

February 14, 2022

Will Seuffert  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
St. Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**  
Docket No. E002, E111/SA-22-38

Dear Mr. Seuffert:

Attached are the comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) in the following matter:

The Joint Request of Northern States Power Company, d/b/a Xcel Energy, and Dakota Electric Association (the Cooperative) for approval of Three Compensation and Orderly Transfer Agreements between the two parties.

The petition was filed January 13, 2022 by:

Bridget Dockter  
Manager, Policy & Outreach  
Xcel Energy  
414 Nicollet Mall, 401 – 7<sup>th</sup> Floor  
Minneapolis, MN 55401

The Department recommends that the Minnesota Public Utilities Commission (Commission) **approve the three proposed service territory transfer agreements between Xcel Energy and Dakota Electric Association and** is available to answer any questions the Commission may have.

Sincerely,

/s/ JOHN KUNDERT  
Financial Analyst

JPK/ja  
Attachment



## Before the Minnesota Public Utilities Commission

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### Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. E002, E111/SA-22-38

#### I. BACKGROUND

Northern States Power Company d/b/a Xcel Energy (Xcel or the Company) is a public utility duly organized and existing under the laws of the State of Minnesota. Dakota Electric Association (DEA or the Cooperative) is an electric distribution cooperative organized and existing under the laws of the State of Minnesota. Individually each is referred to as a Party and collectively as the Parties.

#### II. SUMMARY OF PROPOSAL

On January 14, 2022, Xcel Energy and the Cooperative jointly filed a petition under Minnesota Statutes Section 216B.39, asking the Minnesota Public Utilities Commission (Commission) to approve both the transfer of thirteen lots currently in Xcel Energy's service territory to the Cooperative, and the transfer of thirteen lots currently in DEA's service territory to Xcel Energy.

#### III. DEPARTMENT ANALYSIS

The twenty-six lots Xcel Energy and Dakota Electric Association are proposing to transfer are located in three different developments in Dakota County. Schedules A through C of the Petition include three separate Compensation and Orderly Transfer Agreements (COTA) between Northern States Power Company and Dakota Electric Association.

##### A. *TRANSFER OF THE FIRST AFFECTED AREA FROM THE COOPERATIVE TO XCEL ENERGY*

Schedule A to the Petition includes the COTA, maps, and the legal description of the nine lots in the Cedar Crossings 3<sup>rd</sup> Addition located in Lakeville, Minnesota that are currently in the Cooperative's service territory and will be transferred to Xcel Energy upon Commission approval of this Petition. The legal description is as follows:

1. Lots 5 and 6 of block 3 in the Cedar Crossings 3<sup>rd</sup> Addition located in Lakeville, Minnesota.

Dakota County Legal Description: Located in Section 28 Township 114 Range 20 of Dakota County, Minnesota

2. Lots 3, 4, 7, 8, 9, 10, and 11 of block 4 in the Cedar Crossings 3<sup>rd</sup> Addition located in Lakeville, Minnesota.

Dakota County Legal Description: Located in Section 28 Township 114 Range 20 of Dakota County, Minnesota.

*B. JOINT TRANSFER OF SERVICE TERRITORY FROM XCEL ENERGY TO THE COOPERATIVE AND FROM DAKOTA ELECTRIC ASSOCIATION TO THE COMPANY – SECOND AFFECTED SERVICE TERRITORY*

Schedule B to the Petition includes a second COTA, maps, and the legal description of the eight lots in the Doolin Heights Addition located in Rosemount Minnesota, that are currently in either Xcel Energy's or DEA's service territories. Four of these lots will be transferred to the Cooperative upon Commission approval of this Petition. Another four lots will be transferred to Xcel Energy upon Commission approval of this Petition. The legal description of the lots that will be transferred from DEA to Xcel Energy is as follows:

1. Lots 11, 12, 13, and 14 of block 1 in the Doolin Heights Addition located in Rosemount, Minnesota.

Dakota County Legal Description: Located in Section 21 Township 115 Range 19 of Dakota County.

The legal description of the lots that will be transferred from Xcel Energy to Dakota Electric is as follows:

2. Lots 4, 5, 6, and 7 of block 2 in the Doolin Heights Addition located in Rosemount, Minnesota.

Dakota County Legal Description: Located in Section 21 Township 115 Range 19 of Dakota County.

