy of this adopted ordinance upon Municipal by certified mail. Upon the effective date of this Ordinance, City Code, Section 23-52 shall be repealed from the City Code and replaced by this Ordinance. It has been agreed to in advance by Municipal’s representatives that Municipal will abide by the provisions of this Subdivision 7.

Subdivision 8. Fee Schedule.

| <u>Class</u> | <u>Percent (%) of Gross Revenue Per Account</u> |
|-------------------------|---|
| Residential | 3% |
| Commercial Electric | 3% |
| Large Commercial Demand | 3% |
| Public Street Lighting | 3% |
| MuniPumping – Dem | 3% |

The term “gross revenues” means all sums, excluding the surcharge to reimburse the cost of the franchise fee as described in Subdivision 4, received by the Company from the sale of electric energy within the corporate limits of the City, subject to subsequent reconciliation for uncollectibles, refunds, and correction of erroneous billings.

Franchise fees are to be collected by the Utility in the amounts set forth in the above schedule and 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, and October-December collections due by January 31.

Voting For: Mayor Zabel, Council Members Her, Ingebrigtsen, and Morcomb;

Voting Against: Council Member Willenbring

Adopted this 10th day of October, 2023 by the Oakdale City Council.



Kevin Zabel, Mayor

Attest:

Sara J Ludwig
Sara Ludwig, City Clerk

Posted: September 29, 2023

Published: October 13, 2023