

ORDINANCE NO. 1086

AN ORDINANCE AMENDING A GAS SERVICE FRANCHISE FEE ON NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION, ITS SUCCESSORS AND ASSIGNS, FOR PROVIDING GAS SERVICE WITHIN THE CITY OF NORTHFIELD

THE CITY COUNCIL OF THE CITY OF NORTHFIELD DOES ORDAIN:

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

Subd. 1. Purpose. The Northfield 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 Northfield.

- (a) Pursuant to City Ordinance 940, a Franchise Agreement between the City of Northfield and Northern States Power Company, a Minnesota corporation, 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 82-509 of the Northern States Power Company Franchise and in the fee schedule attached hereto as Schedule A.
- (b) The City shall use all franchise fee revenue collected pursuant to this Ordinance only for public streets, trails, and climate action projects. No more than eight percent (8.0%) of the annual revenues collected, pursuant to Ordinance 1017 and 1018, may be used for climate action projects.

Subd. 2. Franchise Fee Statement. A franchise fee is hereby imposed on Northern States Power Company, a Minnesota Corporation (NSPM), 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 _____, 2026 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. 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. 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 NSPM by certified mail and shall supersede and replace Ordinance 1017. Ordinance 1017 shall remain in effect until the effective date of this Ordinance such that there shall be no gap in the collection and payment of the required franchise fees. Collection of the fee shall commence as provided in above.

Passed by the City Council of the City of Northfield, Minnesota, this 23rd day of September, 2025.

ATTEST

City Clerk

Mayor

VOTE: ____ ZWEIFEL ____ BEUMER ____ DAHLEN ____ HOLMES
 ____ NESS ____ PETERSON WHITE ____ SOKUP

First Reading:	09/09/25
Second Reading:	09/23/25
Published:	10/01/25

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	\$3.30
Commercial Firm Non-Demand	\$17.85
Commercial Firm Demand	\$685.00
Small Interruptible	\$105.00
Medium and Large Interruptible	\$2,245.00
Firm Transportation	\$0.00
Interruptible Transportation	\$0.00

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.

