

PUBLIC VERSION – TRADE SECRET INFORMATION REDACTED

May 15, 2017

Via Electronic Filing

Mr. Daniel Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 55101-2147

Re: *In the Matter of the Formal Complaint and Petition for Relief by Minnesota Energy Resources Corporation Against Northern States Power Company d/b/a Xcel Energy for Violations of Minn. Stat. § 216B.01 and Commission Policy, Docket No. G011, G-002/C-17-305*

Reply Comments of Minnesota Energy Resources Corporation

Dear Mr. Wolf:

Pursuant to the Minnesota Public Utilities Commission's April 21, 2017 Notice of Comment Period, please find enclosed Minnesota Energy Resources Corporation's ("MERC") Reply Comments in the above-referenced matter, including Exhibits A-D. MERC considers certain information included within the Reply Comments and Exhibits to be proprietary and **TRADE SECRET INFORMATION**. Specifically, certain information designated **Trade Secret** includes competitive data regarding MERC's system and confidential customer information, including customer energy use data ("CUED"). In this respect, the information designated as **Trade Secret** is sensitive, competitive information, the disclosure of which could harm MERC and its customers. MERC has therefore included both a **Trade Secret** and Public version of its Reply Comments and Exhibits.

Pursuant to Minn. Stat. § 13.37, subd. 1(b), the trade secret information set forth in the Reply Comments and Exhibits is properly designated by MERC as trade secret because it: (1) is being supplied by MERC; (2) is the subject of reasonable efforts by MERC to maintain its secrecy; and (3) derives independent economic value, actual or potential, from not being generally known to or accessible to the public. MERC has identified the Trade Secret and other Non-Public Information pursuant to Minn. R. 7829.0500.

Please do not hesitate to contact me with any questions or concerns.

Mr. Daniel Wolf
May 15, 2017
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Sincerely,

/s/ Brian Meloy

Brian Meloy

**STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION**

*In the Matter of the Formal Complaint
and Petition for Relief by Minnesota
Energy Resources Corporation Against
Northern States Power Company d/b/a
Xcel Energy for Violations of Minn.
Stat. § 216B.01 and Commission Policy*

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that true and correct copies of the **Reply Comments of Minnesota Energy Resources Corporation** have been served on this day by e-filing/e-serving to the following:

NAME	EMAIL	ADDRESS	SERVICE
Julia Anderson	julia.anderson@ag.state.mn.us	Office of the Attorney General – DOC 1800 BRM Tower 445 Minnesota Street St. Paul, MN 55101-2134	Electronic
Lester Bagley	bagleyl@vikings.nfl.net	Minnesota Vikings N/A	Electronic
Thomas Burman	Thomas.burman@stinson.com	Stinson Leonard Street LLP 150 S. 5 th St., Suite 2300 Mineapolis, MN 55402	Electronic
Carl Cronin	Regulatory.records@xcelenergy.com	Xcel Energy 7 th Floor 414 Nicollet Mall Minneapolis, MN 55401	Electronic
Ian Dobson	Residential.Utilities@ag.state.mn.us	Office of the Attorney General – RUD 1400 BRM Tower 445 Minnesota St. St. Paul, MN 55101-2130	Electronic
Sharon Ferguson	sharon.ferguson@state.mn.us	Department of Commerce 85 – 7 th Place East, Ste. 280 St. Paul, MN 55101-2198	Electronic
Stacy Kotch	Stacy.Kotch@state.mn.us	MN Dept. of Transportation 395 John Ireland Blvd. St. Paul, MN 55155	Electronic
Allen Krug	allen.krug@xcelenergy.com	Xcel Energy 7 th Floor 414 Nicollet Mall Minneapolis, MN 55401	Electronic
Amber Lee	ASLee@minnesotaenergyresources.com	MN Energy Resources Corp. 2665 145 th St. W Rosemount, MN 55068	Electronic

PUBLIC VERSION – TRADE SECRET INFORMATION REDACTED

NAME	EMAIL	ADDRESS	SERVICE
Russ Matthys	matthys@cityofeagan.com	City of Eagan	Electronic
Brian Meloy	brian.meloy@stinson.com	Stinson, Leonard, Street LLP 150 S. 5 th Street, Suite 2300 Minneapolis, MN 55402	Electronic
Matt Smith	countyadmin@co.dakota.mn.us	Dakota County Administration Center 1590 Hwy 55 Hastings, MN 55033-2372	Electronic
Scott M. Wilensky	scott.wilensky@xcelenergy.com	Xcel Energy 7 th Floor 414 Nicollet Mall Minneapolis, MN 55401	Electronic
Daniel P. Wolf	dan.wolf@state.mn.us	Public Utilities Commission 121 7 th Place East, Suite 350 St. Paul, MN 55101-2147	Electronic

