



To: MAYOR AND CITY COUNCIL

Agenda Item #: VIII. D.

From: Scott H. Neal, City Manager

Action

Discussion

Date: March 17, 2015

Information

Subject: Ordinance No. 2015-06 Amending The Term Of The Electric Franchise Granted To Xcel Energy Company

Action Requested:

Approve Ordinance No. 2015-06 Amending The Term Of The Electric Franchise Granted To Xcel Energy Company

Information / Background:

Xcel Energy's current franchise agreement with the City of Edina to operate a state regulated electrical utility on City-owned rights-of-way expires on August 15, 2015. The regulatory process to approve a renewal of the franchise requires the City to adopt a new ordinance 90 days prior to the expiration of the franchise. We can meet that timeline, but it would require the City Council to eliminate meaningful opportunities for public input on the matter.

At the Council's March 3 meeting, you adopted a motion asking Xcel Energy to extend the current franchise's expiration date to November 15, 2015 in order to provide additional time for the City to prepare and adopt a new franchise renewal ordinance. Xcel Energy has agreed to the City's request. Adoption of Ordinance No. 2015-06 will extend the franchise expiration date to November 15, 2015.

I also told the Council Members at the March 3 meeting that I would present you with a proposal for how the City should go about preparing a new franchise renewal ordinance. The proposal is below:

Process and Engagement Statement: Xcel Energy Franchise Renewal

Mission: To create a new franchise agreement by and between Xcel Energy and the City of Edina.

Completion: The process will be complete when the City Council has adopted the new franchise ordinance on August 5, 2015.

Role of Council Members in Process: Provide input during Phase 1, but to refrain from participating in the process until the proposed renewal ordinance is presented to the Council for first reading in October.

Lead Facilitator: Scott Neal, City Manager

Key Staff Participants: Ross Bintner, Environmental Engineer
Patrick Wrase, Assistant City Engineer
Debra Mangen, City Clerk

Lead Commission: Energy & Environment Commission

Timeline:

April 2015	Staff prepares recommendations and seeks input from Council Members
May 2015	Staff seeks input from EEC; Staff prepares draft franchise renewal ordinance
June 2015	Boards & Commissions provide Review & Comment input on draft ordinance; Staff and EEC host open house meeting to solicit public input on draft ordinance
July 2015	Staff synthesizes input and feedback into revised draft ordinance
July 21, 2015	Staff presents the revised draft ordinance to City Council; Council hosts public hearing on revised draft ordinance;
Aug 5, 2015	Council considers first reading and second/final reading ordinance; new ordinance is presented to Xcel Energy and Public Utilities Commission
Nov 16, 2015	New franchise ordinance becomes effective

RECOMMENDATION:

I recommend the City Council approve Ordinance No. 2015-06 and authorize the proposed Process & Engagement statement for the Xcel Energy Franchise Renewal.

ORDINANCE No. _____

AN ORDINANCE AMENDING THE TERM OF THE ELECTRIC FRANCHISE GRANTED TO NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION, D/B/A XCEL ENERGY

THE CITY COUNCIL OF THE CITY OF EDINA DOES ORDAIN:

SECTION 1. Section 2.1 of the Ordinance No. 1995-4, *An Ordinance Granting the Northern States Power Company, a Minnesota Corporation, Its Successors and Assigns, Permission to Construct, Operate, Repair and Maintain in the City of Edina, Minnesota, an Electronic Distribution System and Transmission Lines, Including Necessary Poles, Lines, Fixtures and Appurtenances, for the Furnishing of Electric Energy to the City, Its Inhabitants, and Others, and to Use the Public Ways and Public Grounds of the City for Such Purposes*, is hereby amended to extend the term of the franchise granted to Northern States Power Company, d/b/a Xcel Energy through November 15, 2015.

SECTION 2. 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 Xcel Energy by certified mail.

First Reading: _____

Second Reading: _____

Date of Publication: _____

Adopted this ____ day of _____, 2015 by the City Council of the City of Edina.

Attest: _____
City Clerk

Mayor