

ORDINANCE NO. 763

CITY OF FOREST LAKE, WASHINGTON COUNTY, MINNESOTA

AN ORDINANCE AMENDING ORDINANCE 624, MODIFYING AN ELECTRIC SERVICE FRANCHISE FEE ON CONNEXUS ENERGY, A MINNESOTA CORPORATION, ITS SUCCESSORS AND ASSIGNS, FOR PROVIDING ELECTRIC SERVICE WITHIN THE CITY OF FOREST LAKE.

THE CITY COUNCIL OF FOREST LAKE DOES ORDAINS

**SECTION 1.** The City of Forest Lake Municipal Code is hereby amended t by deleting those words ~~stricken through~~ and adding those words that are underlined.

Subdivision 1. **Purpose.** The Forest Lake 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 of Forest Lake.

(a) Pursuant to City Ordinance No. 623, a Franchise Agreement between the City and Connexus Energy, the City has the right to impose a franchise fee on Connexus Energy in amount and fee design as authorized in Section 9.1 of the Connexus Energy Franchise.

(b) Pursuant to City Ordinance No. 623, the City exercised its right to impose a franchise fee on Connexus Energy. This includes the right to modify the fee amount with the consent of Connexus Energy as to amount and notice period, to which Connexus Energy has consented.

Subd. 2. **Franchise Fee Statement.** Pursuant to Ordinance 623, the franchise fee imposed on Connexus Energy under its electric franchise is hereby amended. The amended fee schedule is attached hereto and made a part of this ordinance, commencing with Connexus Energy's March 2026 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 9.4 of the Franchise.

a) This fee is an account based fee and not a meter based fee. An account includes all electric meters located on a single property or premises that have the same address and property owner.

b) Properties with a single address and owner shall pay the largest fee that applies to any one of their meters.

d) Separately metered space rented to tenants other than the owner shall pay a fee for each tenant meter.

e) The City Administrator, or his designee, is authorized to determine the appropriate implementation of this Section 3.2. Appeals from decisions of the staff may be taken to the City Council.

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. **Record Support for Payment**. Connexus Energy shall make each payment when due and, if requested by the City, shall provide at the time of each payment a statement summarizing how the franchise fee payment was determined, including information showing any adjustments to the total surcharge billed in the period for which the payment is being made to account for any uncollectibles, refunds or error corrections.

Subd. 6. **Enforcement**. Any dispute, including enforcement of a default regarding this ordinance will be resolved in accordance with Section 2.5 the Franchise Agreement.

Subd. 7. **Effective Date of Franchise Fee**. Notwithstanding the effective date of this ordinance and notwithstanding any contrary provisions in the Franchise, the effective date of the fee collected under Subdivision 2 of this ordinance is the later of ten (10) days after the publication or after the sending of written notice enclosing a copy of this adopted ordinance upon Connexus Energy by certified mail.

Subd. 8. **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 deems it to be in the City's best interest to terminate or modify the fee, the Council shall give Connexus at least sixty (60) days written notice prior to the proposed change. Subject to the City's rights under Minnesota law, the City shall obtain the consent of Connexus to any proposed increase in the fee but may unilaterally decrease or terminate the fee.


**SECTION 2.** This ordinance takes effect as provided herein.

Passed and Approved by the City Council of the City of Forest Lake this 24th day of November, 2025.

BY:



Blake Roberts  
Its Mayor



Jolleen Chaika  
Its Assistant City Administrator/Clerk

Published in the Forest Lake Times December 4, 2025.

EXHIBIT A

CONNEXUS ENERGY ELECTRIC FRANCHISE  
FEE SCHEDULE

<u>Class</u>	<u>Fee or % Per Month</u>
Residential	\$5.50
Small Commercial/Industrial (Non Demand)	\$3.50
Small Commercial/Industrial (Demand)	\$25.75Large
Commercial/Industrial (> 1 MW Demand)	\$104.25

Franchise fees are to be collected by the Utility at the rate listed above, and submitted to the City on a quarterly basis as follows:

January through March collections due by April 30.

April through June collections due by July 31.

July through September collections due by October 31.

October through December collections due by January 31.