Dated this 15th day of May, 2017

/s/ *Lainie M. Berntsen*

Lainie M. Berntsen

**STATE OF MINNESOTA
BEFORE THE PUBLIC UTILITIES COMMISSION**

<i>In the Matter of the Formal Complaint</i>	)	MPUC Docket No. G-011, G-002/C-17-305
<i>and Petition for Relief by Minnesota</i>)	
<i>Energy Resources Corporation Against</i>	)	REPLY COMMENTS OF
<i>Northern States Power Company d/b/a</i>	)	MINNESOTA ENERGY
<i>Xcel Energy for Violations of Minn.</i>	)	RESOURCES CORPORATION
<i>Stat. § 216B.01 and Commission Policy</i>)	

Pursuant to the Minnesota Public Utilities Commission’s (“Commission”) April 21, 2017, Notice of Comment Period, Minnesota Energy Resources Corporation (“MERC”) respectfully submits the following Reply Comments in response to Northern States Power Company d/b/a Xcel Energy’s (“Xcel”) Response to MERC’s Verified Complaint. For the reasons set forth below, in MERC’s Complaint, and in the parties’ discovery responses to date in this matter,¹ MERC reiterates its request that the Commission issue an order declaring that Xcel’s provision of natural gas service to the planned Minnesota Vikings development (“Planned Development”)² violates Minn. Stat. § 216B.01 and Commission policy, and that MERC has the exclusive right to provide natural gas service to the Planned Development.

I. INTRODUCTION

In its Response, Xcel characterizes MERC as a disgruntled utility seeking to undermine

¹ MERC’s Responses to all Department of Commerce (“DOC”) Information Requests (“IR’s”) are attached to these Reply Comments as Exhibit A. MERC’s Responses to IRs from the Attorney General (“OAG”) are attached as Exhibit B. Xcel’s Responses to the DOC and OAG IRs are attached as Exhibit C. Exhibit D includes a Memorandum of Agreement and Letter executed in connection with the provision of natural gas services in Eagan and Inver Grove Heights by Xcel and MERC in 1974, as explained further in Section III(C)(1) *infra*.

² The “Planned Development” was approved by the City of Eagan in June 2016 when the City changed the land-use designation of the site of the planned Vikings development from Major Office to Mixed Use to support a Preliminary Planned Development (known as “Viking Lakes”). This approval authorized the Vikings (through MV Eagan Ventures, LLC) to pursue an overall 200 acre redevelopment that includes offices, retail, residential, hospitality and a conference center – with the Vikings headquarters and practice facilities (Phase I) as the development anchor. *See* Exhibit A (Attachment DOC 2A to MERC’s Response to DOC IR No. 2.)

Commission policies favoring customer choice and competition among natural gas providers. According to Xcel, MERC is simply upset that it lost out on a competitive bidding process for providing gas service to the Planned Development. Based on precedent involving MERC predecessors and “facts nearly indistinguishable from those alleged by MERC,”³ Xcel argues that the Commission should reject MERC’s Complaint without further investigation. Xcel claims that, simply because the Vikings (through MV Eagan Ventures, LLC) selected Xcel as the natural gas provider for the Planned Development, the customer’s decision should be honored without question. Xcel is wrong on the facts and the law.

While MERC remains committed to promoting customer choice and competition among natural gas utilities, those policies cannot be considered in a vacuum. In particular, the choice of one large customer to receive natural gas from a particular utility cannot be given primacy over other concerns that may arise when that utility attempts to provide service in an area already being served by another utility. Instead, Commission precedent firmly establishes that potential safety concerns must also be considered, as well as potential impacts resulting from a duplication of facilities and impacts on existing ratepayers. In this respect, a number of factors must be balanced in determining which utility should be allowed to serve the customer under these circumstances. Minn. Stat. § 216B.01 and past Commission decisions provide clear guidance in making this determination.

