

2302 Great N. Drive
Fargo, North Dakota 58402

November 1, 2019

—Via Electronic Filing and U.S. Mail—

Steven M. Kahl, Executive Secretary
North Dakota Public Service Commission
State Capitol Building, Dept. 408
600 East Boulevard
Bismarck, ND 58505-0480

RE: FRANCHISE FEE-WEST FARGO, NORTH DAKOTA-CORRECTION
CASE NO. PU-19-____

Dear Mr. Kahl:

Northern States Power Company, doing business as Xcel Energy, submits to the North Dakota Public Service Commission this notification of a new natural gas franchise fee approved by the City of West Fargo. Included with this letter is a revised tariff sheet reflecting the new fee and the deletion of outdated language referencing state sales and use taxes and local sales taxes in the City of Fargo, North Dakota.

This is a replacement to the filing we submitted on October 31, 2019. We inadvertently included the Franchise Agreement as Attachment B, and as such, the tariff was mislabeled as Attachment C. We apologize for any confusion and inconvenience this may have caused.

Ordinance

On September 16, 2019, the City of West Fargo adopted an ordinance which implements a new natural gas franchise fee effective January 1, 2020. The fee will be 2% of gross revenues from sales of natural gas within the City of West Fargo. We provide franchise fee Ordinance No. 1143 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. We propose an additional revision to the tariff sheet to remove outdated language referencing sales and use taxes; natural gas is exempt from

2 **PU-19-362** Filed: 11/1/2019 Pages: 9
**Corrected Tariff-Rate revision NDPSC No. 2 to North
Dakota Gas Rate Book**

Northern States Power Company

David Sederquist

North Dakota sales and use taxes and the City of Fargo's local sales and use tax expired several years ago.

North Dakota Gas Rate Book – NDPSC No. 2

Sheet No. 5-21, revision 1

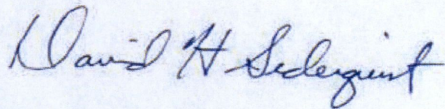
Customer Notification

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

The City of West Fargo imposes a 2% fee on Xcel Energy collectible through a fee on Xcel Energy gas accounts effective Jan. 1, 2020. The line item appears on your bill as "City Fees." Xcel Energy remits 100% of this fee to the City of West Fargo.

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

Sincerely,



DAVID H. SEDERQUIST
SENIOR REGULATORY CONSULTANT

Enclosures

c: Tina Fisk, Administrator, City of West Fargo

ORDINANCE NO. 1143

AN ORDINANCE TO CREATE AND ENACT CHAPTER 14-01A OF THE REVISED ORDINANCES OF 1990 OF THE CITY OF WEST FARGO RELATING TO A GAS SERVICE FRANCHISE FEE.

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

SECTION 1. Chapter 14-01A of the Revised Ordinances of 1990 of the City of West Fargo, North Dakota, is hereby created and enacted to read as follows:

CHAPTER 14-01A

GAS SERVICE FRANCHISE FEE

SECTIONS:

- 14-0101A. Purpose.
- 14-0102A. Franchise Fee Statement.
- 14-0103A. Payment.
- 14-0104A. Enforcement.
- 14-0105A. Effective Date of Franchise Fee.

14-0101A. PURPOSE. The West Fargo City Commission 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 services within the City of West Fargo.

1. Pursuant to City Ordinance 1140, a Franchise Agreement between the City of West Fargo and Northern States Power Company, a Minnesota corporation, its successors and assigns, the City has the right to impose a franchise fee on Northern States Power Company, a Minnesota corporation (the "Company"), its successors and assigns, in an amount and fee design as set forth in Section 6 of the Northern States Power Company Franchise and in the fee schedule attached hereto as Schedule A.

14-0102A. FRANCHISE FEE STATEMENT. A franchise fee is hereby imposed on Northern States Power Company, a Minnesota Corporation, its successors and assigns, under its gas franchise in accordance with the schedule attached here to and made a part of this Ordinance, commencing with the Company's January 2020 billing month.

