

**UTILITY FRANCHISE AGREEMENTS
SUMMARY REPORT**

**RESEARCH ON MUNICIPAL FRANCHISE AGREEMENTS
GAS AND ELECTRIC UTILITIES**

Submitted to:

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UTILITY FRANCHISE AGREEMENTS SUMMARY REPORT

RESEARCH ON MUNICIPAL FRANCHISE AGREEMENTS GAS AND ELECTRIC UTILITIES

The purpose of this report is to evaluate the terms of existing/current franchise agreements between municipalities and electric and gas utility companies in Region 5, as well as to determine whether there are any incentives in place which promote the use of green energy technology (i.e., wind, solar, hydro, biomass energy sources). TechLaw reviewed and summarized ordinances and/or responses from municipality representatives from fifty-five (55) municipalities in the states of Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin. Out of the 55 municipalities, TechLaw did not receive sufficient information or any further responses from four (4) municipalities in Minnesota and one (1) in Ohio. Based on the limited information gathered, it is unclear whether or not these municipalities charge a franchise fee for the use of right of way, so no evaluation could be performed for these municipalities.

Additionally, at the request of EPA, TechLaw visited the ComEd website, which provides information on franchise agreements with many communities within the Chicago area. The findings of this review are also included in the report and a copy of the relevant portion of the website is included as Attachment 1.

The following is a summary of TechLaw's findings.

The Franchise Agreements reviewed by TechLaw fall into one of eight (8) main categories as listed below:

1. Municipality does not charge the utility a fee or receive free utilities for the use of right of way
2. Municipality provides its own electricity and/or gas
3. Utility pays an annual franchise fee to the municipality
4. Municipality charges an application fee or one time fee to obtain a franchise
5. Municipality charges a franchise fee based on a percentage of the utility's gross revenues or profits
6. Utility provides free electricity and/or gas to the municipality for municipal buildings and/or lights
7. Municipality reserves the right to charge a franchise fee (but chooses not to)
8. Municipality provides utility with a tax break

Some of the municipalities fall into more than one category.

Group 1 – Municipality does not charge the utility a fee or receive free utilities for the use of right of way

Based on information provided by EPA, it was found that Wisconsin is not allowed to charge a franchise fee. TechLaw did not perform further research on any municipalities in Wisconsin. Additionally, TechLaw found that one (1) Illinois, six (6) Indiana, seven (7) Michigan, two (2) Minnesota, and nine (9) Ohio municipalities do not charge a fee or receive free utilities. Therefore, these municipalities do not receive any form of compensation from the utility companies in exchange for use of public rights-of-way.

Group 2 – Municipality provides its own electricity and gas

There are two (2) municipalities, one in Illinois and one in Michigan, that provide their own electricity, therefore no franchise fees exist.

Group 3 – Utility pays an annual franchise fee

Two (2) municipalities, both of which are in Illinois, charge an annual fee. Eureka, IL charges an annual flat rate franchise fee, while Normal, IL charges an increasing annual fee. Additionally, Normal, IL has multiple franchise agreements, and it also receives free electricity for 50% of the municipality's electric street lighting.

Group 4 – Municipality charges an application fee or one time fee

There are five (5) municipalities, three (3) in Michigan and two (2) in Ohio that charge an application fee or a one time fee to obtain a franchise for the use of right of way. The application fee or one time fee ranges from \$1.00 to \$7,000.

Group 5 – Municipality charges a franchise fee based on utility's annual revenues or profits

There are five (5) municipalities that impose a franchise fee based on a utility's gross annual revenues, one (1) in Michigan, and four (4) in Minnesota, in exchange for the use of right of way. For example, Ann Arbor, MI receives 0.12% of the utility company's gross annual revenues. Both Mankato, MN and Stillwater, MN receive a percentage of the utility company's gross annual profits as well, but use a more complex formula based on the customer class. Alexandria, MN and Rochester, MN both receive a percentage of the utility company's total gross revenues.

Additionally, retail customers located in municipalities in the State of Illinois that are served by the Commonwealth Edison Company (ComEd) may be charged an "Infrastructure Maintenance Fee" if the municipality adopts an ordinance imposing a franchise fee. When ComEd is charged a franchise fee by a municipality it will pass along this cost to its retail customers in the form of an "infrastructure maintenance fee". The infrastructure maintenance fee is based on kilowatt-hours (kWh) used by the individual customer (See Attachment 1).

Group 6 – Utility provides free electricity and/or gas

There are six (6) Illinois municipalities that receive free electricity or gas for municipal buildings, street lights, and/or traffic lights in lieu of charging a franchise fee. Freeport, IL and Wheaton, IL receive free electricity for municipal buildings and traffic lights. Galesburg, IL and Mt. Vernon, IL receive free electricity for 60% of the municipalities' street lighting requirements. Plainfield, IL receives up to 8,800 therms of gas for use in government buildings. Normal, IL receives 50% free electricity for lights and municipal owned buildings (Normal is also charged a franchise fee in addition to receiving free electricity).

Additionally, retail customers located in municipalities in the State of Illinois that are served by ComEd may be charged a "Franchise Cost Addition" if the municipality receives electric service or other items provided at no charge by the company as compensation for the privilege of using the public rights-of-way for the delivery of electricity. ComEd recovers that value of each municipality's electric service by increasing the bill of each retail customer. This fee is municipality-specific and is calculated based on the value of electric services received by the municipality. (See Attachment 1).

Group 7 – Municipality reserves the right to charge a franchise fee (but does not).

Seven (7) municipalities, two (2) in Michigan and (5) in Minnesota, reserve the right to charge a franchise fee for the use of right of way, as written in their ordinance. However, these municipalities choose not to impose a fee.

Additionally, two (2) municipalities, one in Michigan and one in Minnesota, have the right to charge a franchise fee for the use of right of way, but it is unclear whether the municipality chooses to do so. TechLaw sent an inquiry to address this data gap but no further response from the municipality was received.

Group 8 – Municipality provides utility with a tax break

There are three (3) municipalities in Illinois that provide a tax break to the utilities. The utility companies are exempt from any special taxes, assessment, license or rental charges on any poles, conductors, wires, cables, conduit equipment, and other apparatus.

Renewable Energy Incentives

Of the 55 municipalities surveyed by TechLaw, only one imposed incentives or requirements on utilities to incorporate renewable energy. Ann Arbor, Michigan's franchise fee ordinance states that the electric utility companies must use at least 3% renewable energy resources (i.e., non-nuclear and non-fossil fuel based power) to generate electricity. The percentage of renewable energy resources increases on an annual basis up to 10% in the fifth year of the franchise.

As a side note, Techlaw also found that there are several municipalities in the State of Illinois that are serviced by ComEd, where the customers are charged a “retail customer assessment” in addition to the franchise fee assessment. A portion of the “retail customer assessment” goes to renewable energy resources and coal technology development assistance.

Conclusions/Recommendations

This report surveyed the terms of existing/current franchise agreements and also evaluated whether any of the agreements included incentives for promoting the use of green technology (renewables, energy efficiency, greenhouse gas (GHG) emission caps and decoupling).

As a result of our review, we offer the following comments regarding franchise agreements:

- With the exception of one franchise agreement (Ann Arbor, Michigan), none of the franchise agreements reviewed offered any recognition of the importance of nor any mandates for energy efficiency, renewable portfolio standards, GHG emissions limitations/reductions or the decoupling of energy sales from utility revenues. Ann Arbor was the sole municipality that included incentives and penalties for compliance with its requirements for supply of renewable energy sources to its citizens and a cap on emissions of CO₂ from the generation portfolio of its serving electric utility. The Ann Arbor agreement can be considered “best practice” among the agreements reviewed.
- Many of the agreements require the utility to provide some amount of “free” energy for the municipal offices. In most cases the serving utility recovers the cost of these “free” services from its customers within the municipality. In addition, “free” energy for the municipality provides no incentives for conserving energy within the municipal offices.
- In many of the agreements, the mechanisms for recovering the cost of “free” municipal-energy are structured to charge low energy consuming customers a higher unit cost for energy and higher energy consuming customers a lower unit cost for energy. This regressive “use more, pay less” recovery mechanism offers no incentives for consumers to use less energy.
- Taken individually, the surveyed municipal franchise agreements offer little if any ability to influence the direction of utility green technology policy within each of the states encompassed by Region 5. However, municipal franchise agreements, if taken in aggregate and coordinated in their approach to energy efficiency, renewable portfolio standards, limitations/reductions in greenhouse gas emissions and decoupling could have significant influence on the direction of utility policy and practices in these areas.

In consideration of the comments provided above, we can offer the following recommendations:

- The Ann Arbor franchise agreement offers what can be considered “best practice” within the states encompassed by Region V. As such, any efforts to modernize the municipal franchise agreements should minimally incorporate the provisions of this franchise agreement.
- A new model “Form of Franchise Agreement” requiring green technology standards for the supplying utility seems warranted. Offering these forms of model franchise agreements through such organizations as the Michigan Municipal League and other analogous organizations in the other states would speed the adoption of such new agreements.
- Model agreements could include the following ideas to provide incentives for utilities to utilize/provide green technologies:
 - ◆ *Energy Efficiency (EE)*-Require utilities to invest a percentage of the revenues received from the municipal customers in energy efficiency improvements within the municipality. Provide an opportunity for the utility to earn a return on the investment and penalty if the investments are not made. See GHG Emissions cap bullet below.
 - ◆ *Renewable Portfolio Standard (RPS)*-Require utilities to supply a percentage of the electric generation utilized in the municipality from renewable sources. The requirement could follow the RPS required by the state utility commission, if applicable. Specify incentives for meeting the requirement and penalties for not achieving the requirement.
 - ◆ *GHG Emissions Cap*-Require utilities to cap and/or reduce the GHG emissions associated with the generation mix provided to the municipal electric customers. Linkage of a penalty for not meeting this requirement with additional investment in EE would be a good way to link this requirement with the EE requirement.
 - ◆ *Decoupling*-Incorporating the “decoupling” of electric utility revenues from electricity sales into franchise agreements would be another good incentive for utilities to seek ways to invest in EE and other energy saving technologies. Many progressive utility commissions in such states as California and Massachusetts either have or are preparing to implement decoupling.
 - ◆ *Other*-Whenever possible, model franchise agreements should be consistent with any progressive state utility commission policies in the four green technology areas. Where these policies do not exist, the franchise agreements can be more progressive than the commissions and begin to promote these technologies in each of the states.