The cases that Xcel cites in its Response support rather than detract from MERC’s position. While the decisions establish that competition among natural gas utilities is the law in this State – a point that MERC wholly endorses – they also confirm that competition should be promoted only to the extent that it does not result in unnecessary duplication of facilities or harm to existing ratepayers. These decisions also confirm that Commission intervention is appropriate

³ Xcel Response at 3.

where competition does give rise to safety concerns, duplication of facilities, harm to existing ratepayers or other “special circumstances.” The record is clear that Xcel’s provision of natural gas service to the Planned Development will (1) result in unnecessary duplication of facilities, (2) negatively harm MERC and its customers, and (3) raise safety concerns.

In addition, Xcel represented in its Response that “[p]ursuant to our bid, the Company will provide natural gas and electric service to the Vikings at tariff rates. Although permitted by statute, we did not flex our natural gas service rates.”⁴ This is not accurate. As explained below, Xcel has actually agreed to provide gas service to the entire Planned Development at discounted rates via a “promotional incentive.” This manner of “incentive” raises serious questions with respect to how Xcel is approaching “competition” and whether Xcel is adhering to the requirements of its tariff (*i.e.*, the “Filed Rate”)⁵ or offering a discriminatory rate contrary to the requirements of Minn. Stat. §§ 216B.03 and 216B.06. Application of the facts to the law establishes that MERC should have continuing rights to serve the Planned Development.

II. BACKGROUND

MERC and its predecessors have provided natural gas service to customers in the City of Eagan since the 1950s, and MERC currently serves approximately 23,000 customers within the City. As set forth in MERC’s Complaint, MERC has continually served the premises in question since 1985. MERC and its predecessors served substantial load to the premises while it was owned and operated by Northwest Airlines (“NWA”), beginning in 1985 and MERC continues

⁴ Xcel Response at 3.

⁵ The filed rate doctrine “forbids a regulated entity to charge rates for its services other than those properly filed with the appropriate ... regulatory authority.” *Arkansas Louisiana Gas Co. v. Hall*, 453 U.S. 571, 577 (1981). *See also* Minn. Stat. § 216B.05 Subd. 1 provides that “[e]very public utility shall file with the commission schedules showing all rates, tolls, tariffs, and charges which it has established and which are in force at the time for any service performed by it within the state”

to serve one meter at the property that has been used to heat the buildings on site since 1985.⁶ In 2016, these premises were purchased by the Minnesota Vikings to develop a new team headquarters and practice facility.⁷

In June 2016, the City approved a multi-building, multi-use development on approximately 200 acres along the northern edge of the City of Eagan, known as the “Vikings Lakes” Planned Development.⁸ This approval authorized the Vikings (through MV Eagan Ventures, LLC) to pursue an overall 200 acre redevelopment that includes offices, retail, residential, hospitality and a conference center – with the Vikings headquarters and practice facilities as the development anchor (“Planned Development”).⁹

MERC understands that the Vikings and MV Eagan Ventures, LLC have approvals from the City of Eagan for all phases of the Planned Development, including Phase I currently under construction. Phase I consists of the redevelopment of 40 acres to construct the team headquarters and related practice facilities. The redevelopment of the additional 160 acres will occur in stages over the next 10-15 years. In this respect, the scope of the Planned Development is much larger than the initial Vikings facilities and involves the redevelopment of the entire 200-acre parcel located along the northern edge of the City of Eagan, south of Interstate 494 and east of State Highway 149 (aka Dodd Road).¹⁰

Shortly after the approval of the Planned Development in July 2016, the Vikings’ construction contractor, Kraus-Anderson, requested that MERC provide service for the two

⁶ Ver. Compl. ¶ 4.

⁷ *Id.* ¶¶ 3-4.

⁸ Ex. A (Attachment DOC 2A to MERC’s Response to DOC IR No. 2.)

⁹ *Id.*

¹⁰ *Id.*

buildings under construction.¹¹ MERC installed the requested meters and service lines for natural gas service. Kraus-Anderson also instructed MERC to remove an existing gas line in the northeast corner to facilitate the planned grading and construction work on the site. At Kraus-Anderson's request, on July 29, 2016, MERC capped approximately 2,900 feet of 4-inch polyethylene piping located entirely within the Proposed Redevelopment to facilitate the construction of Phase I of the redevelopment. This working relationship with Kraus-Anderson and installation of service at the construction site supported MERC's belief that the Vikings intended to receive service from MERC post-construction as well and there was no indication that the Vikings would be seeking bids for service post-construction.