This fee is an account-based fee on each premise and not a meter-based fee. In the event that an entity covered by this ordinance has more than one meter at a single premise, but only one account, only one fee shall be assessed to that account. If a

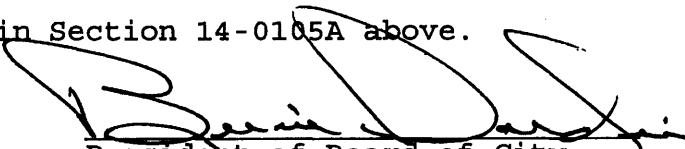
premise has two or more meters being billed at different rates, the Company may have an account for each rate classification, which will result in more than one franchise fee assessment for gas service to that premise. If the Company combines the rate classifications into a single account, the franchise fee assessed to the account will be the largest franchise fee applicable to a single rate classification for energy delivered to that premise. In the event any entities covered by this ordinance have more than one premise, each premise (address) shall be subject to the appropriate fee. In the event a question arises as to the proper fee amount for any premise, the Company's manner of billing for energy used at all similar premises in the city will control.

14-0103A. PAYMENT. The said franchise fee shall be payable to the City in accordance with the terms set forth in Section 6 of the Franchise Agreement.

14-0104A. ENFORCEMENT. Any dispute, including enforcement of a default regarding this Ordinance will be resolved in accordance with the Franchise Agreement.

14-0105A. EFFECTIVE DATE OF FRANCHISE FEE. The effective date of this Ordinance shall be after its publication and ninety (90) days after the sending of written notice enclosing a copy of this adopted Ordinance to the Company by certified mail. Collection of the fee shall commence as provided above.

SECTION 2. Effective Date. This ordinance shall be in full force and effect as set forth in Section 14-0105A above.


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

ATTEST:



City Auditor

Date of First Reading: August 5, 2019

Date of Second Reading: September 16, 2019

Date of Publication: October 7, 2019

SCHEDULE A

Franchise Fee Rates:

Gas Utility

The franchise fee shall be in the amount of two percent (2.0%) of NSPM's Gross Revenues, as defined in Chapter 14-01 of the Revised Ordinances of 1990 of the City of West Fargo, a Franchise Agreement between the City of West Fargo and Northern States Power Company, a Minnesota corporation, its successors and assigns.

Franchise fees are submitted to the City on a quarterly basis as follows:

- January – March collections due by April 30.
- April – June collections due by July 31.
- July – September collections due by October 31.
- October – December collections due by January 31.

Legislative



Northern States Power Company
Minneapolis, Minnesota 55401

NORTH DAKOTA GAS RATE BOOK - NDPSC NO. 2

SURCHARGE RIDER

Section No. 5

~~Original~~ 1st Revised Sheet No. 21

~~Relocated from NDPSC No. 1 Sheet No. G-22-5~~

A surcharge as designated will be included in the monthly bills in the following North Dakota communities:

City of Casselton 2%

City of Fargo 2%

City of Grand Forks 0.75% Applicable to Large Volume gas customers so classified by Company
2% All other customers
0% Bills to the University of North Dakota

City of West Fargo 2%

N

SALES TAX

~~Rates included in this tariff schedule do not include North Dakota state sales and use tax or the City of Fargo sales and use tax. The Fargo sales tax of 1.0% shall apply to billings to customers within the City of Fargo, up to a maximum of \$25.00 of tax per sale. Customers exempt from the North Dakota state sales tax are also exempt from the Fargo city sales and use tax. The City of Fargo sales and use tax shall be in full force and effective through December 31, 2008.~~

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Date Filed: ~~8-24-96~~ 10-31-19

By: ~~Kenneth J. Zagzebski~~ Christopher B. Clark

Effective Date: ~~9-1-96~~

01-01-19

~~General Manager & Chief Executive~~ President, Northern States Power Company, a Minnesota corporation

Case No. PU-19-400-95-559

NSP—North Dakota

Order Date:

8-28-96

Non-Legislative