The comments and recommendations provided in this section of the report include some of the green technology opportunities that are emerging within the area of municipal energy use.

Summaries of the information collected from each responding municipality are provided below. The summaries are grouped by category and by state within group. Municipalities that fall under more than one group have an asterisk (*) following the name of the municipality. Electronic copies of all responses, grouped by state are also provided as an attachment to this report.

UTILITY FRANCHISE AGREEMENTS SUMMARIES

(*) Indicates that the municipality falls under more than one category.

Group 1 - Municipality does not charge the utility a fee or receive free utilities for the use of right of way

Wisconsin

No franchise fees or free utilities provided to the Municipality by the utility company

Electric/Gas

Wisconsin Public Service Commission, Chapter PSC 130, Municipal Regulation of Municipal Rights-Of-Way

- A municipal regulation is unreasonable if it requires a utility to pay more than the actual cost of function undertaken by the municipality to manage utility access to and use of municipal rights-of way.
- A municipal regulation is unreasonable if it requires a utility to be responsible for fees that may be assessed to a municipality as a member of the one-call system.

Naperville, IL

No franchise fees or free utilities provided to the Municipality by the utility company

Electric

Email Correspondence from the City of Naperville Citizen Support Center Support to Mary Loch, EPA Intern, Dated 7/9/2009

- Account representative from ComEd stated that Naperville does not have franchise agreements with the 7 communities in northern Illinois that have their own electric utility.

Indianapolis, IN

No franchise fees or free utilities provided to the Municipality by the utility company

Electric

Email Correspondence from Louise Ray, Strategic Accounts Executive – Indianapolis Power Light Company, to Mary Loch, dated July 06, 2009

- Illinois Power & Light Company's (IPL) real estate as well as IPL's legal counsel states that IPL does not have any Franchise Agreement with the City of Indianapolis. This is supported by Indiana State Statutory and case law.

Goshen, IN

No franchise fees or free utilities provided to the Municipality by the utility company

Electric

Email Correspondence from Melissa Meade, Goshen Engineering Department to Mary Loch dated July 30, 2009

- The City of Goshen does not have an agreement with NIPSCO for work in their right-of-way. Utility companies must acquire a Right-of-Way permit through the Engineering Department and Street Department, per Ordinance No. 3659.

Greenwood, IN

No franchise fees or free utilities provided to the Municipality by the utility company

Electric

Email Correspondence from Shawna Koons to Mary Loch dated July 31, 2009

- Greenwood, IN has had right of way agreements for cable lines, but not any for electricity. Greenwood, IN does not receive any free service for the use of the right of way.

Logansport, IN

No franchise fees or free utilities provided to the Municipality by the utility company

Electric/Gas

Email Correspondence from Ruth Ellen Bland, Logansport Clerk-Treasurer to Mary Loch dated July 30, 2009

- To Ms. Bland's knowledge there is no agreement. Logansport does have a Municipal Utility.

Muncie, IN

No franchise fees or free utilities provided to the Municipality by the utility company

Electric/Gas

Email Correspondence from Matt Wagley, Purchasing Agent, to Mary Loch dated July 30, 2009

- To Mr. Wagley's knowledge Muncie, IN does not get any services in exchange for their right of ways. The utility companies have the right to use their city public right of ways when the right of way is platted when developed.

Warsaw, IN

No franchise fees or free utilities provided to the Municipality by the utility company

Electric/Gas

Email Correspondence from Elaine Call, Clerk-Treasurer to Mary Loch dated July 31, 2009

- The City of Warsaw has no agreements at this time with any of utility providers.

Addison, MI

No franchise fees or free utilities provided to the Municipality by the utility company

Electric

Ordinance No. 41, passed April 1, 1974, expired April 2004

- Ordinance granting Detroit Edison Company to provide electricity to the Township of Addison, Oakland County, Michigan.
- Detroit Edison agrees that its rates and charges for electric service in the Township of Addison shall not exceed its rates and charges for like service elsewhere in its service area.
- The franchise shall remain in force for 30 years from date of confirmation (April 1, 1974).
- Ordinance does not state that the electric company agrees to provide the City with its electricity at a discounted rate.
- Ordinance does not contain any mandates or incentives for the electric company to invest in green energy technologies.

Gas

Ordinance No. 104, passed November 7, 1991, expires November 2012

- Ordinance granting to Consumers Power Company to do a local gas business in the Township of Addison, Oakland County, Michigan for a period of 30 years [November 7, 1991].
- The franchise granted by this ordinance is not exclusive.
- Grantee shall be entitled to charge the inhabitants of the said township for gas furnished therein, the rates as approved by the Michigan Public Service Commission.
- Ordinance does not state that the electric company agrees to provide the City with its gas at a discounted rate.
- Ordinance does not contain any mandates or incentives for the gas company to invest in green energy technologies.

Blissfield, MI

No franchise fees or free utilities provided to the Municipality by the utility company

Gas

Ordinance 5-23-05, passed May 23, 2005, expires May 2035

- Ordinance granting Consumers Energy Company the right to maintain and operate a gas business in the Village of Blissfield, Lenawee County, Michigan.
- The franchise is in force for a period of thirty years.
- The franchise is not exclusive.
- The rates to be charged by the company are approved by the Michigan Public Service Commission.
- Ordinance does not state that the gas company agrees to provide the City with its gas at a discounted rate.
- Ordinance does not contain any mandates or incentives for the electric company to invest in green energy technologies.

Electric

Ordinance 1-14-1980, passed January 14, 1980, expires January 2010

- Ordinance granting Consumers Power Company the right to provide electricity to the Village of Blissfield, Lenawee County, Michigan.
- The franchise is in force for a period of thirty years.
- The company is entitled to charge the residents of Blissfield for electric energy at rates approved by the Michigan Public Service Commission.
- The franchise is not exclusive.
- Ordinance does not contain any mandates or incentives for the electric company to invest in green energy technologies.
- Ordinance does not state that the gas company agrees to provide the City with its electricity at a discounted rate.

Charlotte, MI

No franchise fees or free utilities provided to the Municipality by the utility company

Electric

Email Correspondence from Michelle King, City Clerk, to Mary Loch dated August 5, 2009:

- The City of Charlotte has no contract with Consumers Energy (the only power company in our area) where there is an exchange of a fee to allow power lines in the Public Right of Way, or the like.

Clawson, MI

No franchise fees or free utilities provided to the Municipality by the utility company

Gas

Ordinance No. 590 passed December 17, 1996, expires December 2016

- Ordinance granting to Consumers Power Company to do a local gas business in the City of Clawson, Oakland County, Michigan.
- The franchise is in force for a period of twenty years.
- The Consumers Power Company shall be entitled to charge the inhabitants of the City for gas at rates that are to be approved by the Michigan Public Service Commission.
- This is not an exclusive franchise.
- Ordinance does not state that the gas company agrees to provide the City with its electricity at a discounted rate.
- Ordinance does not contain any mandates or incentives for the gas company to invest in green energy technologies.

Grand Haven, MI

No franchise fees or free utilities provided to the Municipality by the utility company

Gas

Ord. No. 95-3, passed January 9, 1995, expires January 2025

- Ordinance granting UtiliCorp United, Inc. (dba, Michigan Gas Utilities), the right to supply and sell gas in the City of Grand Haven, Michigan.
- The rates and charges shall not exceed the rates and charges permitted by applicable laws, rules, regulations, orders, directives or permits of any governmental entity or agency of competent jurisdiction.
- The company shall reimburse the city for all costs relating to the processing of this franchise including, but not limited to publication costs and reasonable attorney fees.
- The franchise is not exclusive.
- The franchise is in effect for thirty years.
- Ordinance does not state that the gas company agrees to provide the City with its electricity at a discounted rate.
- Ordinance does not contain any mandates or incentives for the gas company to invest in green energy technologies.

Livonian, MI

No franchise fees or free utilities provided to the Municipality by the utility company

Electric

Ordinance No 1369, passed February 3, 1978, expired February 2008

- Ordinance granting the Detroit Edison Company permission to provide electricity in the City of Livonia, Wayne County, Michigan.
- This is a non-exclusive grant.
- Company agrees that its rates, charges and conditions of service for electric service in the City shall be fair and reasonable and shall not exceed its rates and charges for like service elsewhere in its service area. Rates are approved by the Michigan Public Service Commission. (5-1508)
- The franchise and ordinance shall be and remain in force for thirty years.
- The Company shall at all times during the life of this franchise be subject to the lawful exercise of the general powers of the City, and to such reasonable regulation as the City shall hereafter enact by resolution or ordinance, subject, however, to Section 5-1508 of this franchise.
- Ordinance does not state that the electric company agrees to provide the City with its electricity at a discounted rate.
- Ordinance does not contain any mandates or incentives for the electric company to invest in green energy technologies.

Portage, MI

No franchise fees or free utilities provided to the Municipality by the utility company

Electric

Ordinance No. Unknown, passed March 29, 1983, expires March 2013

- Ordinance granting to Consumers Power Company to have a local electric business and provide electric service in the City of Portage, Kalamazoo County, Michigan.
- The franchise and ordinance shall be in force for thirty years.
- The Grantee agrees to be bound by the City ordinances and by the provisions of Chapter 13 of “Utility Franchises and Municipal Utilities” of the Charter of the City of Portage provided such ordinances and provisions constitute the reasonable exercise of the powers in said City.
- Chapter 13 of the Charter of the City of Portage does not state that the electric company agrees to provide the City with its electricity at a discounted rate.
- Chapter 13 of the Charter of the City of Portage does not contain any mandates or incentives for the electric company to invest in green energy technologies.

