

9/8/2026 Public Comments of John Purdy under [ORD 26-41](#) and [26-44](#) Electric Franchise and Fees.

Dear Saint Paul City Council, City Clerk, Mayor and Northern States President Bria Shea,

Please accept my comments below:

City staff is proposing that the City Council approve the deletion of the following two (2) rate classes: Municipal Pumping-Non-Demand and Municipal Pumping-Demand.

The reason being given is that these are government uses of electricity and are “Exempt”.

No statutory exemption for these rate classes is cited by City Staff, who said they are not sure why franchise fees charged to these rate classes were included within the current, soon to expire franchise.

No statutory exemptions (that I can find) exist that prevent the City from charging Xcel for any franchise fees, other than the exemption provisions of Minn. Statute 473.448 (exempting MTC Light Rail Line electricity purchases from municipal fees).

While it may seem like a waste of effort for the city to firstly impose the franchise fee, only to have it be given back one month later, this thinking is not correct.

Saint Paul Regional Water Services utilizes large electrically driven motors to daily pump 40 million gallons of water from the Mississippi River in Fridley, MN to their several water storage reservoirs and for further distribution and sale to the 14 communities they serve. Namely, Saint Paul, Maplewood, West Saint Paul, Mendota Heights, Falcon Heights, Lauderdale, Mendota, Lilydale, Sunfish Lake, South Saint Paul, Newport, Roseville, Little Canada and Arden Hills.

Water weighs 8.34 lbs. per gallon, meaning that SPRWS physically transports 333.6 million pounds of water daily.

SPRWS must lift all this water from the Mississippi riverbank at Fridley to their storage elevations.

As an example, water destined for the West St. Paul SPRWS water reservoir, located at the south end of Stryker, is at an elevation of 1,100 ft above sea level.

The SPRWS Mississippi River intake at Fridley is at an elevation of 800 ft above sea level.

This 300-foot lift requires 75,000 kWh per day, or 27,500,000 kWh/year assuming a pumping energy efficiency loss of 50%.

Xcel Electric Book Tariff MPUC No. 2, Rate Code A41, Municipal Demand Pumping Service names an energy charge only of \$0.07105/kWh. Demand charges also apply.¹

27,500,000 kWh x \$0.07105/kWh = \$1,954,912 in Xcel billing to SPRWS for the pumping lift.

The city staff report indicates a current equivalent franchise fee rate of 4.8% for this Municipal Pumping Demand service, for a franchise fee yearly income of \$93,835.

This revenue went into the General Fund.

By exempting this pumping category from the collection of franchise fees the general fund is deprived while SPRWS, a separate accounting unit altogether, benefits and can pass this windfall along to their service area customers. It would be better off kept in the general fund.

Please do not exempt this source of income approximating \$100,000 and instead consider amending the rate from "Exempt" or "N/A" to one that is reasonable, as agreed to between the Saint Paul City Council and Xcel Energy.

Thank you.

¹ Please see MPUC No. 2, Section 5, 34th Revised Sheet No. 87 at this link:
https://xcelnew.my.salesforce.com/sfc/p/#1U0000011ttV/a/R3000009e5Gn/l5dPsyuDwVngkzR63Q.hXda5uXPYxwgT1iGOR_QUvuw