



2302 Great N. Drive
Fargo, North Dakota 58402

May 25, 2012

—Via Electronic Filing and U.S. Mail—

Darrell Nitschke, Executive Secretary
North Dakota Public Service Commission
600 East Boulevard--Dept. 408
Bismarck, ND 58505-0480

RE: FRANCHISE FEE--WEST FARGO, NORTH DAKOTA
CASE NO. PU-12-___

Dear Mr. Nitschke:

Northern States Power Company, doing business as Xcel Energy, submits to the North Dakota Public Service Commission this notification of a new franchise fee approved by the City of West Fargo.

Ordinance

On May 7, 2012, the City of West Fargo adopted Ordinance No. 919 which, among other things, establishes an electric franchise fee. The fee will be 2% of gross revenues from sales of electricity within the City of West Fargo. We will implement this fee on August 1, 2012. We provide the franchise fee Ordinance as Attachment A to this filing.

Tariff Sheet

Attachment B to this filing is a revised tariff sheet in both legislative and non-legislative format, as follows:

North Dakota Electric Rate Book – NDPSC No. 2

Sheet No. 5-77, revision 3

Customer Notification

Electric customers in West Fargo will be alerted to this new franchise fee via the following bill message:

The City of West Fargo recently implemented a 2% City Fee on electric charges billed within the City. Effective August 1, 2012, Xcel Energy will collect these fees and remit 100% of the amount collected to the City of West Fargo. The line item appears on your bill as "City Fees."

If you have any questions, please feel free to contact me at (701) 241-8632.

Sincerely,

A handwritten signature in blue ink that reads "David H. Sederquist". The signature is written in a cursive, flowing style.

DAVID H. SEDERQUIST
SENIOR REGULATORY CONSULTANT

Enclosures

c: Tina Gustafson, Finance Director, City of West Fargo

ORDINANCE NO. 919

AN ORDINANCE TO AMEND AND REENACT CHAPTER 14-02 OF THE REVISED ORDINANCES OF 1990 OF THE CITY OF WEST FARGO RELATING TO NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION D/B/A XCEL ENERGY ELECTRIC FRANCHISE.

BE IT ORDAINED BY THE BOARD OF CITY COMMISSIONERS OF THE CITY OF WEST FARGO, NORTH DAKOTA:

SECTION 1. Chapter 14-02 of the Revised Ordinances of 1990 of the City of West Fargo, North Dakota, is hereby amended and reenacted to read as follows:

CHAPTER 14-02

NORTHERN STATES POWER COMPANY D/B/A XCEL ENERGY

14-0201. There be and hereby is granted to Northern States Power Company, A Minnesota Corporation D/B/A Xcel Energy, its successors and assigns, hereinafter referred to as "Company," during the period of 20 years from May 1, 2012, the right and privilege of constructing, operating, repairing, and maintaining, in, on, over, under, and across the streets, alleys, and public grounds of said City, an electric distribution system and electric transmission lines, including all poles, pole lines, and fixtures and appurtenances, usually, conveniently, or necessarily used in connection therewith, for the purpose of transmitting and furnishing electric energy for light, heat, power, and other purposes for public and private use in and to said City and the inhabitants thereof, and others, and for the purpose of transmitting into and through said City such electric energy, provided that such electric distribution system and transmission lines shall be so located as in no way to interfere with the safety and convenience of ordinary travel along and over said streets, alleys, and public grounds, and provided that Company in the construction, operation, repair and maintenance of such poles, pole lines and fixtures and appurtenances, shall be subject to such conditions, restrictions and regulations as may be imposed by the governing body of the City of West Fargo.

14-0202. In consideration of the permit hereby granted and in order to defray the City's costs of administering and regulating the activities of the Company in connection therewith and for the use of the streets, alleys, public grounds of the City by the Company, the Company hereby agrees to pay City a fee equal to two per cent (2%) of the Company's gross revenues from sales of electricity within the City. It is understood that Company may add to its billings to consumers within the City, a surcharge of two percent (2%) to reimburse the Company for the costs of such fee. This fee shall be payable monthly and Company agrees, upon

execution of this Agreement, to file monthly statements with the City, within fifteen days of the end of each month, setting out the amount of its gross revenues from the sale of electricity within the City the previous month. Company shall also submit at that time whatever fee payments may then be due. On or before 120 days after the end of Company's fiscal year and in each year of this agreement, Company shall provide City with a certification of the gross revenues for the preceding year, prepared by an independent certified accountant in accordance with generally accepted auditing standards, and that fairly and accurately represents the gross revenues of the Company for said year. The calculation of the 2% franchise fee shall be clearly shown as part of this certification in a form approved by the City Administrator. This certification shall be used to determine the exact amount of payments due the City and to correct any overpayments or underpayments by the Company. Provided, that the 2% fee will commence with Company's first billing month that does not include any sales of electricity prior to June 1, 2012. Nothing in this paragraph shall be construed as restricting the City from either raising or lowering the two per cent franchise fee provided herein in a non-discriminatory basis. Nor shall the Franchise be construed as a limitation on the City's power to tax the Company.

