

December 15, 2017

Daniel P. Wolf
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, E101/SA-17-852

Dear Mr. Wolf:

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

The Joint Request of Connexus Energy and Northern States Power Company, d/b/a Xcel Energy for approval of a Service Territory Transfer Agreement between the two utilities.

The petition was filed December 5, 2017 by:

Randi J. Winter, Esq.
Felhaber Larson
220 South 6th Street, Suite 2200
Minneapolis, MN 55402

and

Bria E. Shea
Director, Regulatory and Strategic Analysis
Xcel Energy Services Inc.
414 Nicollet Mall, 401 – 7th Floor
Minneapolis, MN 55401

Daniel P. Wolf
December 15, 2017
Page 2

The Department recommends that the Minnesota Public Utilities Commission (Commission) **approve the permanent service territory transfer** from Connexus to Xcel Energy, and is available to answer any questions the Commission may have.

Sincerely,

/s/ DALE V. LUSTI
Financial Analyst

DVL/lt
Attachment

Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. E002, E101/SA-17-852

I. BACKGROUND

Northern States Power Company d/b/a Xcel Energy is a Minnesota corporation and a public utility under Minnesota Statutes Section 216B.02, Subdivision. 4. Connexus Energy (the Cooperative) is an electric cooperative utility formed pursuant to the provisions of Minnesota Statutes Chapter 308A.

II. SUMMARY OF PROPOSAL

On December 5, 2017, the Cooperative and Xcel Energy, collectively the Parties, jointly filed a petition under Minnesota Statutes Sections 216B.39 and 216B.40, asking the Minnesota Public Utilities Commission (Commission) to modify the Parties' service territory boundaries. In response to a request made by a customer with electric services in both Parties' respective service territories, the Parties agree, subject to Commission approval, to transfer two tracts of land, identified in the Service Territory Transfer Agreement (Agreement) as "a tract of Sherburne County Parcel ID 10-323-2401 and a tract of Sherburne County Parcel ID 10-323-3101" (Affected Area) located in Connexus Energy's service territory in Sherburne County, Minnesota, to Xcel Energy's service territory. Approval of the Parties' request would permanently transfer the Affected Area from Connexus to Xcel Energy.

III. DEPARTMENT ANALYSIS

A. *TRANSFER OF THE AFFECTED AREA FROM CONNEXUS TO XCEL ENERGY*

The legal description of Sherburne County Parcel ID 10-323-2401 is as follows:

That part of the Southeast Quarter of the Northwest Quarter of Section 23, Township 33 North, Range 28 West, Sherburne County, Minnesota, lying southerly of the Burlington Northern Santa Fe Railroad. Within Parcel ID 10-323-2401, the tract of land to be 85 7th Place East - Suite 280 - Saint Paul, MN 55101 | P: 651-539-1500 | F: 651-539-1547
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transferred from Connexus Energy to Xcel Energy is described as follows: The east 300 feet of the Southeast Quarter of the Northwest Quarter of Section 23, Township 33 North, Range 28 West, Sherburne County, Minnesota, lying southerly of the Burlington Santa Fe Railroad, as reflected in Attachments 1-3 of the Agreement.

The legal description of Sherburne County Parcel ID 10-323-3101 is as follows:

The East Half of the Southwest Quarter of Section 23, Township 33 North, Range 28 West, Sherburne County, Minnesota. Within Parcel ID 10-323-3101, the tract of land to be transferred from Connexus Energy to Xcel Energy is described as follows: The east 300 feet of the East Half of the Southwest Quarter of the Northwest Quarter of Section 23, Township 33 North, Range 28 West, Sherburne County, Minnesota, as reflected in Attachments 1-3 of the Agreement.

The Parties note that as a result of the transfer, the customer will be able to pursue an application to participate in Xcel Energy's Solar*Rewards Community® program.

B. CUSTOMER NOTICE

Schedule B to the Petition is the Parties' one-page informational Customer Notice Letter relating to the transfer of electric service territory from Connexus to Xcel Energy that was provided to the one customer in the Affected Area.¹ The notice 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.

C. EFFECTIVE DATE

As stated in Section 8(b) of the Service Territory Transfer Agreement, the effective date of the Agreement is the date upon which the Agreement has been signed by a duly appointed representative of both Parties, which was November 16, 2017.

¹ The Department notes that the parcels composing the Affected Area are currently undeveloped and the affected customer initiated the proposed transfer.

D. COMPENSATION

The Department notes that the Parties agree that due to the unique circumstances set forth in Sections 2 and 5 of the Service Territory Transfer Agreement, no compensation is due from Xcel Energy to Connexus Energy, for the permanent transfer of service territory.

Thus, the Department agrees that the Parties' request to establish the Affected Area as part of Xcel Energy's service area is consistent with Minnesota Statutes 216B.39 and 216B.40.

IV. RECOMMENDATION

The Department recommends that the Commission approve the requested service territory transfer from Connexus Energy to Xcel Energy. MnGeo should update the Commission's maps to reflect the service area designations as shown on the maps in the Petition.

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