

**CITY OF ST. AUGUSTA, MINNESOTA
ORDINANCE #2009-07**

AN ORDINANCE SETTING THE FRANCHISE FEE
TO BE PAID BY STEARNS ELECTRIC COOP
IN CONNECTION WITH THE PROVISION OF ELECTRIC
UTILITIES IN THE CITY OF ST. AUGUSTA.

WHEREAS, Minn. Stat. 216B.36 allows a municipality to require public utilities that occupy public property to obtain a franchise; and

WHEREAS, Minn. Stat. 216B.36 also allows a municipality may require a public utility that operates within the municipality a pay a fee in order to raise revenue or defray costs of operation of the utility or both. Such fees may be charged to a cooperative electric association organized under chapter 308A; and

WHEREAS, fees under Minn. Stat 216B.36 may be based on gross operating revenues or gross earnings of the public utility so long as the public utility continues to operate in the municipality; and

WHEREAS, Stearns Electric Coop is a public utility as defined by Minn. Stat. 216B.02 subd. 4; and

WHEREAS, the City of St. Augusta entered into a franchise agreement with Stearns Electric Coop on October 20, 2009; and

WHEREAS, the franchise agreement between the City of St. Augusta and Stearns Electric Coop provides the terms under which the franchise fee will be collected.

NOW, THEREFORE, THE CITY COUNCIL OF ST. AUGUSTA HEREBY ORDAINS:

Section 1. The City of St. Augusta hereby imposes a franchise fee on Stearns Electric Coop in connection with the provision of electric utilities in the City of St. Augusta.

Section 2. The fee shall be imposed by Stearns Electric Coop as follows:

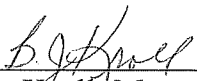
| <u>Class</u> | <u>Fee Per Premise Per Month</u> |
|--------------------------|----------------------------------|
| Residential, farm, Misc. | \$3 |
| Commercial or Industrial | \$5 |
| Public Street Lighting | \$0 |

Section 3. The fee shall be collected as outlined in Section 9 of the franchise agreement between the City of St. Augusta and Stearns Electric Coop dated October, 2009.

Section 4. This ordinance shall become effective January 1, 2010.

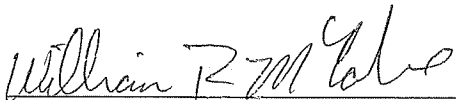
ADOPTED this 3rd day of November, 2009.

CITY OF ST. AUGUSTA



B. J. Kroll, Mayor

ATTEST:



William R. McCabe, City Administrator