Austin, MN

No franchise fees or free utilities provided to the Municipality by the utility company

Electric/Gas

Austin, MN Code of Ordinances, Table X: Franchise Agreements

- It appears that the municipality only has cable franchises.

Andover, MN

No franchise fees or free utilities provided to the Municipality by the utility company

Gas

Ordinance 70, 3-5-1985, passed March 5, 1985, expires March 2010

- The City of Andover grants the North Central Public Service Co, a division of the Donovan Companies, Inc., a franchise to provide gas for light, heat, fuel, power, cooking, and other purposes.
- The franchise is non-exclusive.
- The franchise is in effect for a period of twenty five years.
- Ordinance does not state that the electric company agrees to provide the City with its electricity at a discounted rate.
- Ordinance does not contain any mandates or incentives for the electric company to invest in green energy technologies.

Cleveland, OH

No franchise fees or free utilities provided to the Municipality by the utility company

Electric/Gas

Email Correspondence from Ivan L. Henderson Interim Assistant Director of Public Utilities, to Mary Loch, dated July 31, 2009

- There is no franchise agreement between CEI and Cleveland and CEI has always maintained it occupies Cleveland streets pursuant to rights that were granted by general state law. There was a window of time around the year 1900 when general state law permitted phone and electric companies to place their equipment in the public right of way without a franchise agreement. This right was still subject to a city's right to regulate the details of the installation such as street restoration but not to withhold consent to the occupation itself. CEI may be at least partially correct but the issue is clouded because in the early years CEI grew by acquiring smaller electric companies that may not have had the protection of the general law.

Cincinnati, OH

No franchise fees or free utilities provided to the Municipality by the utility company

Electric/Gas

Email Correspondence from Deborah Allison, Assistant City Solicitor, to Mary Loch, dated August 11, 2009

- The City does not have a typical franchise agreement with Duke Energy. What would typically be considered the origin of a "franchise agreement" was an Ordinance passed by Cincinnati City Council in 1882. Since that time, there have been numerous corporate changes (for example: Cincinnati Gas, Light & Coke Company, Cincinnati Coke & Bottle Company, Cincinnati Gas & Electric, Cinergy, and now Duke Energy Ohio). In addition, agreements and legislation has changed and been amended numerous times since the originating ordinance passed in 1882 making it extremely difficult to track. In 1968, it was determined that the "Franchise" rights acquired by the Cincinnati Gas, Light & Coke Company in 1882, and the other companies acquired by that company, were attributable to Cincinnati Gas & Electric, now known as Duke Energy Ohio. It is under this presumption that the City has been operating with its gas and electric supplier since.

Defiance, OH

No franchise fees or free utilities provided to the Municipality by the utility company

Electric

Email Correspondence from Lisa Elders, City Clerk, to Mary Loch, dated August 7, 2009

- The City had franchises with Toledo Edison in the past, but it is believed that the most recent one expired about a decade ago and Toledo Edison declined to review

it because no one knew how a competitive electric market would play out in Ohio. The City has discussed Municipal Franchise with AEP (Ohio Power) and NW Electric Co-Op but nothing was adopted.

Findlay, OH

No franchise fees or free utilities provided to the Municipality by the utility company

Electric

Ordinance No. 2009-013, passed December 16, 1978, expires unknown

- Ordinance granting to Ohio Power Company the right to distribute electric energy to the City of Findlay, State of Ohio.
- Ordinance does not state that the Company agrees to provide the City with its electricity at a discounted rate.
- Ordinance does not contain any mandates or incentives for the Company to invest in green energy technologies.

Email correspondence from Bruce Hardy, Service Director, to Mary Loch, dated August 5, 2009

- The City of Findlay has never received any fee or service in lieu of a fee for granting to AEP or other power companies use of the City's right of way.

Electric

Ordinance No. 1978-112, passed February 17, 2009, expires February 2034:

- Ordinance granting Hancock-Wood Electrical Cooperative, Inc, to light certain streets in the City of Findlay, OH for a period of 25 years
- Ordinance does not state that the Company agrees to provide the City with its electricity at a discounted rate.
- Ordinance does not contain any mandates or incentives for the Company to invest in green energy technologies.

Email correspondence from Bruce Hardy, Service Director, to Mary Loch, dated August 5, 2009

- The City of Findlay has never received any fee or service in lieu of a fee for granting to Hancock-Wood Electrical Cooperative, Inc. or other power companies use of the City's rights of way.

Hudson, OH

No franchise fees or free utilities provided to the Municipality by the utility company

Electric

Email Correspondence from Jeff Fullerton, Hudson Public Power, to Mary Loch, dated August 5, 2009

- The only power companies that provide services to the City of Hudson would be First Energy, Cinergy and AEP. An agreement was negotiated in the late fifties regarding joint pole attachments. It basically says that the companies would like to keep as much as possible an equal amount of attachments within the City.

When that is not possible there is a rental charge of approximately \$2 per pole per year. The city leases a space to Windstream who then sub leases part of that space to Warner. If a company needs to attach to a pole or if they are placing new poles in the area they will present a pole proposal to the affected companies and an agreement is made.

Lima, OH

No franchise fees or free utilities provided to the Municipality by the utility company

Electric/Gas

Email Correspondence from Tony Geiger, Law Director, to Mary Loch dated August 10, 2009

- The City of Lima does not have any such agreements.

Mason, OH

No franchise fees or free utilities provided to the Municipality by the utility company

Electric

Email Correspondence from Art Oliver, Project Coordinator to Mary Loch dated August 5, 2009

- There are no contracts or agreements between the City of Mason and any electricity provider that exchanged fees or free service for permission to construct power lines on City of Mason property.

Miamisburg, OH

No franchise fees or free utilities provided to the Municipality by the utility company

Electric

Email Correspondence from Bob Stanley, Miamisburg City Engineer, to Mary Loch dated August 3, 2009

- The City of Miamisburg does not have a formal franchise agreement with the local electric provider (DP&L). Typically, the City does not exchange fees or free service for allowing power lines or facilities to be constructed on City property or within the public right of way. Traditionally, DP&L will obtain a permit and submit plans for City review and approval for installations within the Right of Way. Occasionally easements are necessary and are reviewed, approved and signed off accordingly on a case by case basis.
- The City has a collective agreement with DP&L for street lighting, maintenance and installations. This agreement also serves as an avenue for reporting street light outages.

Tiffin, OH

No franchise fees or free utilities provided to the Municipality by the utility company

Electric/Gas

Email Correspondence from Ruth Kin, Clerk, to Mary Loch, dated July 31, 2009

- Tiffin has no such franchise agreements

Westerville, OH

No franchise fees or free utilities provided to the Municipality by the utility company

Electric/Gas

Email Correspondence from Mary Johnston, Clerk of Council, to Mary Loch, dated August 17, 2009

- The City of Westerville does not have these types of agreements on file within the City.

Group 2 - Municipality provides it own electricity and/or gas

Waterloo, IL

Municipality provides its own electricity

Electric

Email Correspondence from Tammy Kujawa, Waterloo Clerk, to Mary Loch, dated July 7, 2009

- The City of Waterloo is in a unique position in that they are the electricity provider to the community. The city is a member of the IMEA (Illinois Municipal Electric Agency) and they purchase their power through them. They also own a power plant that they use to generate electricity for the IMEA and for the community in case of emergencies or loss of power from the power grid (Ameren – IL Power). The power poles located on city property are owned by the city.

Holland, MI

Municipality provides its own electricity

Electric, Chapter 12 of the Municipal Code, passed unknown, expires unknown

- Holland, MI is their own utility provider as the Holland Board of Public Works and they are the exclusive provider of electric service within the city limits.
- The Board of Public Works of the City of Holland is charged with the duty, power, and responsibility of constructing, maintaining, improving, and extending the electric and water plants and distribution systems of the city.
- With consent of the council, the board of public service [works] may purchase water or electricity from any person, firm, or corporation, municipal or private, if such purchase may be deemed to be in the best interest of the city and the inhabitants thereof.
- The board of public [works] shall fix the rates to be charged fall all public utility services under its control.

Group 3 - Utility pays an annual franchise fee to the municipality

Eureka, IL*

*Municipality provides utility with a tax break
Annual Franchise Fee*

Electric

Ordinance No 06-07, passed April 17, 2006, expires April 17, 2026

- Ordinance renewing an existing franchise and granting for a period of 20 years to AmerenCILCO, the franchise, right, permission and authority to maintain, and operate an electric utility system in the city of Eureka, County of Woodford and State of Illinois.
- The rates to be charged by the Company for electric services rendered under this Ordinance shall be such as are approved from time to time by the Illinois Commerce Commission of the State of Illinois and/or such other duly constituted governmental authority as shall have jurisdiction thereof.
- AmerenCILCO shall throughout the period in which the Company shall exercise the rights, privileges and authority granted by this ordinance shall furnish to Eureka, IL, annually, compensation in the amount of \$12,905, payable annually, within 30 days of the anniversary date.
- The Company shall be exempt from any special tax, assessment, license, rental or other charge during the term of this Ordinance, on all poles, conductors, wires, cables, conduits, equipment and other apparatus placed in the streets, alleys, avenues, bridges, easements, rights of way or other public places within the corporate limits of Municipality.

Normal, IL*

*Increasing annual franchise fee
Municipality receives free utilities for municipal owned buildings and street lights*

Electric

Ordinance No 5266, passed May 18, 2009, expires May 2029

- Ordinance authorizing AmerenIP to provide electric energy to the Town of Normal, County of McLean, State of Illinois.
- AmerenIP shall furnish Normal, IL in Year 1 compensation in the amount of \$240,200 (payable in 12 equal monthly payments). In subsequent years payment will be made on a graduated scale (Year 2- \$255,400, Year 3- \$270,600, Year 4 - \$285,800, and Year 5 and all remaining years \$301,000). Payments may be revised if there is a 3% increase or decrease in the population of Normal, IL.
- AmerenIP is exempt from any special tax, assessment, license, rental, or other charge during the term of this ordinance on all poles, conductors, wires, cables, conduits, equipment, and other apparatus.
- All rights and privileges are granted for 20 years from and after the acceptance of the Ordinance (May 2009).

