



Legislation Text

File #: 16-065-O, **Version:** 1

AN ORDINANCE AMENDING ORDINANCE 10473 TO LIMIT THE AMOUNT OF THE FRANCHISE FEE ASSESSED TO ANY MINNESOTA POWER CUSTOMER PURSUANT TO THE FRANCHISE TO AN AMOUNT NOT TO EXCEED \$420,000 PER YEAR.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That Section 9 of Ordinance 10473 is hereby amended to read as follows:

Section 9. Pursuant to Minnesota Statutes Section 216 B.36, the city hereby requires a franchise fee be paid and collected by Minnesota Power on its operations within the city.

(a) Said franchise fee shall apply to all electric service within the city, except electric service to property owned by the city. This franchise fee shall be added to each Minnesota Power customer's monthly electric service bill, except bills for service to the city;

(b) The amount of the franchise fee to be assessed shall be the applicable assessment rate multiplied by the customer's bills for electric service. The applicable assessment rate shall be three percent (3%) of Minnesota Power's gross electric sales for service within the city and as applied to customers' bills for electric service through Minnesota Power's Rider for city of Duluth Franchise Fee as approved by the Minnesota Public Utilities Commission;

(c) The total amount assessed to any Minnesota Power customer pursuant to subsection (b) shall not exceed \$420,000 per year;

(~~ed~~) The annual assessment rate determined above shall be applicable to all bills in Minnesota Power's billing cycles of the year;

(~~de~~) One hundred percent (100%) of the city's franchise fee assessment collected by Minnesota Power shall be paid to the city; and

(~~ef~~) The franchise fee collected by Minnesota Power shall be payable to the city monthly with each payment due on the first day of the month.

Section 2. That this ordinance shall take effect 30 days after its passage and publication.

STATEMENT OF PURPOSE: The purpose of this ordinance is to limit the amount assessed on any customer under the Minnesota Power franchise fee agreement to an amount not to exceed \$420,000 per year.