

Memorandum

To: Commissioners Christmann, Haugen-Hoffart, and Fedorchak

From: Chris Hanson, Public Utility Analyst
CH

Date: July 19, 2024

Re: Northern States Power Company, Franchise Fee - City of West Fargo - Electric, Application, Case No. PU-24-240

On June 20, 2024, Northern States Power Company (NSP) filed a change to its rates to reflect the updated electric franchise fee for the City of West Fargo effective September 1, 2024. The franchise fee for all electric customers increased from 2% of gross revenues to 4%. NSP previously filed a change related to the West Fargo increase in the natural gas franchise fee from 2% to 4% in case PU-24-174.

The overall revenue resulting from the combined 2% rate increase for both gas and electric is estimated to \$638,037 per year. NSP has estimated that the impact of the 2% increase in just the electric fee will be approximately \$2.20 per customer per month making the accumulated 4% electric fee \$4.40. NSP is not able to do a monthly estimate for gas, but that obviously would be similar in scope to the electric. The 4% fee on gas and electric will be noted as a line item on NSP West Fargo customers' bills.

I recommend the Commission approve the tariff and rates by Motion, without Notice of Opportunity for Hearing, at the July 23, 2024 North Dakota Public Service Commission meeting for the following reasons: (1) the increase in fee from 2% to 4% 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 will have had the requisite 30 days' notice of the tariff change as of the July 23, 2024 meeting.

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

Cc Alex Nisbet