The franchise fee payable by the Company will be generally applicable and uniformly applied to all other suppliers of electricity in the City of West Fargo. Should the scope of application, exclusions, or rates charged to any other supplier of electricity in the City of West Fargo result in the other supplier paying less than it would have paid had the fee payable hereunder been applied to it, the Company will be entitled to pay its franchise fee on the same basis as the City of West Fargo charges such other supplier.

14-0203. The granting of this franchise by the City of West Fargo, shall in no way be construed to limit or restrict the right of the City to exercise the powers of eminent domain as set forth in Chapter 32-15 of the North Dakota Century Code and any other applicable laws of the State of North Dakota.

14-0204. The granting of this franchise by the City of West Fargo shall in no way be construed to limit or restrict the right of the City to establish a municipal electric distribution system in accordance with Chapter 40-33 of the North Dakota Century Code and any other applicable laws of the State of North Dakota.

14-0205. There is also granted to Company, during the term hereof, permission and authority to trim all trees and shrubs in the streets, alleys, and public grounds of said City interfering with the proper construction, operation repair and maintenance of any poles, pole lines, and fixtures or appurtenances, installed in pursuance of the authority hereby granted, provided that Company shall save said City harmless from any liability in the premises,

and provided the Company shall comply with all ordinances of the City relating thereto.

14-0206. The City shall give the Company at least two weeks prior written notice of a proposed vacation of a public way. Except where required solely for a City improvement project, the vacation of any public way, after the installation of electric facilities, shall not operate to deprive Company of its rights to operate and maintain such electric facilities, until the reasonable cost of relocating the same and the loss and expense resulting from such relocation are first paid to Company.

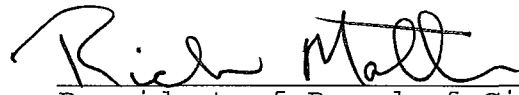
14-0207. Nothing in this Ordinance contained shall be construed as giving to Company any exclusive privilege in, on, under, or across the streets, alleys or public grounds of said City.

14-0208. Nothing in this Ordinance shall be construed as granting Company an exclusive franchise to provide electric service to all users located within the corporate limits of the City of West Fargo.

14-02309. Company shall have full right and authority to assign to any person, persons, firm or corporation all the rights conferred upon it by this Ordinance, provided that the assignment is authorized by applicable laws and regulations and that the assignee of said rights, by accepting such assignment shall become subject to the terms and provisions of this Ordinance.

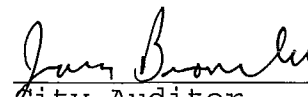
14-0210. Company shall, if it accepts this Ordinance and the rights herein granted file a written acceptance of the rights hereby granted with the City Auditor within 30 days from the final passage of this Ordinance.

SECTION 2. Effective Date. This ordinance shall be in full force and effect from and after the date of its final passage.



President of Board of City
Commissioners of the City of
West Fargo, North Dakota

ATTEST:



City Auditor

Date of First Reading: April 16, 2012

Date of Second Reading: May 7, 2012

Legislative

NORTH DAKOTA ELECTRIC RATE BOOK - NDPSO NO. 2

SURCHARGE RIDER

Section No. 5
~~2nd~~3rd Revised Sheet No. 77

A surcharge as designated will be included in the monthly bills computed under the indicated rate schedules effective in the ~~following~~ North Dakota Communities: listed below. The Company remits 100% of these fees collected from customers to the local government unit.*

- A. Cummings (U)* (\$2.60) X indicates surcharge is applied.
- B. Fargo (2%) - indicates surcharge is not applied.
- C. Grand Forks** (2%) Blank space indicates rate is not available.
- D. Hatton (2%)
- E. Larimore (2%)
- F. West Fargo (2%)