During this construction phase, MERC had several discussions with the Vikings regarding the terms and conditions of providing permanent service to the Planned Development utilizing existing infrastructure and MERC's standard tariff rate offerings. In April 2017, however, the Vikings' construction contractor Kraus-Anderson informed MERC that Xcel was selected as the exclusive natural gas provider for the Vikings' facilities and for the entire 200 acre Planned Development.¹² In this sense, Xcel and the Vikings (MV Eagan Ventures, LLC) have ostensibly exercised the customer choice option for itself as well as all future customers in the Planned Development.¹³

The Vikings selection of Xcel came as a surprise to MERC. At no time was MERC requested to be part of a competitive bidding process, so since July 2016 MERC had been

¹¹ See Ex. A (MERC Response to DOC IR 2); Ex. B (MERC Response to OAG IR No. 4.).

¹² Ver. Compl. ¶ 10; see also Ex. C (Attachment A to Xcel Energy's Response to MERC IR No. 3) (Xcel's Natural Gas Competitive Agreement (March 29, 2017)).

¹³ See Ex. C (Xcel Response to DOC IR No. 7) (stating that "[d]ue to the variety of building types and development plans, Xcel Energy anticipates providing service to the MV Eagan Venture's project and surrounding areas from the following MN Gas Tariff Rates: 101 Residential; 102/108 Small Commercial Firm; 118/125 Large Commercial Firm; 103 Large Firm Commercial Demand Billed; 105/111 Small Interruptible; 106 Medium Interruptible; and/or Limited Firm Service.").

working with Kraus-Anderson and the Vikings under the assumption that MERC would continue to be the service provider. This was certainly a reasonable assumption, given (1) MERC’s existing and historical service to the site; (2) ready access to MERC’s existing infrastructure onsite and in the area; (3) MERC’s ability to economically serve the Planned Development; and (4) safety considerations.

III. ARGUMENT

A. Competition and Customer Choice Should Not Be Promoted to the Detriment of Public Safety, Efficient Service, and Existing Ratepayers.

In its Response, Xcel relies primarily on two Commission decisions involving MERC’s predecessor Peoples Natural Gas Co. (“Peoples”), which Xcel claims are nearly indistinguishable from the circumstances at issue here. These decisions, however, are clearly distinguishable and support MERC’s position that competition and customer choice should not be given primacy to the detriment of public safety, efficient service, and existing ratepayers. Moreover, these decisions confirm that the Commission should intervene to balance these interests where warranted.

For example, Xcel claims that *Great Plains Natural Gas Co. v. Peoples Natural Gas Co.*¹⁴ held that a new customer’s choice made through a competitive bidding process should be honored, regardless of whether the new load came from a “long-time customer” of another utility or because the new load is located on the same premises as the old load.¹⁵ This case is distinguishable on both the facts and the law.

First, the Commission in *Great Plains* was not tasked with determining whether Peoples’

¹⁴ *In the Matter of the Complaint of Great Plains Natural Gas Company Against Peoples Natural Gas Company & UtiliCorp United, Inc.*, Docket No. G-004, 011/G-91-73, Order Dismissing Complaint (Dec. 20, 1991) (“*Great Plains Order*”).

¹⁵ See Xcel Response at 5.

provision of natural gas would cause unnecessary duplication of facilities or safety risks. Instead, the primary issue was whether Peoples violated the flexible rates statute by using flexible rates to compete with another utility for the service. As the Commission stated: “The issues before the Commission are whether Peoples has violated the flexible rates statute by using flexible rates to compete with another regulated utility and whether Peoples has violated Minn. Stat. § 216B.24 (1990) by failing to file its plan to build the pipeline at an earlier date.”¹⁶ Though the flexible rate statute is indirectly implicated here in that Xcel is offering a non-tariffed “promotional incentive,” MERC’s Complaint is not rooted in the application of the flexible rates tariff, as Xcel concedes. MERC’s Complaint raises broader policy issues of safety and duplication of infrastructure and the narrow holding of *Great Plains* does not dictate here.

Second, the case is distinguishable on the facts. In *Great Plains*, the existing utility (Great Plains) was allowed to continue providing natural gas service to the buildings it had previously been serving, even though the new utility (Peoples) was permitted to provide service to the manufacturing facilities that had been newly converted to operate on natural gas rather than coal.¹⁷ In other words, the situation in Great Plains involved the addition of new load that required new infrastructure and as shown in the following aerial photograph, there was no risk of duplication of facilities and the two utilities’ lines did not cross from this arrangement.

