

Section 701 - Electric Utility Franchise Fee

701.01. DEFINITIONS. For purposes of this Ordinance, the following capitalized terms shall have the following meanings:

Subd. 1. City. The City of Hopkins, County of Hennepin, State of Minnesota.

Subd. 2. Company. Xcel Energy, a Minnesota Corporation (formerly Northern States Power), its successors and assigns.

701.03. Purpose. The Hopkins City Council has determined that franchise fees should be imposed on gas and electric utilities in return for their use of City-owned rights-of-way. The purpose of this ordinance is to establish such franchise fees to be paid to the City by the Company.

701.05. City Authority. Minnesota Statutes 216B.36 grants cities the authority to impose a franchise fee on gas and electric utility services. Such fees are in return for basic right to operate within municipally-owned rights-of-way and other public property as provided in utility franchise agreements/ordinances between a city and the respective utilities operating within the municipal boundaries. In addition, City of Hopkins Franchise Ordinance 87-5 78 authorizes the City to impose, by separate ordinance, a franchise fee on the Company.

701.07. Franchise Fee Imposed. A franchise fee is hereby imposed on the Company, Xcel Energy, pursuant to City of Hopkins Franchise Ordinance 87-578 and Minnesota Statutes 216B.36 and subject to the fee schedule below.

A franchise Fee is to be collected by the Company from each customer in the designated customer classification for service at each and every customer premise, as indicated by the following schedule:

| Fee Schedule | Monthly Fee Per Customer Premise |
|-------------------------|----------------------------------|
| Customer Classification | |
| Residential | \$1.70 |
| Small C & I— non demand | \$3.35 |
| Small C & I—demand | \$15.00 |
| Large C & I | \$105.00 |

This fee is an account-based fee on each premise and not a meter-based fee. In the event that a customer of the company 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 for a single customer 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 customer of the Company covered by this ordinance has more than one premise, each premise (address) shall be subject to the applicable 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. (Amended Ord. 2011-1036)

701.09. Date Franchise Fee Takes Effect. The above utility franchise fees shall go into effect in and be applicable to all of the Company's billings commencing with bills for the month of January 2012.

701.11. Limitation. Franchise Ordinance 87-578 limits the total amount of franchise fee which may be collected to 5% of the Company's gross revenues within the City limits. So long as this limitation remains in effect, in no event shall the total of the fees collected pursuant to Section 701.07 be greater than 5% of the Company's gross revenues within the City of Hopkins as defined in the Franchise Ordinance.

701.13. Payment of Fee. Franchise fees shall be paid to the City quarterly, based on a calendar year, with payment due by the 30th day after the end of each quarter.

701.15. Dispute. Any disputes or other issues which arise will be subject to the terms of this Ordinance, Franchise Ordinance 87-578, Minnesota Statutes 261B.36 as well as any other agreements entered into by the City and the Company.

701.17. Termination of Ordinance. This ordinance and the franchise fee imposed by it shall remain in effect until December 31, 2013, at which time they shall terminate and be of no further effect, except that the Company shall remain obligated after that date to pay the City all franchise fees due with respect to any period of time prior to December 31, 2013, and collected after that date. (Amended Ord. 2011-1036)

(This Section added through Ord. No. 2003-910; Amended through Ord. No. 2011-1036)