- Ordinance does not contain any mandates or incentives for the electric company to invest in green energy technologies.

Sec. 26.2-1, Division 2, passed January 15, 1958, expires January 2008

- Ordinance granting Northern Illinois Gas Company the right to distribute and sell gas in the Town of Normal, County of McLean, State of Illinois.
- Ordinance took effect in January 15, 1958.
- The rights and privileges granted by this ordinance are granted for a term of 50 years from and after the acceptance of this Ordinance. (January 1958)
- Ordinance does not contain any mandates or incentives for the gas company to invest in green energy technologies.

Sec. 26.4-1, Division 4, passed December 19, 2005, expires, December 31, 2015

- Ordinance granting Corn Belt Energy Corporation the right to distribute and sell electric energy to Normal, Illinois until December 31, 2015.
- Until the Town of Normal, IL and Ameren IP enter into a Franchise, Corn Belt Energy Corporation agrees to furnish with the Company's service area within the town 50% of all electric street lighting service free of charge; to furnish free of charge all electric service for lighting purposes for all Town owned facilities including but not limited to buildings, water treatment plant, sewer lift stations, water well pumps, yard lights, and park lot lights. Free service shall apply only if separately metered.
- Until such a time as Normal, IL and AmerenIP enter into a Franchise Agreement, Corn Belt Energy Corporation agrees to pay town a fee equal to 1% of the residential receipts received by the Company for service provided by the Company. Fee is payable on a monthly basis.
- Ordinance does not contain any mandates or incentives for the electric company to invest in green energy technologies.
- Ordinance does not contain any mandates or incentives for the electric company to invest in green energy technologies.

Group 4 – Municipality charges an application fee or a one time fee to obtain a franchise

Albion, MI*

Application Fee to Obtain a Franchise for Electricity

Electric

Ordinance No. 2000-17, passed June 5, 2000, expired June 2005

- The City of Albion grants to Quest Energy L.L.C. (Quest) authority to conduct a local electric power business in the City of Albion, Calhoun County, Michigan, for a period of five years.
- Grantee shall complete and submit the “existing infrastructure application” for review by the council.
- A non-refundable application fee of \$2,500.00 shall be paid to cover the costs for reviewing and processing the franchise request.
- The grantee shall be entitled to furnish all the inhabitants of the city electricity and charge therefore at the rate approved by the Michigan Public Service Commission.
- Franchise is not exclusive.
- If the grantee or any subsidiary company pays a fee, charge or other payment of any kind on a periodic basis for an electric franchise to any municipality, then the grantee shall pay to the city a fee computed in the same manner as the fee is computed in such other municipality. A one-time charge prior to and for the installation of such a new service shall not be considered period fee unless such charge is unreasonably higher in such a municipality than in other municipalities. If fees are paid by the grantee to more than one municipality, then the computation of the fee for the city shall be based upon the method producing the larger fee.
- Ordinance does not contain any mandates or incentives for the electric company to invest in green energy technologies.

Gas

Ordinance No. (Not provided), passed November 21, 2005, expires November 2015

- Ordinance granting The Semco Energy Gas Company the right to maintain and operate in said City of Albion, County of Calhoun, State of Michigan, a plant for the production, distribution, transmission and sale of gas.
- The franchise is in force and effect for a period of 10 years from date of passage (November 2005).
- Ordinance does not state that the gas company agrees to provide the City with its gas at a discounted rate.
- Ordinance does not contain any mandates or incentives for the gas company to invest in green energy technologies.

Ann Arbor, MI*

Application fee to obtain a franchise

Mandates to use renewable sources of energy

A portion of the utility's gross revenue goes towards the Ann Arbor Assistance fund

Gas

Ordinance No. 37-96 § 1, 4-21-97, passed April 21, 1997, expires April 2027

- The city of Ann Arbor, MI grants the Michigan Consolidated Gas Company the right to supply and sell gas.
- The franchise is granted for 30 years after it takes effect, but is subject to revocation by the city at any time.
- The franchise is not exclusive.
- Ordinance does not contain any mandates or incentives for the gas company to invest in green energy technologies.

Electric

Ordinance No. 44-97 § 1, 10-6-97, passed October 6, 1997, expired October 2002

- Application fee for an energy franchise: \$6,000 for electricity suppliers, \$2,500 for suppliers of natural gas or other non-electric energy, \$7,000 for suppliers of both electricity and natural gas or other non-electric energy, any additional \$2,000 if the supplier expects to construct any facilities in the public rights-of-way.
- Ordinance granting Nordic Electric, L.L.C., a franchise to supply electricity and electrical services in the city of Ann Arbor, Michigan.
- The terms of this franchise are for 5 years, but the city may revoke the franchise at any time.
- The franchise is not exclusive.
- During the first year of the 5-year term the Grantee will obtain at least 3% of the electricity supplied from sources which are non-nuclear and non-fossil fuel based power, but which is, instead, electricity produced by renewable energy resources (e.g., solar, wind, hydro, biomass energy sources). Excess kWh may be banked for use in the year next following the year in which they are generated. The amount of renewal energy is increased yearly (2nd year – 4%, 3rd year – 6%, 4th year 8%, 5th year -10%).
- If the grantee does not meet the requirements of using renewal energy it shall make a payment of \$.015 for each kWh they are short of its requirement to a 501(c)(3) or other similarly designated non-profit entity whose mission statement shall include the receipt and distribution of monies dedicated to promoting energy efficiency and energy education projects in Ann Arbor.
- Grantee shall offer to all of its customers the option to purchase a portion of their power greater than the percentages required for renewable energy sources. Any such additional power purchased by the customer is not included as power from renewable sources in the calculation of the ratio, but is included as part of the total power supplied.

- Any power sold by the Grantee to customers in Ann Arbor must not result in an increase in CO2 emissions. Grantee shall be in compliance if the average annual CO2 emissions from the generation mix of power sold does not exceed 1,963 lbs/MWh.
- Grantee agrees to partner with Ann Arbor to advance the goals of the Ann Arbor Energy Plan and of the Energy Commission of the City of Ann Arbor.
- Grantee agrees to contribute to the Ann Arbor Assistance Fund a payment of 0.12% of Grantee's aggregate gross revenues received for the provision of electrical services within the City during the term of the franchise granted by these sections or \$25,000.00 whichever amount is greater,
- The City may require a payment by Grantee of a fee, charge or other payment on a periodic basis provided that any such ordinance would be applied equally to all electric utility franchises.
- Ann Arbor has multiple electric franchises that are all similar.

Warren, MI

Application fee to obtain a franchise

Electric

Ordinance No. 80-549, 12-28-99, passed December 28, 1999, expires unknown

- Ordinance granting Nordic Electric, L.L.C., a Michigan limited liability company, a franchise to supply electricity and electrical services to the City of Warren, Macomb County, Michigan.
- Nordic Electric, L.L.C agrees to pay the City a non-refundable application fee in the amount of \$4000.
- Nordic Electric, L.L.C agrees to compensate the City for the amount of its actual expenses incurred by the city in the drafting and preparation of this ordinance, including reasonable attorney fees, and for the amount of its actual expenses resulting from the process of adopting this ordinance. Grantee's total obligation to compensate the City for its actual expenses shall not exceed \$4000.

Grove City, OH

Application fee to obtain a franchise

Electric/Gas

Ordinance C-64-00, passed August 21, 2000, expired August 2005

- Companies that seek Rights of Way to operate a system have to apply and obtain a Certificate of Registration. All applications shall be accompanied by a \$2,000 application fee.
- Certificate of Registration is a nonexclusive, limited right to occupy Rights of Way in the City for limited purposes and for a limited period of time.
- Provider shall pay a Registration Maintenance Fee.
- Providers utilizing equal to or greater than thirty miles of Right-of-Way within the city shall pay a registration fee of \$4000 per year.

- Providers utilizing less than 30 miles of Right of Way within in the city shall pay a registration fee of \$2,000 per year.
- If the fee is late there a monthly late charge of 1%.
- Provider shall assume publication costs of up to \$1000 associated with its Certificate of Registration.
- The term of each Certificate of Registration is for 5 years.

Strongsville, OH

A fee is paid to the Municipality for the granting of the easement

Electric

Ordinance No. 25 adopted April 25, 1928, expired April 1953

- Ordinance granting to the Cleveland Southwestern Railway and Light Company, the right to transmit electricity in the Village of Strongsville, Cuyahoga County, Ohio.
- The franchise is in effect for a period of twenty five years.
- Ordinance does not state that the Company agrees to provide the City with its electricity at a discounted rate.
- Ordinance does not contain any mandates or incentives for the electric company to invest in green energy technologies.

Electric

Ordinance Number 1955-37, adopted April 18, 1955, expires unknown

- Ordinance granting to Ohio Edison Company right and privilege to operate and maintain a complete electric system for supplying electricity for light, heat and power purposes to the Village of Strongsville, Ohio.
- This is not an exclusive franchise.
- Ordinance does not state that the Company agrees to provide the City with its electricity at a discounted rate.
- Ordinance does not contain any mandates or incentives for the Company to invest in green energy technologies.

Electric

Ordinance No 1978-190, passed December 4, 1978, expires unknown

- Ordinance giving the Cleveland Electric Illuminating Company the right to distribute electricity to the City of Strongsville, OH.
- The compensation to be received by the City of Strongsville for the granting of the easement is the sum of \$1.00.

Group 5 - Municipality charges a franchise fee based on a percentage of the utility's gross revenues or profits

Ann Arbor, MI*

Application fee to obtain a franchise

Mandates to use renewable sources of energy

A portion of the utility's gross revenue goes towards the Ann Arbor Assistance fund

Gas

Ordinance No. 37-96 § 1, 4-21-97, passed April 21, 1997, expires April 2027

- The city of Ann Arbor, MI grants the Michigan Consolidated Gas Company the right to supply and sell gas.
- The franchise is granted for 30 years after it takes effect, but is subject to revocation by the city at any time.
- The franchise is not exclusive.
- Ordinance does not contain any mandates or incentives for the gas company to invest in green energy technologies.