¹⁶ *Id.* at 4.

¹⁷ *Id.* at 4 (“Great Plains will continue to serve MCP’s existing load (office heating) whether or not the conversion occurs. Great Plains is not losing an existing load to another utility.”).

Figure 1: Map of Infrastructure at Issue in Great Plains



In contrast, the situation here does not involve the addition of new load that requires new or additional infrastructure. Instead, the projected load will be similar to the load MERC served on the premises from 1985 to 2008, during the operation of NWA’s facilities, and MERC has all of the infrastructure in place to adequately and reliably serve the projected load, without upgrades or even additional entitlements. Xcel’s service to the Planned Development would replace and duplicate the services and mains that MERC has long used to serve customers in the area, including most recently to Kraus-Anderson. Because MERC has long provided the type of distribution service requested here and has all of the infrastructure in place to serve the projected load, *Great Plains* does not address the facts of the instant dispute.

Furthermore, to the extent that the Commission’s decision in *Great Plains* is relevant to the issues raised by MERC, it supports MERC’s position that competition among natural gas

utilities in a given territory should be promoted, albeit with limitations. In fact, the Commission explicitly noted that a natural gas utility is free to serve a new load, but only “in the absence of special circumstances, such as unnecessary duplication of facilities or harm to existing ratepayers, requiring Commission intervention.”¹⁸ In other words, the Commission in *Great Plains* acknowledged that the benefits of competition amongst utilities must be balanced against the harm to ratepayers that could result from the duplication of infrastructure or the undercutting of tariffed commercial rates.

Xcel’s reliance on the case of *Peoples Natural Gas Co. v. Northern States Power Co.*¹⁹ is similarly misplaced. As acknowledged by Xcel, *Peoples Natural Gas* involved two utilities competing to serve customers in an area that was *contiguous* to an area served by Peoples, but was not already served by Peoples or NSP.²⁰ Unlike the circumstances here, *Peoples Natural Gas* did not involve one utility attempting to disrupt another utility’s long-time service area or strand a utility’s infrastructure investment in a given area. Instead, Peoples argued that NSP should be prevented from serving the new area because Peoples was “willing and able to serve” those new customers.²¹ NSP did not need to intersect Peoples’ piping in order to provide this new service, nor was NSP seeking in that case to serve an existing customer of Peoples. Unlike here, the Commission was not called on to balance the interests of competition and customer choice with customer safety, efficient service, and harm to existing ratepayers.

Lastly, Xcel suggests that the Commission should disregard safety concerns associated

¹⁸ Xcel Response at 5 (quoting *Great Plains Order* at 4).

¹⁹ *In the Matter of a Complaint of Peoples Natural Gas Against Northern States Power Company Regarding the Construction of Distribution Facilities*, Docket No. G-0111/C-96/1062, Order Dismissing Complaint (Oct. 21, 1996) (“*Peoples Natural Gas Order*”).

²⁰ Xcel Response at 5 (citing *Peoples Natural Gas Order*).

²¹ *Peoples Natural Gas Order* at 2.

with one utility attempting to provide natural gas service in an area served by another utility.²² According to Xcel, in 1990 MERC's predecessor and other utilities did not raise these concerns when responding to a generic inquiry from the Commission regarding competition in the natural gas industry.²³ Although this may be true, the Commission's decision in this matter affirms MERC's argument that, under appropriate circumstances, the Commission should intervene to prevent one gas utility from competing for customers in another utility's natural service territory.

As stated in the Complaint, the Commission has expounded on the benefits and disadvantages of having more than one natural gas utility compete in a given area.²⁴ For example, the Commission has recognized that providing access to natural gas for a greater number of people "...may, on balance, outweigh the concern that the competition may result in provision of service somewhat above the lowest possible cost."²⁵ The Commission has also recognized that competition may cause "wasteful duplication of service and higher per customer costs," and that utilities may be tempted "to 'waive' certain tariffed charges for new customers to the detriment of their current customers."²⁶ Ultimately, the Commission must "balance the interests of the utilities, competed-for customers, and current customers on a case by case basis."²⁷ As set forth below, the negative consequences of Xcel's manner of approaching competition are presently in this dispute, warranting Commission intervention.