| Rate Schedules | A \$2.60 | B 2% | C 2% | D 2% | E 2% | F <u>2%</u> |
|--|-------------|---------|---------|---------|---------|----------------|
| Residential Service..... | X | X | X | X | X | <u>X</u> |
| Residential Time of Day Service..... | X | X | X | X | X | <u>X</u> |
| Energy-Controlled Service (Non-Demand Metered)..... | - | X | X | X | X | <u>X</u> |
| Limited Off-Peak Service..... | - | X | X | X | X | <u>X</u> |
| Automatic Protective Lighting Service..... | - | X | X | X | X | <u>X</u> |
| Small General Service..... | X | X | X | X | X | <u>X</u> |
| Small General Time of Day Service..... | X | X | X | X | X | <u>X</u> |
| General Service..... | - | X | X | X | X | <u>X</u> |
| General Time of Day Service..... | - | X | X | X | X | <u>X</u> |
| Peak-Controlled Service..... | - | X | X | X | X | <u>X</u> |
| Peak-Controlled Time of Day Service..... | - | X | X | X | X | <u>X</u> |
| Real Time Pricing Service..... | - | X | X | X | X | <u>X</u> |
| Street Lighting <u>System</u> Service (Leased-Equipment) | - | X | - | - | - | <u>X</u> |
| Street Lighting Service (Leased-Equipment) —(Closed)(Purchased <u>Equipment)</u> | - | X | - | - | - | <u>X</u> |
| Street Lighting Service Metered (Purchased Equipment) (Closed)..... | - | X | - | - | - | <u>X</u> |
| Street Lighting <u>Energy</u> Service-Metered (Purchased —Equipment) | - | X | - | - | - | <u>X</u> |
| Small Municipal Pumping Service..... | - | X | - | - | - | <u>X</u> |
| Municipal Pumping Service..... | - | X | - | - | - | <u>X</u> |
| Fire and Civil Defense Siren Service..... | - | X | - | - | - | <u>X</u> |

Date Filed: 42-20-1005-25-12 By: Judy M. Poferi Effective Date: 05-01-12
08-01-12
 President and CEO of Northern States Power Company, a Minnesota corporation
 Case No. PU-10-657 & PU-11-55PU-12- Order Date: 02-29-12

Northern States Power Company, a Minnesota corporation
Minneapolis, Minnesota 55401

NORTH DAKOTA ELECTRIC RATE BOOK - NDPSC NO. 2

SURCHARGE RIDER

Section No. 5
~~2nd~~3rd Revised Sheet No. 77

*With the exception of Cummings, ND. The Company collects a fee of \$2.60 per customer in the community of Cummings for energy usage and maintenance on community street lighting. The amount collected is applied to Cummings' street lighting bill.

**Surcharge is not applied ~~except to bills to the~~ University of North Dakota bills.

(U) Indicates unincorporated community.

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Date Filed: ~~42-20-10~~05-25-12

By: Judy M. Pofert

Effective Date: ~~05-01-12~~
08-01-12

President and CEO of Northern States Power Company, a Minnesota corporation

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Order Date: ~~02-29-12~~

Non-Legislative

NORTH DAKOTA ELECTRIC RATE BOOK - NDPSO NO. 2

SURCHARGE RIDER

Section No. 5
 3rd Revised Sheet No. 77

A surcharge as designated will be included in the monthly bills computed under the indicated rate schedules effective in the North Dakota Communities listed below. The Company remits 100% of these fees collected from customers to the local government unit.*

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| Rate Schedules | A \$2.60 | B 2% | C 2% | D 2% | E 2% | F 2% |
|---|-------------|---------|---------|---------|---------|---------|
| Residential Service..... | X | X | X | X | X | X |
| Residential Time of Day Service..... | X | X | X | X | X | X |
| Energy-Controlled Service (Non-Demand Metered)..... | - | X | X | X | X | X |
| Limited Off-Peak Service..... | - | X | X | X | X | X |
| Automatic Protective Lighting Service..... | - | X | X | X | X | X |
| Small General Service..... | X | X | X | X | X | X |
| Small General Time of Day Service..... | X | X | X | X | X | X |
| General Service..... | - | X | X | X | X | X |
| General Time of Day Service..... | - | X | X | X | X | X |
| Peak-Controlled Service..... | - | X | X | X | X | X |
| Peak-Controlled Time of Day Service..... | - | X | X | X | X | X |
| Real Time Pricing Service..... | - | X | X | X | X | X |
| Street Lighting System Service..... | - | X | - | - | - | X |
| Street Lighting Service (Purchased Equipment)..... | - | X | - | - | - | X |
| Street Lighting Service (Purchased Equipment) (Closed)..... | - | X | - | - | - | X |
| Street Lighting Energy Service-Metered | - | X | - | - | - | X |
| Small Municipal Pumping Service..... | - | X | - | - | - | X |
| Municipal Pumping Service..... | - | X | - | - | - | X |
| Fire and Civil Defense Siren Service..... | - | X | - | - | - | X |

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**Surcharge is not applied to University of North Dakota bills.
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