Electric

Ordinance No. 44-97 § 1, 10-6-97, passed October 6, 1997, expired October 2002

- Application fee for an energy franchise: \$6,000 for electricity suppliers, \$2,500 for suppliers of natural gas or other non-electric energy, \$7,000 for suppliers of both electricity and natural gas or other non-electric energy, any additional \$2,000 if the supplier expects to construct any facilities in the public rights-of-way.
- Ordinance granting Nordic Electric, L.L.C., a franchise to supply electricity and electrical services in the city of Ann Arbor, Michigan.
- The terms of this franchise are for 5 years, but the city may revoke the franchise at any time.
- The franchise is not exclusive.
- During the first year of the 5-year term the Grantee will obtain at least 3% of the electricity supplied from sources which are non-nuclear and non-fossil fuel based power, but which is, instead, electricity produced by renewable energy resources (e.g., solar, wind, hydro, biomass energy sources). Excess kWh may be banked for use in the year next following the year in which they are generated. The amount of renewal energy is increased yearly (2nd year – 4%, 3rd year – 6%, 4th year 8%, 5th year -10%).
- If the grantee does not meet the requirements of using renewal energy it shall make a payment of \$.015 for each kWh they are short of its requirement to a 501(c)(3) or other similarly designated non-profit entity whose mission statement shall include the receipt and distribution of monies dedicated to promoting energy efficiency and energy education projects in Ann Arbor.
- Grantee shall offer to all of its customers the option to purchase a portion of their power greater than the percentages required for renewable energy sources. Any such additional power purchased by the customer is not included as power from renewable sources in the calculation of the ratio, but is included as part of the total power supplied.

- Any power sold by the Grantee to customers in Ann Arbor must not result in an increase in CO2 emissions. Grantee shall be in compliance if the average annual CO2 emissions from the generation mix of power sold does not exceed 1,963 lbs/MWh.
- Grantee agrees to partner with Ann Arbor to advance the goals of the Ann Arbor Energy Plan and of the Energy Commission of the City of Ann Arbor.
- Grantee agrees to contribute to the Ann Arbor Assistance Fund a payment of 0.12% of Grantee's aggregate gross revenues received for the provision of electrical services within the City during the term of the franchise granted by these sections or \$25,000.00 whichever amount is greater,
- The City may require a payment by Grantee of a fee, charge or other payment on a periodic basis provided that any such ordinance would be applied equally to all electric utility franchises.
- Ann Arbor has multiple electric franchises, all similar.

Alexandria, MN

Municipality receives a percentage of the gross profits from the utility company

Gas

Ordinance No. 531, 2nd Series, adopted January 26, 2004, expires unknown

- Ordinance establishes a franchise fee for CenterPoint Energy Minnegasco of five percent of CenterPoint Energy Minnegasco's gross revenues.

Mankato, MN

Municipality receives a percentage of the gross profits from the utility company

Gas

Ordinance of 2-25-2008, passed February 25, 2008, expires, April 11, 2014

- Ordinance granting permission to CenterPoint Energy Resources Corp. doing business as CenterPoint Energy Minnesota Gas the right to provide gas to the City of Mankato, County of Blue Earth, Minnesota.
- The franchise is in effect until April 11, 2014.
- The service to be provided and the rates to be charged by the Company for gas service in the City are subject to the jurisdiction of the Minnesota Public Utilities Commission.
- During the term of the franchise hereby granted, the City may charge the Company a franchise fee. The fee will be collected on either a percentage of gross revenue or a flat per meter basis for each retail customer within the corporate limits of the City. The amount of the fee collected may differ for each customer class. The City shall seek to use a formula that does not place the Company at a competitive advantage.
- The Company is required to pay the city a flat rate fee of the gross revenues from operations in Mankato as indicated below:

Customer Class	Monthly Fee
Residential	\$0.95

Com A	\$2.50
Com B	\$5.25
Com C	\$12.00
SVDF A	\$15.00
SVDF B	\$20.00
LVDF	\$25.00

- The franchise fee shall be payable not less than quarterly during complete billing months of the period for which payment is to be made.

Rochester, MN*

Municipality receives a percentage of the gross profits from the utility company (electric)

Electric

Ordinance No. 3857, passed February 20, 2008, expires February 2018

- Ordinance granting People’s Cooperative Services the right to provide electric service to the City of Rochester, County of Olmsted, Minnesota.
- The franchise is non exclusive.
- The service area is subject to change by the Minnesota Public Utilities Commission.
- People’s Cooperative Services shall pay to City a franchise fee based upon sales of electricity to all customers within the corporate boundary of the city. The franchise fee shall be calculated on the same basis as the contributions to the City’s general fund made by the City’s public utility department. These contributions are currently calculated by multiplying the total number of kilowatt hours of electricity sold times a specific rate which is adjusted annually effective each January 1st to reflect changes in the regional Consumers Price Index during the one year period ending April 30 of the preceding year. The rate in 1991 was \$.0052 per kilowatt hour.
- The franchise fee shall be payable monthly.
- The franchise is valid for 10 years from the effective date of this ordinance.
- Ordinance does not contain any mandates or incentives for the electric company to invest in green energy technologies.

Stillwater, MN

Municipality receives a percentage of the gross profits from the utility company (electric)

Electric

Ordinance No. 940 – Special Ordinance - Franchise Fee – Xcel Gas and Electric Operations

- Ordinance implementing a franchise fee on Xcel Energy and Gas and Electric Operations by the City of Stillwater.

- The Stillwater 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 Stillwater.
- A franchise fee is hereby imposed on Xcel Energy under its electric distribution Franchise in the amounts indicated in the following Fee Schedule from each customer in the designated company customer class:

Class Amount Per Month:

Residential \$1.00
 Commercial Firm Non-Demand \$5.00
 Commercial Firm Demand \$5.00
 Small Interruptible \$5.00
 Large Interruptible \$5.00
 Firm Transportation \$5.00
 Interruptible Transportation \$5.00

- A franchise fee is hereby imposed upon Xcel Energy under its natural gas Franchise in the amounts indicated in the following Fee Schedule from each customer in the designated company customer class:

Class Amount Per Month:

Residential \$2.00
 Sm C &1 –Non-Dem \$2.50
 Sm C &I- Demand \$18.00
 Large C&I \$18.00
 Public Street Ltg \$125.00
 Mini Pumping – N/D \$2.00
 Muni Pumping – Dem \$18.00

- The franchise fee is payable to the City in accordance with the terms set forth in Section 9.5 of the electric distribution franchise.

Illinois Municipalities serviced by ComEd

- For several municipalities serviced by ComEd, if the municipality charges ComEd a franchise fee for the use of right of way, ComEd then charges the customer an “Infrastructure Maintenance Fee” on their bill to cover the cost of the franchise fee (See Attachment 1).
- Customers in municipalities that receive free electricity from ComEd in lieu of a franchise fee are charged a “Franchise Cost Addition” on their bill to recover the value of electric service received by the municipality.
- ComEd also charges a retail customer assessment to collect funds for renewable energy resources and coal technology development, supplemental low-income energy assistance, and residential real-time pricing program costs. A residential retail customer is charged \$0.05 on each monthly bill. For any other retail customer, if the highest demand for electricity was less than

10,000 kilowatts, they are charged \$0.50. If the high demand was greater than 10,000 kilowatts, they are charged \$37.50.

Freeport, IL*

Municipality receives free electricity for municipal buildings

Municipality charges ComEd a franchise fee, which ComEd charges to the customer

Electric

Ordinance No. 92-72, passed November 2, 1992, expires October 2042,

- Ordinance authorizing Commonwealth Edison Company to operate and maintain an electrical system in Freeport, County of Stephenson, State of Illinois.
- Commonwealth Edison Company shall make efforts as it deems necessary to meet the standards required for its Utility Facilities in the City to meet applicable federal and state air and water pollution laws.
- Commonwealth Edison Company will supply without charge to the City an amount of electric energy as may be reasonably necessary for lighting and various other uses in municipal buildings solely occupied for municipal purposes and traffic signals. None of the said electric energy to be supplied without charge to the City shall be used for heating, street lighting, water pumping or other such power purposes. Nor shall any of the energy be resold.
- This is a non-exclusive franchise.
- The franchise granted by this Ordinance shall last for a term of 50 years from its effective date (October 1992).
- Municipality charges ComEd a franchise fee in which ComEd charges the customers.

Plainfield, IL*

Municipality receives free gas for municipal buildings

Municipality charges ComEd a franchise fee in which ComEd charges the customers

Gas

Ordinance No. 947, passed July 2, 1979, expires July 2029

- Ordinance authorizing Northern Illinois Gas Company the right to operate and maintain a gas distribution system in the Village of Plainfield, Illinois.
- The franchise agreement is in effect for a period of fifty years beginning July 2, 1979
- Northern Illinois Gas will supply without charge to the Village of Plainfield up to 8,800 therms for use in buildings which may be occupied from time to time by the municipality solely for governmental purposes and not for the purposes for revenue.¹

¹ The terms and conditions detailing the distribution and supply of gas to the Village of Plainfield are explicated in a letter dated July 9, 1979 to the President and Board of Trustees of the Village of Plainfield from the Vice President of Northern Illinois Gas.

- The amount of gas is based on a population of 2,928. The amount of gas is adjusted based in 3 therms per person for the next 10,000 populations and one therm per person for the next 80,000 population.
- Ordinance does not contain any mandates or incentives for the gas company to invest in green energy technologies.
- Municipality charges ComEd a franchise fee in which ComEd charges the customers.

