

MEMORANDUM

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To: Commissioners Kroshus, Fedorchak, and Christmann  
From: Patrick Fahn   
Date: December 26, 2019  
Subject: PU-19-362: NSP-West Fargo Franchise Fee

On November 1, 2019, Northern States Power Company filed a change to its tariff and rates to reflect a new natural gas franchise fee adopted by the City of West Fargo. The fee adopted on September 16, 2019 will be 2% of gross revenues from sales of natural gas within the City of West Fargo, effective January 1, 2020.

NSP proposes to implement the West Fargo franchise fee on January 1, 2020. While it is the Commission's practice is to issue a Notice of Opportunity for Hearing on proposed rate changes, the Commission might approve this tariff without a Notice. The factors that justify such action include: (1) the 2% fee is governmentally imposed, (2) NSP remits 100% of this fee to the City of West Fargo, (3) NSP's has changed its tariff to properly reflect the fee as defined in the West Fargo Franchise Agreement, and (4) the Commission has had the requisite 30 days' notice of the tariff change.

According to NSP, there will be a message in customer bills describing the City of West Fargo fee.

I recommend the Commission approve the tariff and rates.