



2302 Great Northern Drive
Fargo, ND 58102

May 1, 2024

—Via Electronic Mail and U.S. Mail—

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

RE: TARIFF REVISIONS TO CITY OF WEST FARGO
SURCHARGE RIDER
CASE NO. PU-24-____

Dear Mr. Kahl:

Northern States Power Company, doing business as Xcel Energy, submits to the North Dakota Public Service Commission this request for approval of miscellaneous tariff revisions to reflect gas franchise fee modifications approved by the City of West Fargo.

Ordinances
West Fargo

Gas

On January 22, 2024, the City of West Fargo adopted an ordinance increasing its existing franchise fee for applicable natural gas customers from 2% to 4% of gross revenues. We provide as Attachment A to this filing a copy of Ordinance No. 1235, “*An Ordinance to Amend and Reenact Section 14-0101A, and Subsections 6.3 and 6.4 of Section 14-0103 of the Revised Ordinances of 1990 of the City of West Fargo Relating to Franchise Fee, Franchise Fee Terms Defined and Collection of the Fee.*”

Tariff Sheet

Attachment B to this filing contains revised tariff sheets in both legislative and nonlegislative format, as follows:

North Dakota Gas Rate Book – NDPSC No. 2
Sheet No. 5-21, revision 5

Customer Notification

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

1 PU-24-174 Filed 05/01/2024 Pages: 10
Revisions to City of West Fargo City Fee Rider and Surcharge Rider – Gas
Northern States Power Company
Alex Nisbet, Reg. Policy Specialist

The City of West Fargo imposes a 4% Fee on Xcel Energy collectible through a fee on Xcel Energy gas accounts effective July 1, 2024. The line item appears on your bill as "City Fees." Xcel Energy remits 100% of this fee to the City of West Fargo.

Please contact me at alex.j.nisbet@xcelenergy.com if you have any questions regarding this filing.

Sincerely,

/s/

ALEX NISBET
REGULATORY POLICY SPECIALIST

Enclosures

cc: John T. Shockley, Legal Counsel, City of West Fargo

ORDINANCE NO. 1235

AN ORDINANCE TO AMEND AND REENACT SECTION 14-0101A, AND SUBSECTIONS 6.3 AND 6.4 OF SECTION 14-0103 OF THE REVISED ORDINANCES OF 1990 OF THE CITY OF WEST FARGO RELATING TO FRANCHISE FEE, FRANCHISE FEE TERMS DEFINED AND COLLECTION OF THE FEE.

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

SECTION 1. Section 14-0101A of the Revised Ordinances of 1990 of the City of West Fargo, North Dakota, is hereby amended and reenacted to read as follows:

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 amended fee schedule attached hereto as Schedule A.

SECTION 2. Subsections 6.3 and 6.4 of Section 14-0103 of the Revised Ordinances of 1990 of the City of West Fargo, North Dakota, is hereby amended and reenacted to read as follows:

14-0103. LOCATION, OTHER REGULATIONS.

* * *

6. Franchise Fee.

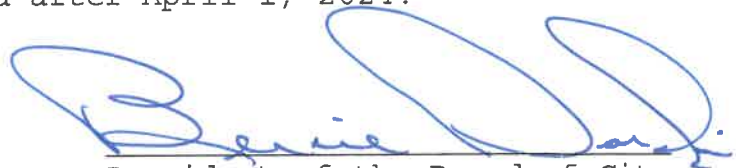
* * *

6.3 Terms Defined. For the purpose of this Section 9, the following definitions apply:

- 6.3.1 "Customer Class" shall refer to the classes listed on the Fee Schedule and as defined or determined in Company's gas tariffs on file with the Commission.
- 6.3.2 "Fee Schedule" refers to the schedule in Section 9.1 setting forth the various customer classes from which a franchise fee would be collected if a separate ordinance were implemented immediately after the effective date of this franchise agreement. The Fee Schedule in the separate ordinance may include new Customer Class added by Company to its gas tariffs after the effective date of this franchise agreement.
- 6.3.3 "Gross Revenues" means all sums, excluding the added charge, received during the term of this franchise by Company from the sale of gas within the corporate limits of the City provided, however, that there shall be expressly excluded from the computation of gross revenues all sums received by the Company for gas sold for municipal street and highway lighting, municipal water pumping, municipal sewage pumping, municipal traffic signal, and municipal fire siren services.
- 6.4 Collection of the Fee. The franchise fee shall be payable quarterly and shall be based on the amount collected by Company during complete billing months during the period for which payment is to be made by imposing a surcharge equal to the designated franchise fee for the applicable customer classification in all customer billings for gas service in each class. The payment shall be due the last business day of the month following the period for which the payment is made. The franchise fee may be changed by ordinance from time to time; however, each change shall meet the same notice requirements and not occur more often than annually and no change shall require a collection

notice requirements and not occur more often than annually and no change shall require a collection from any customer for gas service in excess of the amounts specifically permitted by this Section 6. The time and manner of collecting the franchise fee is subject to the approval of the Commission. No franchise fee shall be payable by Company if Company is legally unable to first collect an amount equal to the franchise fee from its customers in each applicable class of customers by imposing a surcharge in Company's applicable rates for gas service. Company may pay the City the fee based upon the surcharge billed subject to subsequent reductions to account for uncollectibles, refunds and correction of erroneous billings. Company agrees to make its records available for inspection by the City at reasonable times provided that the City and its designated representative agree in writing not to disclose any information which would indicate the amount paid by any identifiable customer or customers or any other information regarding identified customers.

SECTION 2. Effective Date. This ordinance shall be in full force and effect from and after April 1, 2024.



President of the Board of City Commissioners

Attest:



City Auditor

Date of First Reading: January 8, 2024

Date of Second Reading and Final Passage: January 22, 2024

Effective Date: April 1, 2024

SCHEDULE A

Franchise Fee Rates:

Gas Utility

The franchise fee shall be in the amount of four percent (4.0%) 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

SURCHARGE RIDER

Section No. 5
~~4th~~5th Revised Sheet No. 21

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

City of Casselton	2%		
City of Fargo	0.75%	Applicable to Large Volume gas customers so classified by Company	
	4%	All other customers	€
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 Horace	2%		
City of West Fargo	2% <u>4%</u>		C

Non-Legislative

SURCHARGE RIDER

Section No. 5
5th Revised Sheet No. 21

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

City of Casselton	2%	
City of Fargo	0.75%	Applicable to Large Volume gas customers so classified by Company
	4%	All other customers
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 Horace	2%	
City of West Fargo	4%	

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Date Filed: 05-01-24

By: Ryan J. Long

Effective Date:

President, Northern States Power Company, a Minnesota corporation

Case No. PU-24-

Order Date: