

**ORDINANCE NO. 836  
CITY OF CHAMPLIN  
COUNTY OF HENNEPIN  
STATE OF MINNESOTA**

**AN ORDINANCE IMPLEMENTING AN ELECTRIC ENERGY FRANCHISE FEE ON  
CONNEXUS ENERGY, A COOPERATIVE ASSOCIATION, FOR PROVIDING  
ELECTRIC ENERGY SERVICE WITHIN THE CITY OF CHAMPLIN, MINNESOTA**

THE CITY OF CHAMPLIN DOES ORDAIN:

**Section 1. Electric Franchise Fee**

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

- (1) City. The City of Champlin, County of Hennepin, State of Minnesota.
- (2) Company. Connexus Energy, a cooperative association, its successors and assigns.
- (3) Franchise Agreement. The franchise agreement between the City and Company pursuant to City Ordinance 670.
- (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 the attention of its President/Chief Executive Officer at the registered address of the Company in the records of the Minnesota Secretary of State, or to such place as Company may designate in writing. Notice to City shall be mailed to the City Clerk at 11955 Champlin Dr., Champlin, MN 55316.

(b) *Purpose.* The Champlin 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.

(c) *Franchise Fee Statement and Schedule.* Pursuant to the Franchise Agreement, the franchise fee is hereby amended to impose on Company commencing with its April 2021 customer billings and in accordance with the following fee schedule:

<u>Customer Classification / Cost Per Month</u>	<u>Current</u>	<u>Proposed</u>
Residential	<del>\$3.62</del>	\$3.98
Small C&I Non-Demand	<del>\$9.80</del>	\$10.78
Small C&I Demand	<del>\$41.21</del>	\$45.33
Large C&I	<del>\$144.24</del>	\$158.66
Public Street Lighting	<del>\$17.51</del>	\$19.26
Municipal Pumping Non-Demand	<del>\$17.51</del>	\$19.26
Municipal Pumping Demand	<del>\$17.51</del>	\$19.26

(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.* Franchise fees are to be collected by the Company and submitted to the City pursuant to Section 10.3 in the Franchise Agreement 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.

(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 the amended franchise fee in this Ordinance shall be the beginning of the billing month and ninety (90) days after written notice enclosing a copy of the adopted Ordinance has been served upon the Company by certified mail. Collection of the fee shall commence the beginning of the Company billing month as of April 1, 2021.

(j) *Relation to Franchise Agreement.* This ordinance is enacted in compliance with the Franchise Agreement and shall be interpreted as such.

(k) *Periodic Review.* The City Council may review this ordinance from time to time to determine whether the fees set hereby should be amended.

(l) *Permit Fees.* The Company will administer the collection and payment of franchise fees to the City. Said fees are not in lieu of permit fees, or other fees that may be imposed on the Company in relation to its operations as a public utility in the City.

**Section 2. Effective Date.** The effective date of this Ordinance shall be after its publication and ninety (90) days after the sending written notice enclosing a copy of this adopted Ordinance to Company by certified mail. Collection of the fee shall commence as provided above.

Passed and approved by the City Council of the City of Champlin: December 14, 2020.



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Ryan Karasek, Mayor

ATTEST:



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Roberta Colotti, CMC, City Clerk