

ORDINANCE NO. 2026-____

**AN ORDINANCE MODIFYING THE ELECTRIC FRANCHISE FEE ON
NORTHERN STATES POWER COMPANY, d/b/a XCEL ENERGY, A MINNESOTA
CORPORATION, ITS SUCCESSORS AND ASSIGNS, FOR PROVIDING ELECTRIC
SERVICE WITHIN THE CITY OF BLOOMINGTON, MINNESOTA AND AMENDING
THE CODIFIED FEE SCHEDULE APPENDIX A FOR FEES AND CHARGES FOR
SERVICES ESTABLISHED BY ORDINANCE**

The City Council for the City of Bloomington, Minnesota, ordains:

SECTION 1. That City Ordinance No. 2023-12 is hereby amended by deleting those words within brackets and [~~stricken through~~] and adding those words that are underlined, to read as follows:

Subdivision 1. Purpose. The 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 and electric services within the City.

(a) Pursuant to City Ordinance No. 2015-42, a Franchise Agreement between the City and Northern States Power Company, d/b/a Xcel Energy, a Minnesota corporation, its successors and assigns (NSPM or "Company"), the City has the right to impose a franchise fee on NSPM in amount and fee design as authorized in Section 20.66 of the NSPM Franchise.

(b) Pursuant to City Ordinance 2015-42, the City exercised its right to impose a franchise fee on NSPM. This includes the right to modify the fee amount with the consent of NSPM as to terms of the Franchise Agreement.

Subd. 2. Franchise Fee Statement. Pursuant to Ordinance 2015-43, a franchise fee is hereby imposed on NSPM under its Franchise Agreement. The fee schedule is [~~attached hereto~~] found in Appendix A of the City Code and made a part of this ordinance, commencing with the NSPM's [~~January, 2024~~] January 2027 billing month.

Subd. 3. Payment and Fee Design. The franchise fee shall be payable to the City in accordance with the terms set forth in Section 20.66(e[d]) of the Franchise. Franchise fees are to be collected by NSPM in the amounts set forth in Appendix A of the City Code, and 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; and October–December collections due by January 31. 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 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 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. 4. Surcharge. The City recognizes that the Minnesota Public Utilities Commission may allow NSPM to add a surcharge to customer rates of city residents to reimburse NSPM 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 20.59(e) 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. Collection of the fee shall commence as provided above.

Subd. 7. Fee Review. The City Council shall begin a review of this Ordinance to determine whether to continue, terminate or modify the fee. If the Council deems it to be in the City's best interest to continue the fee in its current form, no Council action is necessary. If the Council plans to consider termination or modification of the fee, the Council shall give Xcel at least sixty (60) days written notice prior to the date scheduled for possible Council action on such termination or modification of the fee. Subject to the City's rights under Minnesota law, the City shall obtain the consent of Xcel to any proposed increase in the fee but may unilaterally decrease or terminate the fee.

SECTION 2. That Appendix A of the City Code is hereby amended by deleting those words within brackets and [~~stricken through~~] and adding those words that are underlined, to read as follows:

APPENDIX A: FEE SCHEDULE

This appendix contains the various fees adopted by ordinance in the listed sections of the City Code.

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| <i>CODE SECTION</i> | <i>CROSS-REF</i> | <i>DESCRIPTION</i> | <i>FEE</i> |
|-------------------------------|------------------|--------------------|------------|
| Chapter 20: Franchises | | | |

| <i>CODE SECTION</i> | <i>CROSS-REF</i> | <i>DESCRIPTION</i> | <i>FEE</i> |
|---------------------|------------------|--------------------|------------|
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| § 20.66(a) | | <i>Northern States Power Franchise Fee Schedule</i> | |
| | | <i>Class</i> | <i>Fee Per Premise Per Month</i> |
| | | Residential | \$5.95 |
| | | Sm C & I – Non-Dem | \$ [11.90] <u>13.00</u> |
| | | Sm C & I Demand | \$ [63.00] <u>80.00</u> |
| | | Large C & I | \$ [182.00] <u>200.00</u> |

SECTION 3. Effective Date. This Ordinance shall be in full force and effect from and after January 1, 2027, and publication according to law.

Passed and adopted this 18th day of May, 2026.

Mayor

ATTEST:

APPROVED:

Secretary to the Council

City Attorney