²² See *In the Matter of an Inquiry Into Competition Between Gas Utilities in Minnesota*, Docket No. G-999/CI-90-563, 1995 WL 594725, Order Dismissing Complaint (Mar. 31, 1995) ("*Competition Order*").

²³ Xcel Response at 6.

²⁴ Ver. Compl. at 8; *Competition Order* at 5.

²⁵ *Competition Order* at 5.

²⁶ *Id.*

²⁷ *Id.*

B. The Circumstances Underlying this Dispute Warrant Commission Intervention and a Finding that MERC is Entitled to Provide Natural Gas Service to the Planned Development.

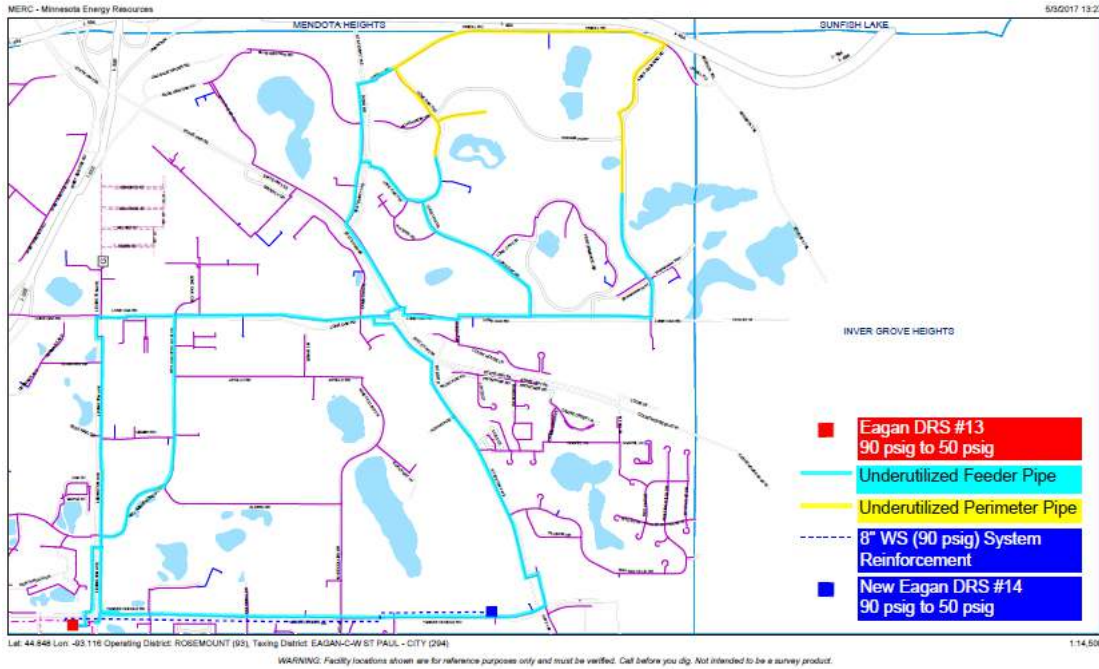
As noted above, the Commission’s pro-competitive policies within the natural gas industry will be promoted “in the absence of special circumstances, such as unnecessary duplication of facilities or harm to existing ratepayers, requiring Commission intervention.”²⁸ MERC has shown that Xcel’s provision of natural gas service will (1) result in unnecessary duplication of facilities, (2) negatively harm MERC and its customers, and (3) raise safety concerns.

1. Duplication of Facilities

It is irrefutable that MERC has extensive infrastructure in place surrounding the Planned Development that is available and adequate to serve the Planned Development without infrastructure upgrades. Included below is a map showing MERC’s existing infrastructure in the Planned Development area.

²⁸ *Great Plains Order* at 4.

Figure 2: Map of MERC’s Feeder System Near Planned Development²⁹



In addition, MERC currently has significant existing infrastructure around the entire perimeter of the Planned Development:

Figure 3: Map of MERC’s Distribution Piping along Development Perimeter³⁰



In total, MERC has over 68,000 feet of pipe within two miles of the Planned Development that,

²⁹ Ex. B (Attachment OAG 2, MERC Feeder and Perimeter Piping.)

