

ORDANANCE NO. 8.02  
Electric Utility Franchise Fee

AN ORDINANCE IMPLEMENTING AN ELECTRIC SERVICE FRANCHISE FEE ON OTTERTAIL POWER COMPANY, A MINNESOTA CORPORATION, ITS SUCCESSORS AND ASSIGNS, FOR PROVIDING ELECTRIC SERVICE WITHIN THE CITY OF ROTHSAY.

THE CITY COUNCIL OF THE CITY OF ROTHSAY, MINNESOTA, ORDAINS:

**Section 1. Purpose.** The Rothsay 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 electric services within the City of Rothsay. Pursuant to City Ordinance No. 8.02, a Franchise Agreement between the City of Rothsay and Otter Tail Power Company, a Minnesota corporation, its successors and assigns (“Company”), the City has the right to impose a franchise fee on the Company.

**Section 2. Terms.** A franchise fee is hereby imposed on the Company under its electric franchise in accordance with the amount and fee design set forth in the fee schedule attached as Exhibit A to this Ordinance commencing with the Company’s March 2018 billing month.

This fee is a meter-based fee on each premise. In the event that an entity covered by this ordinance has more than one meter at a single premise, but only one account, each 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 electric service 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.

**Section 3. Payment and Fee Modification.** The Franchise fee shall be payable monthly and shall be based on the amount collected by the Company during complete billing months during the period for which payment is to be made. The payment shall be due within the first fifteen calendar days at the start of each month, following the period for which the payment is made. Such fee shall not exceed any amount that the Company may legally charge to its customers prior to payment to the City by imposing a surcharge equivalent to such fee in its rates for electric service. The franchise fee may be increased or decreased by ordinance from time to time, however any such change may not occur more often than annually. No franchise fee shall be payable by the Company if the Company is unable to first collect an amount equal to the franchise fee from its customers in each applicable class of customers by imposing a surcharge in the Company’s applicable rates for electric service. The Company may pay the uncollectibles, refunds and correction of erroneous billings. Company agrees to make its records available for inspection by the City at reasonable times provided that the City and its designated representative agree in writing not to disclose any information which would indicate the amount paid by any identifiable customer or customers or any other information regarding identified customers that is non-public by law.

**Section 4. Surcharge.** The City recognized that the Minnesota Public Utilities Commission may allow the Company to add a surcharge to customer rates of city residents to reimburse the Company for the cost of the fee. The company agrees that it is prohibited from adding an administrative fee of any kind on the franchise fee.

**Section 5. Enforcement.** Any dispute, including enforcement of a default regarding this ordinance will be resolved in accordance with section \_\_\_ of the Franchise Agreement.

**Section 6. Effective Date of Franchise Fee.** The effective date of fee collection shall be January 1, 2018 or sixty (60) days after the City sends written notice enclosing a copy of this adopted Ordinance to the Company by certified mail, whichever date is later.

Effective Date. This ordinance becomes effective from and after its passage and publication.

Adopted in regular session of the City Council of the City of Rothsay, Minnesota held this 11<sup>th</sup> day of December, 2017.

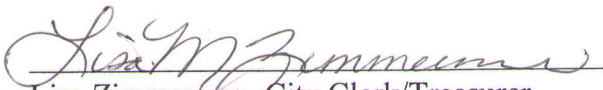
CITY OF ROTHSAY



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Chris Buckingham, Mayor

ATTEST:



Lisa Zimmerman, City Clerk/Treasurer

Published in the Rothsay Regional Report on the 18th day of December, 2017.

**EXHIBIT A**  
**OTTER TAIL POWER FRANCHISE**  
**FEE SCHEDULE**

<u>Class</u>	<u>Monthly Fee per Customer*</u>
Residential	\$1.75 per Meter
Commercial	\$1.75 per Meter
Industrial	\$1.75 Per Meter

Franchise fees are to be collected monthly by the Company in the amounts set forth in the above schedule, and remitted to the City on a monthly basis as follows:

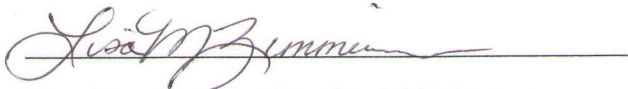
January collections due by February 15<sup>th</sup>  
February collections due by March 15<sup>th</sup>  
March collections due by April 15<sup>th</sup>  
April collections due by May 15<sup>th</sup>  
May collections due by June 15<sup>th</sup>  
June collections due by July 15<sup>th</sup>  
July collections due by August 15<sup>th</sup>  
August collections due by September 15<sup>th</sup>  
September collections due by October 15<sup>th</sup>  
October collections due by November 15<sup>th</sup>  
November collections due by December 15<sup>th</sup>  
December collections due by January 15<sup>th</sup>

Passed by the City Council of Rothsay, Minnesota this 11<sup>th</sup> day of December, 2017.



Chris Buckingham, Mayor

Attested:



Lisa Zimmerman, City Clerk/Treasurer