Wheaton, IL*

Municipality receives free electricity from municipal buildings and traffic signals

Municipality charges ComEd a franchise fee in which ComEd charges the customers

Electric

Ordinance No. 3963, passed January 24, 1994, expires January 2052

- Ordinance authorizing Commonwealth Edison Company to operate an electric system in City of Wheaton, Du Page County, State of Illinois.
- Commonwealth Edison Company shall make efforts as it deems necessary to meet the standards required for its Utility Facilities in the City to meet applicable federal and state air and water pollution laws.
- Commonwealth Edison Company will supply without charge to the City such an amount of electric energy as may be reasonably necessary for: (1) lighting and various other uses in municipal buildings solely occupied for municipal purposes and not for purposes of revenue and; (2) traffic signals. None of the free supplied energy shall be used for heating, street lighting, water pumping or other such power purposes. Nor shall any of the energy be resold for any purpose.
- The consideration provided to the City by this Ordinance shall be in lieu of any permit, license, inspection or other similar fees or charges imposed by the City.
- The City reserves the right to engage in the production of electric energy, both from conventional power plants and from cogeneration and small power production facilities.
- This is a non-exclusive franchise.
- The franchise granted by the Ordinance shall last for a term of 58 years. (January 24, 1994).
- Ordinance does not contain any mandates or incentives for the gas company to invest in green energy technologies.
- Municipality charges ComEd a franchise fee in which ComEd charges the customers.

Group 6 – Utility provides free electricity and/or gas to municipality for municipal buildings and/or lights

Freeport, IL*

Municipality receives free electricity for municipal buildings

Municipality charges ComEd a franchise fee, which ComEd charges to the customer

Electric

Ordinance No. 92-72, passed November 2, 1992, expires October 2042,

- Ordinance authorizing Commonwealth Edison Company to operate and maintain an electrical system in Freeport, County of Stephenson, State of Illinois.
- Commonwealth Edison Company shall make efforts as it deems necessary to meet the standards required for its Utility Facilities in the City to meet applicable federal and state air and water pollution laws.
- Commonwealth Edison Company will supply without charge to the City an amount of electric energy as may be reasonably necessary for lighting and various other uses in municipal buildings solely occupied for municipal purposes and traffic signals. None of the said electric energy to be supplied without charge to the City shall be used for heating, street lighting, water pumping or other such power purposes. Nor shall any of the energy be resold.
- This is a non-exclusive franchise.
- The franchise granted by this Ordinance shall last for a term of 50 years from its effective date (October 1992).
- Municipality charges ComEd a franchise fee in which ComEd charges the customers.

Galesburg, IL*

Municipality provide utility with a tax break

Municipality receives free electricity and gas for municipality streets or buildings

Electric

Ordinance No. 91-1425, passed December 2, 1991, expires December 2041

- Ordinance authorizing Illinois Power Company to operate and maintain an electric utility system in the City of Galesburg, County of Galesburg, State of Illinois.
- For the rights and privileges to provide electricity to Galesburg, Illinois Power Company shall furnish free of charge 60% of the Municipality's street lighting requirements.
- The Company shall be exempt from any special tax, assessment, license, or other charge during the term of this Ordinance on any poles, conductors, wires, cables, conduits equipment and other apparatus.
- Ordinance does not contain any mandates or incentives for the electric company to invest in green energy technologies.

- The franchise granted by this Ordinance shall last for a term of 50 years from its effective date (December 1991).

Gas

Ordinance No. 91-142, passed December 2nd, 1991, expires December 2041

- Ordinance authorizing Illinois Power Company to operate and maintain a gas utility system in the City of Galesburg, County of Galesburg, State of Illinois.
- As a consideration for the rights and privileges granted by the Ordinance, Illinois Power company shall furnish free of charge, three therms per capita, per calendar year or prorated portion thereof, based on the latest U.S. Census or other certified figure. The Company shall furnish the above franchise consideration in only non-revenue producing buildings that are used exclusively for municipal services.
- Pipes and other facilities placed in the streets and public places shall be exempt from special taxes, assessment, license or rental charges during the term of the Ordinance.
- Ordinance does not contain any mandates or incentives for the gas company to invest in green energy technologies.
- The franchise granted by this Ordinance shall last for a term of 50 years from its effective date (December 1991).

Mt. Vernon, IL*

Municipality provide utility with a tax break

Municipality receives free electricity for municipal street lights

Electric

Ordinance No. 98-51, passed July 6, 1998, expires July 2048

- Ordinance authorizing Illinois Power Company to construct, operate and maintain an electric utility system in the City of Mt. Vernon, County of Jefferson, State of Illinois.
- For the rights and privileges to provide electricity to Mt. Vernon, Illinois Power Company will furnish free of charge, 60% of the Municipality's street lighting requirements.
- Illinois Power Company will be exempt from any special tax, assessment, license, rental or other charge during the term of this Ordinance on all poles, conductors, wires, cables, conduits, equipment and other apparatus.
- Ordinance does not contain any mandates or incentives for the electric company to invest in green energy technologies.
- The franchise granted by this Ordinance shall last for a term of 50 years from its effective date (July 1998).

Electric

Ordinance No. 99-56, passed September 20, 1999, expires September 2049

- Ordinance granting Tri-County Electric Cooperative, Inc, the right to provide electric energy to Mt. Vernon.
- Tri-County Electric Cooperative shall furnish general electric service and street lighting in said areas of the City. The City shall pay for electric energy at rates

established by the Company which from time to time are subject to governmental body, agency or other entity having jurisdiction over such rates, provided that in consideration of the franchise granted every other street light shall be furnished without charge to the City.

- The poles, wires and equipment placed on the streets or public places are exempt from any special tax, assessment, license or rental charge during the entire term of the ordinance.
- The rights are privileges granted by this ordinance are granted for a term of 50 years from and after the acceptance of this Ordinance. (July 20, 1998)
- Ordinance does not contain any mandates or incentives for the electric company to invest in green energy technologies.

Plainfield, IL*

Municipality receives free gas for municipal buildings

Municipality charges ComEd a franchise fee in which ComEd charges the customers

Gas

Ordinance No. 947, passed July 2, 1979, expires July 2029

- Ordinance authorizing Northern Illinois Gas Company the right to operate and maintain a gas distribution system in the Village of Plainfield, Illinois.
- The franchise agreement is in effect for a period of fifty years beginning July 2, 1979
- Northern Illinois Gas will supply without charge to the Village of Plainfield up to 8,800 therms for use in buildings which may be occupied from time to time by the municipality solely for governmental purposes and not for the purposes for revenue.²
- The amount of gas is based on a population of 2,928. The amount of gas is adjusted based in 3 therms per person for the next 10,000 populations and one therm per person for the next 80,000 population.
- Ordinance does not contain any mandates or incentives for the gas company to invest in green energy technologies.
- Municipality charges ComEd a franchise fee in which ComEd charges the customers.

Wheaton, IL*

Municipality receives free electricity from municipal buildings and traffic signals

Municipality charges ComEd a franchise fee in which ComEd charges the customers

Electric

Ordinance No. 3963, passed January 24, 1994, expires January 2052

- Ordinance authorizing Commonwealth Edison Company to operate an electric system in City of Wheaton, Du Page County, State of Illinois.

² The terms and conditions detailing the distribution and supply of gas to the Village of Plainfield are explicated in a letter dated July 9, 1979 to the President and Board of Trustees of the Village of Plainfield from the Vice President of Northern Illinois Gas.

- Commonwealth Edison Company shall make efforts as it deems necessary to meet the standards required for its Utility Facilities in the City to meet applicable federal and state air and water pollution laws.
- Commonwealth Edison Company will supply without charge to the City such an amount of electric energy as may be reasonably necessary for: (1) lighting and various other uses in municipal buildings solely occupied for municipal purposes and not for purposes of revenue and; (2) traffic signals. None of the free supplied energy shall be used for heating, street lighting, water pumping or other such power purposes. Nor shall any of the energy be resold for any purpose.
- The consideration provided to the City by this Ordinance shall be in lieu of any permit, license, inspection or other similar fees or charges imposed by the City.
- The City reserves the right to engage in the production of electric energy, both from conventional power plants and from cogeneration and small power production facilities.
- This is a non-exclusive franchise.
- The franchise granted by the Ordinance shall last for a term of 58 years. (January 24, 1994).
- Ordinance does not contain any mandates or incentives for the gas company to invest in green energy technologies.
- Municipality charges ComEd a franchise fee in which ComEd charges the customers.

Normal, IL

Increasing annual franchise fee

Municipality receives free utilities for municipal owned buildings and street lights

Electric

Ordinance No 5266, passed May 18, 2009, expires May 2029

- Ordinance authorizing AmerenIP to provide electric energy to the Town of Normal, County of McLean, State of Illinois..
- AmerenIP shall furnish Normal, IL in Year 1 compensation in the amount of \$240,200 (payable in 12 equal monthly payments). In subsequent years payment will be made on a graduated scale (Year 2- \$255,400, Year 3- \$270,600, Year 4 - \$285,800, and Year 5 and all remaining years \$301,000). Payments may be revised if there is a 3% increase or decrease in the population of Normal, IL.
- AmerenIP is exempt from any special tax, assessment, license, rental, or other charge during the term of this ordinance on all poles, conductors, wires, cables, conduits, equipment, and other apparatus.
- All rights and privileges are granted for 20 years from and after the acceptance of the Ordinance (May 2009).
- Ordinance does not contain any mandates or incentives for the electric company to invest in green energy technologies.

Sec. 26.2-1, Division 2, passed January 15, 1958, expires January 2008

- Ordinance granting Northern Illinois Gas Company the right to distribute and sell gas in the Town of Normal, County of McLean, State of Illinois.
- Ordinance took effect in January 15, 1958.
- The rights and privileges granted by this ordinance are granted for a term of 50 years from and after the acceptance of this Ordinance. (January 1958)
- Ordinance does not contain any mandates or incentives for the gas company to invest in green energy technologies.

Sec.26.4-1, Division 4, passed December 19, 2005, expires, December 31, 2015

- Ordinance granting Corn Belt Energy Corporation the right to distribute and sell electric energy to Normal, Illinois until December 31, 2015.
- Until the Town of Normal, IL and Ameren IP enter into a Franchise, Corn Belt Energy Corporation agrees to furnish with the Company's service area within the town 50% of all electric street lighting service free of charge; to furnish free of charge all electric service for lighting purposes for all Town owned facilities including but not limited to buildings, water treatment plant, sewer lift stations, water well pumps, yard lights, and park lot lights. Free service shall apply only if separately metered.
- Until such a time as Normal, IL and AmerenIP enter into a Franchise Agreement, Corn Belt Energy Corporation agrees to pay town a fee equal to 1% of the residential receipts received by the Company for service provided by the Company. Fee is payable on a monthly basis.
- Ordinance does not contain any mandates or incentives for the electric company to invest in green energy technologies.
- Ordinance does not contain any mandates or incentives for the electric company to invest in green energy technologies.

