



1700 East County Road E
White Bear Lake, Minnesota 55110-4658

May 1, 2013

Mr. Patrick Klaers
City Administrator
City of Arden Hills
1245 Highway 96 West
Arden Hills, MN 55112

SUBJECT: Franchise Fees (Gas and Electric)

Dear Pat:

As a follow-up to our recent phone conversation regarding the implementation of a franchise fee collection, I have enclosed a potential flat fee collection schedule based on 1% of gross revenues. Please take the opportunity to review these proposed collection schedules at your convenience. I will contact you via e-mail in a few days to schedule a meeting so that we can further discuss this issue.

Thank you for your recent inquiry regarding franchise fees. I look forward to working with you and your finance director on this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Colette Jurek', written in a cursive style.

Colette Jurek
Manager – Community Relations & Economic Development
Colette.c.jurek@xcelenergy.com
Work: 651/779-3105

City of Arden Hills, Minnesota

Franchise Fee Estimate

Xcel Energy

Gas Flat Fee

Information Based on Year Ending March 2013

Customer Class	Monthly Flat Fee Per Customer
Residential	\$1.00
Commercial Firm – Non-Demand	\$5.00
Commercial Firm – Demand	\$18.00
Small Interruptible	\$61.00
Medium & Large Interruptible	\$120.00
Firm Transportation	\$120.00
Interruptible Transportation	\$120.00
Estimated Annual Franchise Fee Revenue*	\$58,668

[Flat fee based on approximately 1% of gross revenues.]

*Subject to subsequent reductions for uncollectibles, refunds and correction of erroneous billing:

City of Arden Hills, Minnesota
Franchise Fee Estimate

Electric Flat Fee

Information Based on Year Ending March 2013

Customer Class	Monthly Flat Fee Per Customer
Residential	\$1.00
Small C&I – Non-Demand	\$1.25
Small C&I – Demand	\$15.25
Large C&I	\$123.75
Public Street Lighting	\$1.25
Municipal Pumping – Non-Demand	\$4.00
Municipal Pumping – Demand	\$0.50
Estimated Annual Franchise Fee Revenue*	\$160,632

[Flat fee based on approximately 1% of gross revenues.]

*Subject to subsequent reductions for uncollectibles, refunds and correction of erroneous billings.

Patrick Klaers

From: Jurek, Colette C [colette.c.jurek@xcelenergy.com]
Sent: Friday, June 14, 2013 10:08 AM
To: Patrick Klaers
Subject: Arden Hills: Franchise Fee Analysis

Follow Up Flag: Follow up
Flag Status: Flagged

Pat,

As a follow-up to a recent telephone conversation regarding the City of Arden Hill's consideration of a franchise fee collection, I wanted to provide you with the following additional information:

- (1) List of communities within Xcel Energy service territory where franchise fees are currently being collected. For the most up-to-date information, I am going to direct you to our website which is www.xcelenergy.com

Our Company
About Us
Rates & Regulations
Rates, Rights & Service
Click on MN
Electric Rate Book
Section 5: Rate Schedules
Go to pdf pages 109 thru 121

Follow same procedure for the Gas Rate Book
Section 5: Rate Schedules
Go to pdf pages 46 thru 51

The listing of cities collecting franchise fees will show up in table format.

- (2) Customer counts (listed below).

Arden Hills: Electric Customers

Rate Classification	Customer Count
Residential	3,051
Small C&I Non-Demand	190
Small C&I Demand	173
Large C&I	60
Public Street Lighting	17
Municipal Pumping: Non-Demand	2
Municipal Pumping: Demand	10

Arden Hills: Gas Customers

Rate Classification	Customer Count
Residential	2,720

Commercial Firm: Non-Demand	285
Commercial Firm: Demand	1
Small Interruptible	6
Medium & Large Interruptible	3
Firm Transportation	0
Interruptible Transportation	0

If the city wishes to pursue a fee collection, I can begin working with you to draft a mutually agreeable fee schedule. I can draft and provide you with the necessary fee ordinances for adoption by your council. Please let me know if you require any additional information from me at this time.

Thanks,
Colette

Colette Jurek

Xcel Energy | Responsible By Nature

Manager - Community & Local Government Relations

1700 East County Road E

White Bear Lake, MN 55110

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XCELENERGY.COM

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