

ORDINANCE NO. 49, 4th Series

AN ORDINANCE IMPLEMENTING A GAS SERVICE FRANCHISE FEE ON NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION, D/B/A XCEL ENERGY, ITS SUCCESSORS AND ASSIGNS, FOR PROVIDING GAS SERVICE WITHIN THE CITY OF EAST GRAND FORKS, MINNESOTA

THE CITY COUNCIL OF THE CITY OF EAST GRAND FORKS DOES ORDAIN:

SECTION 1. The City of East Grand Forks Municipal Code is hereby amended to include reference to the following Special Ordinance.

Subd. 1. Purpose. The City of East Grand Forks 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 services within the City of East Grand Forks.

- (a) Pursuant to City Ordinance 48, 4th Series, a Franchise Agreement between the City of East Grand Forks and Northern States Power Company, a Minnesota corporation, d/b/a Xcel Energy, its successors and assigns, the City has the right to impose a franchise fee on Northern States Power Company, a Minnesota corporation, its successors and assigns, in an amount and fee design as set forth in Section 9 of the Northern States Power Company Franchise and in the fee schedule attached hereto as Schedule A.

Subd. 2. Franchise Fee Statement. A franchise fee is hereby imposed on Northern States Power Company, a Minnesota Corporation, its successors and assigns, under its gas franchise in accordance with the schedule attached here to and made a part of this Ordinance, commencing with the NSPM December 2025 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 gas 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.

Subd. 5. Record Support for Payment. Company shall make each payment due and, if required by the City, 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. 6. 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. 7. 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 NSP by certified mail. Collection of the fee shall commence as provided in above.

Subd. 8. Amendment Procedure. Subject to Section 9 of the Franchise Agreement, this Ordinance may be amended in accordance with the procedure set forth in Section 11 of the Franchise Agreement.

Voting Aye: Riopelle, Larson, Peterson, and Schumacher.

Voting Nay: Pokrzywinski.

Absent: Helms and Casmey.

ATTEST:

PASSED: August 19, 2025

City Administrator

President of Council

I hereby approve the foregoing Ordinance this 19th day of August, 2025.

Mayor

SCHEDULE A

Franchise Fee Rates:

Gas 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:

<u>Class</u>	<u>Amount per month</u>
Residential	\$2.75
Commercial Firm Non-Demand	\$13.00
Commercial Firm Demand	\$200.00
Small Interruptible	\$75.00

Franchise fees 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.