Group 7 - Municipality reserves the right to charge a franchise fee, but chooses not to

Auburn Hills, MI

The municipality has the right to impose a franchise fee, but chooses not to

Electric/Gas

Ordinance No. 662, 7-10-00, passed July 10, 2000, expires unknown

- General franchise terms and conditions, the grantee has the right to transact a local business of supplying electricity or gas to the city of Auburn Hills, MI.
- The franchise is non-exclusive.
- Every three years commencing after December 21, 2001, the city has a right to require the payment by the grantee on a periodic basis of a franchise fee. Such fee must be applied to all grantees supplying the same commodity (gas or electricity) pursuant to the franchise ordinance.
- Grantee shall reimburse the city for any costs it incurs, including reasonable attorney fees, in enforcing franchise terms and conditions.
- Ordinance does not contain any mandates or incentives for the electric or gas company to invest in green energy technologies.

Email Correspondence from Kathleen Novak, City Clerk to Lora Buco, TechLaw, dated September 23, 2009

- The city does not impose a franchise fee on electric or gas utility companies

Waterford Township, MI

Municipality has the right to charge a franchise fee, but chooses not to

Electric

Ordinance No. 6-26-00, passed June 26, 2000, expires June 2010

- Ordinance granting DTE Energy Marketing, Inc. the right to supply electricity to Waterford Township, Michigan.
- This franchise is non-exclusive.
- Every three years commencing on December 31, 2001 the township has the right to require the payment by grantee on a periodic basis of a franchise fee.
- The franchise term is for 10 years from the adoption of this ordinance.
- If a person has a business without a franchise they shall pay a fine of \$3,500 for the first offense and \$5,000 for any subsequent offenses.
- Ordinance does not contain any mandates or incentives for the electric company to invest in green energy technologies.

Correspondence from Betty Fortino, Clerk, to Lora Buco, dated 9/17/09

- The City of Waterford does not choose to impose any franchise fees.

Brainerd, MN

Municipality has the right to charge a franchise fee, but chooses not to

Gas

Ordinance No. 967, passed August 15, 1994, expires August 2019

- Ordinance granting to Northern States Power Company permission to erect and operate a gas distribution system for the City of Brainerd, Crow Wing County, Minnesota for a period of 25 years.
- Rates to be charged by the Company are subject to the jurisdiction of the Public Utilities Commission for Minnesota.
- The franchise grant is non exclusive.
- The franchise is in effect for a period of twenty five years.
- Ordinance does not state that the Company agrees to provide the City with its gas at a discounted rate.
- Ordinance does not contain any mandates or incentives for the Company to invest in green energy technologies.

Gas

Ordinance No. 780, passed January 18, 1982, expired January 2007

- Ordinance granting Minnesota Gas Company, a non-exclusive franchise to distribute and sell gas energy for public and private use for City of Brainerd, Crow Wing County, Minnesota for a period of 25 years.
- The Municipality may at any time, by ordinance, provide for a franchise fee not to exceed five percent of the gross revenues of the Company's utility operations in the Municipality.
- Ordinance does not state that the Company agrees to provide the City with its gas at a discounted rate.
- Ordinance does not contain any mandates or incentives for the Company to invest in green energy technologies.

Email Correspondence from Dan Vogt, Clerk, to Lora Bucu, dated September 17, 2009

- The City of Brainerd does not impose any franchise fee at this time.

Eden Prairie, MN

Municipality has the right to charge a franchise fee, but chooses not to

Gas

Ordinance No. 32-92, passed unknown, expires unknown

- Franchise Agreement with North States Power Company [the right to import, manufacture, transport, distribute and sell gas for public and private use].
- Franchise Agreement is non-exclusive.
- City may impose uniform franchise fee of not more than 5% of Company's gross revenue. The franchise fee shall be imposed by a separate ordinance adopted by the City Council.

- Gross revenues are defined as: all sums, excluding any surcharges or similar addition to Companies charges to customers for the purpose of the reimbursing Co. for the cost resulting from the franchise fee.
- Franchise Fee payable quarterly. Percent Fee can be changed with proper notice. Fee cannot exceed any amount which Company may legally charge its customers prior to payment to the city by imposing a surcharge equivalent to such fee in its rates for electric service. Company may pay the city the fee based upon the surcharge billed subject to subsequent reductions to account for uncollectible or customer refunds.
- Not lawful unless City collects a fee or tax of the same or greater percent on the receipts from sales or energy within the City by any other energy suppliers.
- Ordinance does not state that the electric company agrees to provide the City with its electricity at a discounted rate.
- Ordinance does not contain any mandates or incentives for the electric company to invest in green energy technologies.

Email Correspondence from Kitty Porta to Lora Buco, dated 9/15/09

- The City of Eden Prairie does not impose a franchise fee at this time.

Elk River, MN

Municipality has the right to charge a franchise fee, but chooses not to

Gas

Ordinance No. 03-005, passed February 24, 2004, expires February 2024

- Ordinance granting CenterPoint Energy Minnegasco, a division of CenterPoint Energy Resources Corporation, a Delaware Corporation, to provide gas energy for public and private use in the City of Elk River, Sherburne County, Minnesota.
- The franchise grant is non exclusive.
- The franchise is in effect for a period of twenty years from the date the ordinance is passed.
- The service provided and the rates charged by the Company for gas service in the City are subject to the jurisdiction of the Minnesota Public Utilities Commission.
- The City reserves all rights under Minn. Stat. § 216B.36, to require a franchise fee at any time during the term of this franchise. If the City elects to require a franchise fee it shall notify the Company and negotiate in good faith to reach a mutually acceptable fee agreement, which shall be set forth in separate ordinance and not adopted until at least 60 days after Notice. If the City and Company are unable to agree on a franchise fee or on any terms related thereto, each hereby consents to the jurisdiction of State District Court, Sherburne County, to construe their respective rights under the law, subject to all rights of appeal.
- Ordinance does not state that the Company agrees to provide the City with its gas at a discounted rate.
- Ordinance does not contain any mandates or incentives for the electric company to invest in green energy technologies.

Email Correspondence from Tina Allard, Clerk, to Lora Buco, dated September 14, 2009

- The City of Elk River does not charge a franchise fee.

Fergus Falls, MN

Municipality has the right to impose a franchise fee, but chooses not to

Electric

Ordinance No. 69, passed September 17, 2007, expires September 2027

- Ordinance granting Otter Tail Corporation, doing business as Otter Tail Power Company permission to provide electricity to the City of Fergus Falls, Otter Tail County, Minnesota.
- The franchise is in effect for a period of twenty years from the date passed and approved by the City.
- The service provided and the rates charged by the Company are subject to the jurisdiction of the Minnesota Public Utilities Commission.
- In addition to permit fees being imposed or that the City has a right to impose, the City may charge the Company a franchise fee. The fee may be a percentage of gross revenues received by the Company for its operations within the City, a flat fee per customer based on a metered service to retail customers, or a fee based on units of energy delivered to any class of retail customers within the corporate limits of the City. The method of imposing the franchise fee may differ for each customer class.
- The separate ordinance imposing the fee shall not be effective against the Company unless it lawfully imposes a fee of the same or substantially similar amount on the sale of gas energy within the City by any other gas energy supplier, provided that, as to such supplier, the City has the authority or contractual right to require a franchise fee or similar fee through a previously agreed upon franchise.
- The franchise fee is paid quarterly during complete billing months.
- Ordinance does not state that the Company agrees to provide the City with its electricity at a discounted rate.
- Ordinance does not contain any mandates or incentives for the Company to invest in green energy technologies.

Gas

Resolution #56 – 2000, passed July 1, 2000

- Merger transaction between Great Plains Natural Gas Co. with MDU resources Group, Inc, will result in the transfer of the franchise rights and the natural gas system of Great Plains Natural Gas Co. to MDU Resources Group, Inc.

Gas

Ordinance No. 92, passed October 21, 2002, expires unknown

- Grants a non-exclusive franchise to Great Plains Natural Gas Co. (a Division of MDU Resources Group, Inc.) for the transportation, distribution, manufacture, and sale of gas energy for public and private use.
- Ordinance does not contain any mandates or incentives for the electric company to invest in green energy technologies.

Email Correspondence from Lynne Olson, Assistant to the City Administrator, to Lora Buco dated 9/22/09

- The City of Fergus Falls does not charge a franchise fee.

Rochester, MN*

Municipality has the right to charge a franchise fee, but it is not specified whether the municipality chooses not to do so (gas)

Gas

Ordinance No. Unknown, passed February 18, 2004, expires February 2014

- Ordinance granting permission to Aquila, Inc., a the right to operate, construct and maintain a public gas utility in the City of Rochester, County of Olmsted, Minnesota.
- The franchise is in effect for a period of ten years from the effective date.
- The laws of the State of Minnesota authorize a payment of compensation to a city by the provider of natural gas services in the form of the imposition of a city franchise fee to raise revenue or to defray costs accruing as a result of such operations.
- A franchise fee is not being imposed at this time as part of the ordinance. The Council, at its discretion, may at any time during the term of the ordinance impose a franchise fee. The volumetric fee rate is per 100 cubic feet of gas by volume, transported sold, furnished or delivered by the Company within the limits of the City.
- Ordinance does not contain any mandates or incentives for the gas company to invest in green energy technologies.

Berkley, MI

Municipality has the right to charge a franchise fee, but it is not specified whether the municipality chooses to do so.