³⁰ *Id.* (Attachment OAG 2, MERC Facilities at Proposed Development).

if not used to serve the Planned Development, will go underutilized.³¹ MERC’s perimeter piping totals approximately 14,092 feet, some of which will no longer serve direct load if MERC is not allowed to continue to serve the Planned Development.³² This piping will essentially be rendered unused except to the extent that it supports MERC’s area system reliability. In addition as to the piping that runs along the perimeter, the natural gas to serve the Planned Development will be distributed through approximately 54,000 feet of piping from the District Regulator Station (“DRS”) located approximately two miles southwest of the site.³³ Again, MERC’s DRS and associated piping are appropriately sized to serve the projected load and therefore this entire length of pipe will be underutilized if MERC is not allowed to serve the Planned Development.³⁴

The availability of this existing infrastructure means that MERC would incur little to no costs to serve the projected load of the entire 200-acre Planned Development.³⁵ MERC’s infrastructure is also sufficiently sized to accommodate the required increase in capacity to serve the incremental growth.³⁶ In particular, the Town Border Station (“TBS”) that will serve the Planned Development is not constrained and there is adequate capacity available to support up to four-times the incremental load MERC is projecting for the 200-acre project.³⁷ Even more importantly, MERC would incur no additional cost to secure the necessary incremental capacity because MERC can reallocate a portion of its Rochester capacity to this Eagan TBS on a

³¹ *Id.* (MERC Response to OAG IR No. 2.)

³² *Id.*

³³ *Id.*

³⁴ *Id.*

³⁵ *Id.*; *see also* Ex. A (MERC Response to DOC IR No. 3.)

³⁶ Ex. A (MERC Response to DOC IR No. 3.)

³⁷ *Id.*

secondary basis under MERC’s Purchase Agreement with Northern Natural Gas, which was approved by the Commission on May 5, 2017, in Docket No. G011/M-15-895.³⁸

Moreover, if Xcel is allowed to serve the Planned Development, its footprint in the area will continue to grow, rendering more and more of MERC’s system unneeded or underutilized.³⁹ This unnecessary duplication of MERC’s infrastructure will without question negatively impact MERC’s existing ratepayers, who have been paying for and will continue to pay for these facilities without any future ability to mitigate their costs. Xcel’s claim to be the “exclusive” supplier to the area for decades to come lands the recovery burden of the previously installed MERC infrastructure to serve the Planned Development squarely on MERC’s current ratepayers.

2. Economic Impact

In quantifying the economic impact on MERC and its customers if Xcel is permitted to serve the Planned Development, MERC examined both direct and indirect or lost opportunity costs. With respect to direct costs, MERC has incurred approximately \$156,000 since July 2016 to install meters and service lines for natural gas service to the premises during construction and to otherwise prepare the premises for grading and development.⁴⁰

With respect to indirect or lost opportunity costs, MERC evaluated the (1) anticipated demand for two load sources to be constructed during Phase I of the planned development (i.e., the Viking headquarters and practice facilities); and (2) anticipated load attributable to future phases of the Planned Development to establish a multi-building, multi-use development on approximately 200 acres along the northern edge of the City of Eagan.⁴¹ In particular, MERC

³⁸ *Id.*

³⁹ Ex. B (MERC Response to OAG IR No. 2.)

⁴⁰ Ex. A (MERC Response to DOC IR No. 1.)

⁴¹ *Id.* (MERC Response to DOC IR No. 2.)

has projected the load for the Planned Development based on the exhibits presented at the June 21, 2016 Eagan City Council meeting.⁴² In total, the Planned Development is expected to add over [TRADE SECRET DATA BEGINS... ..TRADE SECRET DATA ENDS] customers, with an incremental load of [TRADE SECRET DATA BEGINS... ..TRADE SECRET DATA ENDS] therms annually. This load equates to approximately [TRADE SECRET DATA BEGINS... ..TRADE SECRET DATA ENDS] percent of MERC's existing annual load served within the City of Eagan.⁴³

Further, MERC estimates that it would receive approximately [TRADE SECRET DATA BEGINS... ..TRADE SECRET DATA ENDS] in revenues annually from service to the Planned Development.⁴⁴ This projected revenue does not include the growth that will occur ancillary to the Planned Development, nor does it include the revenue that would be lost if Xcel is allowed to extend its system to customers currently on MERC's system.⁴⁵

As such, it is clear that allowing Xcel to serve this load will negatively impact MERC and its existing customers. While MERC was reluctant to engage in this dispute with a neighboring utility, too much is at stake to ignore the damaging impact Xcel's service to the Planned Development could have on MERC and its customers, who have already made a significant contribution to providing service surrounding the Planned Development area.