*C. TRANSFER OF THE THIRD AFFECTED AREA FROM XCEL ENERGY TO THE COOPERATIVE*

Schedule C to the Petition includes the third COTA, maps, and the legal description of the nine lots in the Scenic Hills 1<sup>st</sup> Addition located in Inver Grove Heights, Minnesota that are currently in Xcel Energy's service territory and will be transferred to Cooperative upon Commission approval of this Petition. The legal description is as follows:

1. Lots 9 and 10 of block 6 in the Scenic Hills Addition located in Inver Grove Heights, Minnesota.

Dakota County Legal Description: Located in Section 8 Township 27 Range 22 of Dakota County, Minnesota

2. Lots 1, 2, 3, and 4 of block 7 in the Scenic Hills 1<sup>st</sup> Addition located in Inver Grove Heights, Minnesota.

Dakota County Legal Description: Located in Section 8 Township 27 Range 22 of Dakota County, Minnesota.

3. Lots 1, 2, and 3 of block 8 in the Scenic Hills 1<sup>st</sup> Addition located in Inver Grove Heights, Minnesota.

Dakota County Legal Description: Located in Section 8 Township 27 Range 22 of Dakota County, Minnesota.

*D. CUSTOMER NOTICE*

The Parties stated in the three COTAs filed with the Commission as part of this Petition that there were no existing customers affected by the three different service area changes as of September 21, 2021.

Schedule D, Page 1 of 2 to the Petition is a one-page informational Customer Notice Letter, informing any potential customers that their lots are located in the Dakota Electric Association's assigned service territory. To allow Xcel Energy to provide the electric service to their lots, the Parties filed a Compensation and Orderly Transfer Agreement with the Commission. The notice also identifies the pending proceeding before the Commission regarding the process of formally updating the service area maps to reflect Xcel Energy as the service provider to the Affected Area. Schedule E to the Petition is a one-page Proposed Hearing Notice.

Schedule D, Page 2 of 2 to the Petition is a one-page informational Customer Notice Letter, informing any potential customers that their lots are located within Xcel Energy's assigned service territory. The notice indicates that the Parties filed a Compensation and Orderly Transfer Agreement with the Commission, to allow the Cooperative to provide the electric service to their lots. The notice also identifies the pending proceeding before the Commission regarding the process of formally updating the service area maps to reflect Xcel Energy as the service provider to the Affected Area. Schedule E to the Petition is a one-page Proposed Hearing Notice.

*D. COMPENSATION*

Pursuant to the three separate COTAs, the Parties agree that no compensation is owed to Xcel Energy by the Cooperative or to the Cooperative by Xcel Energy for these three transfers of service territory.

Thus, the Department agrees the Parties' request to establish the following parcels in Dakota County as part of the Xcel Energy's service area is consistent with Minnesota Statutes §§ 216B.39, 216B.40:

- Lots 5 and 6 of block 3 in the Cedar Crossings 3<sup>rd</sup> Addition in Lakeville, Minnesota;
- Lots 3, 4, 7, 8, 9, 10, and 11 of block 4 in the Cedar Crossing 3<sup>rd</sup> Addition in Lakeville Minnesota; and
- Lots 11, 12, 13, and 14 of block 1 in Doolin Heights Addition in Rosemount Minnesota

The Department also agrees the Parties' request to establish the following parcels in Dakota County as part of the Cooperative's service area is consistent with Minnesota Statutes § 216B.39:

- Lots 4, 5, 6, and 7 of block 2 in Doolin Heights Addition in Rosemount Minnesota;
- Lots 9 and 10 of block 6 in Scenic Hills 1<sup>st</sup> Addition in Inver Grove Heights Minnesota;
- Lots 1, 2, 3 and 4 of block 7 in Scenic Hills 1<sup>st</sup> Addition in Inver Grove Heights Minnesota; and
- Lots 1, 2 and 3 of block 8 in Scenic Hills 1<sup>st</sup> Addition in Inver Grove Heights Minnesota

#### **IV. RECOMMENDATIONS**

The Department recommends the Commission approve both the permanent service territory transfer from the Cooperative to Xcel Energy, and the permanent service territory transfers from Xcel Energy to the Cooperative. MnGeo should update the Commission's maps to reflect the service area designations as shown on the maps in the Petition.