Electric

Ordinance No. O-8-99, § 1, 8-23-1999, passed August 23, 1999, expires August 2029

- Ordinance granting The Detroit Edison Company the rights to distribute electricity for public and private use in the City of Berkley, Oakland County, Michigan.
- The franchise is non-exclusive and will remain in force for 30 years.
- Grantee agrees that its rates and charge shall not exceed its rates and charges for like services elsewhere in its service area and such rates are approved by the Michigan Public Service Commission.
- Every three years commencing after December 21, 2001, the city has a right to require the payment by the grantee on a periodic basis of a franchise fee provided that any such fee is applied to all grantees providing the same commodity (gas or electricity) pursuant to the franchise ordinance.

- Ordinance does not contain any mandates or incentives for the gas company to invest in green energy technologies.

Woodbury, MN

Municipality has the right to charge a franchise fee, but it is not specified whether the municipality chooses to do so

Electric

Ordinance No. 1535 and 1534, passed September 13, 1989 expired September 2009

- Ordinance granting permission Northern States Power Company the right to provide electric energy (Sec. 9-1) and gas (Sec. 9-2) in the City of Woodbury, County of Washington, Minnesota.
- Non-exclusive franchise.
- The franchise is in effect for a period of twenty years.
- The city may impose on the Company a franchise fee of not more than four percent of the company's gross revenues as hereinafter defined. The franchise fee shall be imposed by a separate ordinance.
- The service to be provided and the rates to be charged by the company for service in the city are subject to the jurisdiction of the public utilities commission of the state.
- Gross revenue means all sums, excluding any surcharge or similar addition to the company's charges to customers for the purpose of reimbursing the company for the cost resulting from the franchise fee, received by the company from the sale of electricity to its retail customers within the corporate limits of the city.
- Franchise fee shall be payable not less often than quarterly and shall be based on the gross revenues of the company during complete billing months during the period for which payment is to be made. The percent fee may be changed by ordinance from time to time, but not more often than annually. Such a fee shall not exceed any amount which the company may legally charge to its customers prior to payment to the city by imposing a surcharge equivalent to such fee in its rates for electric service. The company may pay the city based upon the surcharge billed subject to subsequent reductions to account for uncollectibles or customer refunds.
- Ordinance does not contain any mandates or incentives for the electric company to invest in green energy technologies.

Gas

- **Ordinance No. 1528, passed June 14, 1989, expired June 14, 2009**
- Ordinance granting permission to Minnegasco Inc., the right to provide gas to the City Woodbury, County of Washington, Minnesota.
- This was a non exclusive franchise.
- The company may be required to pay the municipality, in the manner and at a rate prescribed by a separate ordinance, a fee determined by collections from sales of gas, but not to exceed five percent of the company's gross revenues from the sale

of gas within the municipality. The fee shall be separately stated on gas bills rendered to customers within the municipality.

- Ordinance does not contain any mandates or incentives for the electric company to invest in green energy technologies.

Group 8 - Municipality provides utility with a tax break

Eureka, IL*

Municipality provides utility with a tax break

Annual Franchise Fee

Electric

Ordinance No 06-07, passed April 17, 2006, expires April 17, 2026

- Ordinance renewing an existing franchise and granting for a period of 20 years to AmerenCILCO, the franchise, right, permission and authority to maintain, and operate an electric utility system in the city of Eureka, County of Woodford and State of Illinois.
- The rates to be charged by the Company for electric services rendered under this Ordinance shall be such as are approved from time to time by the Illinois Commerce Commission of the State of Illinois and/or such other duly constituted governmental authority as shall have jurisdiction thereof.
- AmerenCILCO shall throughout the period in which the Company shall exercise the rights, privileges and authority granted by this ordinance shall furnish to Eureka, IL, annually, compensation in the amount of \$12,905, payable annually, within 30 days of the anniversary date.
- The Company shall be exempt from any special tax, assessment, license, rental or other charge during the term of this Ordinance, on all poles, conductors, wires, cables, conduits, equipment and other apparatus placed in the streets, alleys, avenues, bridges, easements, rights of way or other public places within the corporate limits of Municipality.
- Ordinance does not contain any mandates or incentives for the electric company to invest in green energy technologies.

Galesburg, IL*

Municipality receives free electricity and gas for municipality streets or buildings

Municipality provides utility with a tax break

Electric

Ordinance No. 91-1425, passed December 2, 1991, expires December 2041

- Ordinance authorizing Illinois Power Company to operate and maintain an electric utility system in the City of Galesburg, County of Galesburg, State of Illinois.
- For the rights and privileges to provide electricity to Galesburg, Illinois Power Company shall furnish free of charge 60% of the Municipality's street lighting requirements.
- The Company shall be exempt from any special tax, assessment, license, or other charge during the term of this Ordinance on any poles, conductors, wires, cables, conduits equipment and other apparatus.

- Ordinance does not contain any mandates or incentives for the electric company to invest in green energy technologies.
- The franchise granted by this Ordinance shall last for a term of 50 years from its effective date (December 1991).

Gas

Ordinance No. 91-142, passed December 2nd, 1991, expires December 2041

- Ordinance authorizing Illinois Power Company to operate and maintain a gas utility system in the City of Galesburg, County of Galesburg, State of Illinois.
- As a consideration for the rights and privileges granted by the Ordinance, Illinois Power company shall furnish free of charge, three therms per capita, per calendar year or prorated portion thereof, based on the latest U.S. Census or other certified figure. The Company shall furnish the above franchise consideration in only non-revenue producing buildings that are used exclusively for municipal services.
- Pipes and other facilities placed in the streets and public places shall be exempt from special taxes, assessment, license or rental charges during the term of the Ordinance.
- Ordinance does not contain any mandates or incentives for the gas company to invest in green energy technologies.
- The franchise granted by this Ordinance shall last for a term of 50 years from its effective date (December 1991).

Mt. Vernon, IL*

Municipality receives free electricity for municipal street lights

Municipality provide utility with a tax break

Electric

Ordinance No. 98-51, passed July 6, 1998, expires July 2048

- Ordinance authorizing Illinois Power Company to construct, operate and maintain an electric utility system in the City of Mt. Vernon, County of Jefferson, State of Illinois.
- For the rights and privileges to provide electricity to Mt. Vernon, Illinois Power Company will furnish free of charge, 60% of the Municipality's street lighting requirements.
- Illinois Power Company will be exempt from any special tax, assessment, license, rental or other charge during the term of this Ordinance on all poles, conductors, wires, cables, conduits, equipment and other apparatus.
- Ordinance does not contain any mandates or incentives for the electric company to invest in green energy technologies.
- The franchise granted by this Ordinance shall last for a term of 50 years from its effective date (July 1998).

Electric

Ordinance No. 99-56, passed September 20, 1999, expires September 2049

- Ordinance granting Tri-County Electric Cooperative, Inc, the right to provide electric energy to Mt. Vernon.

- Tri-County Electric Cooperative shall furnish general electric service and street lighting in said areas of the City. The City shall pay for electric energy at rates established by the Company which from time to time are subject to governmental body, agency or other entity having jurisdiction over such rates, provided that in consideration of the franchise granted every other street light shall be furnished without charge to the City.
- The poles, wires and equipment placed on the streets or public places are exempt from any special tax, assessment, license or rental charge during the entire term of the ordinance.
- The rights and privileges granted by this ordinance are granted for a term of 50 years from and after the acceptance of this Ordinance. (July 20, 1998)
- Ordinance does not contain any mandates or incentives for the electric company to invest in green energy technologies.

Municipalities With Insufficient Information (No further response)

Forest Lake, MN

It is unknown whether a franchise fee is in place

Electric

Ordinance No. 410, passed unknown, expired December 31, 1988

- Ordinance granting Northern States Power Company permission to provide electricity for a period extending to December 31, 1988 in the City of Forest Lake, MN.

Gas

Ordinance No. 411, passed unknown, expired December 31, 1988

- Granting Northern States Power Company permission to provide gas to the city for a period extending to December 31, 1998.

Hastings, MN

It is unknown whether a franchise fee is in place

Electric/Gas

- Ordinance No. 108 – Gas Franchise; Minnesota Gas Company; codified in Prior Code § 12.30, passed March 6, 1980, expires unknown
- Ordinance No. 396 – Electric Franchise; Northern States Power; codified in Prior Code, § 12.10, passed November 18, 1996, expires unknown
- Ordinance No. 397 – Electric Franchise; Dakota Electric Association, passed November 18, 1996
- Ordinance No. 536 – Gas Franchise; Centerpoint Energy, passed May 16, 2005

Hibbing, MN

It is unknown whether a franchise fee is in place

Electric

Ordinance No. 227, passed July 13, 1960, expired July 1985

- Adopted July 13, 1960 grants an electric franchise to Minnesota Power and Light Company for a period of twenty-five years.

Ordinance No. 163, passed August 23, 1988, expired August 1998

- Adopted August 23, 1988 grants an electric franchise to Minnesota Power and Light Company for a period of 10 years.

Marshall, MN

It is unknown whether a franchise fee is in place

Electric/Gas

Ordinance No. 356, passed March 16, 1996, expires unknown

- No exclusive or perpetual franchise shall be granted. No franchise for a term exceeding twenty years shall be effective until approved by a majority of the electors voting thereon.
- Before franchise ordinance is adopted or rates, fares, or prices to be charge by a public utility are fixed by the Council, the Council shall hold a public hearing on the matter.

Toledo, OH

It is unknown whether a franchise fee is imposed

Electric

Email Correspondence from Kerry Bruce, Department of Public Utilities, to Mary Loch, dated July 31, 2009

- Toledo had a franchise agreement from the predecessors to FirstEnergy company (Toledo Edison) from the late 1890s. It authorized use of the right of way but did not provide for any payments. This franchise agreement was terminated in the 1998 in favor of a codified ordinance regulating the sale of electricity in the city limits by any electric service provider (Toledo Municipal Code Chapter 947 - Provision of Electric Energy). The city also has a codified ordinance regulating the use of the right of way (Toledo Municipal Code Chapter 945 - Management and Control of the Public Right of Way).

Charter of the City of Toledo, Chapter XII. Franchises

- Council may grant permission to any individual, company, or corporation to construct and operate a public utility in the streets and public grounds of the City.
- The franchise is not exclusive.

**ATTACHMENT 1 –
Illinois Municipalities Serviced by ComEd**