

**ORDINANCE
of the
CITY OF MINNEAPOLIS**

By Gordon

Amending the Minneapolis Code of Ordinances by adding a new Appendix D-2 relating to the Northern States Power, d/b/a Xcel Energy, Electric Franchise Fee.

The City Council of the City of Minneapolis do ordain as follows:

Section 1. That the Minneapolis Code of Ordinances be amended by adding thereto a new Appendix D-2 to read as follows:

An ordinance implementing an electric service franchise fee on Northern States Power Company, a Minnesota corporation, d/b/a Xcel Energy, its successors and assigns, for providing electric service within the City Of Minneapolis.

Article 1: Franchise Fee

Section 1.1 Consistent with Ordinance 2014-Or-_____ Minnesota law, a franchise fee is hereby imposed on Northern States Power Company d/b/a Xcel Energy, its successors and assigns (the "Company"). The franchise fee shall be an amount equal to the percentage of that portion of the Company's annual Gross Revenues, as defined in Ordinance 2014-Or-_____, arising from its operations within the City, as follows:

- a. For residential service customers, four and one-half percent (4.5%) of Gross Revenues;
- b. For large (100kW or greater) commercial and industrial customers served at primary or higher voltages, three percent (3%) of Gross Revenues; and
- c. For small (less than 100kW) commercial and industrial customers, large (100kW or greater) commercial or industrial customers served at secondary voltage, and all remaining miscellaneous classifications, five percent (5%) of Gross Revenues.

Section 1.2 For any other customer classes not included in Section 1.1 or modified by the Company in its electric tariffs on file with the Minnesota Public Utilities Commission, the franchise fee shall be five percent (5%) of Gross Revenues.

Article 2: Fee Payment

Section 2.1 The franchise fee shall be payable according to Section 9.3 of Ordinance 2014-Or-_____.

Section 2.2 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.

Article 3: Effective Date

This Ordinance shall be effective immediately upon its passage and publication according to law. Collection of the franchise fees shall commence with the Company January 2015 billing month.

Article 4: Enforcement

Any dispute, including enforcement of a default regarding this ordinance will be resolved in accordance with Section 2.8 of Ordinance 2014-Or-_____.