3. Safety Implications

Xcel has not shown that it has the ability to serve the Planned Development safely. Unlike MERC, Xcel does not have existing infrastructure that currently serves the Planned

⁴² *Id.*

⁴³ *Id.*

⁴⁴ *Id.* (MERC Response to DOC IR No. 3.)

⁴⁵ *Id.*

Development. As MERC noted in its Complaint, in order to access the Planned Development, Xcel's new pipeline must cross over or under MERC's existing pipeline, presenting significant safety risks.⁴⁶ In part, if there is a gas leak in the area, it will be difficult to determine whether that leak is coming from pipeline owned by MERC or Xcel. In its response, Xcel states:

In 2001, however, Xcel Energy and MERC submitted bids to serve a large residential development south of Highway 95. The customer chose MERC as its preferred provider and, in order to serve its new customer, MERC built facilities that crossed Xcel Energy's gas main. MERC did not raise any safety concerns at that time, and their attempt to do so now should be accorded no weight.^[47]

According to Xcel, MERC is being "opportunistic" or even "disingenuous" in its approach to safety. Setting aside the fact that Xcel presumably could only find one instance back in 2001 to support its hypothesis, since MERC was formed in 2006 it has taken steps to avoid crossing other utilities' gas facilities to reach unserved customers where possible – even when such considerations make it necessary to refer a prospective customer to another utility.

A decision by MERC not to extend service to an industrial customer in the City of North Branch illustrates the utility's commitment to safety, despite its loss of potential revenues. In that example, MERC ran a four inch main in the right of way on Grand Ave into an industrial park in North Branch in 1985. Dissimilarly to the City of Eagan, North Branch is one of the competitive areas of the state and the natural gas infrastructure has been installed in a patchwork style as providers race to install main to serve new customers or projected load. Sometime after MERC installed main, Xcel ran parallel to MERC's facilities with a six-inch main along the same route. Xcel's facilities effectively cut MERC off from much of the industrial park because MERC avoids the crossing of other systems to protect safety. In July of 2013, MERC began working with the City and developer to provide gas to the Frito-Lay building located on Golden

⁴⁶ Ver. Compl. ¶ 13.

⁴⁷ Xcel Response at 6.

Ave in North Branch. MERC soon discovered that it would not be able to serve this property without crossing an Xcel main even though it had the existing assets to serve the property in the right of way along Ash Street. In the interest of public safety, MERC suggested the customer take service from Xcel. The following aerial photographs show the known location of Xcel’s gas lines in relation to MERC’s lines and the industrial park:

Figure 4: Development of Infrastructure in the City of North Branch



Figure 5: MERC and Xcel Mains within the City of North Branch.



This just is one example where MERC gave up the opportunity to serve a new customer to avoid a potential safety issue, yet is also underscores the extent to which Xcel is willing to ignore safety concerns, unnecessarily install duplicative mains, and cut-off access to competitively-priced service providers like MERC.

The fact that there are other instances where mains of one utility cross the mains of another does not mean that such crossings should not be avoided where possible. Since MERC was acquired in 2006, it has attempted to avoid the crossing of other utility lines to serve new customers or new loads. Importantly, since 2006, MERC has had to cross other utility piping in three competitive areas of the state to maintain system reliability and redundancy to serve our existing customers in those areas. That situation could recur here if Xcel is allowed to build duplicative infrastructure on the premises. MERC's extensive system in the area will need to be maintained to serve our existing load in the area, which may require additional looping that necessitates the crossing of Xcel's pipes. MERC deliberately avoids the crossing of other

systems where possible and MERC is not “opportunistic” or “disingenuous” in its approach to safety as Xcel infers in its Response. The Commission should reject Xcel’s suggestion that the Commission should not be concerned by safety issues; the Commission is, in fact, charged with ensuring that “[e]very public utility shall furnish *safe*, adequate, efficient, and reasonable service.”⁴⁸ MERC has demonstrated that it can provide service under all of these standards to the Planned Development; Xcel cannot say the same.

C. Contrary to Xcel’s Arguments, its Proposed Service to the Planned Development Undermines Fair and Efficient Competition.

1. The First in the Field Rule

As MERC noted in its Complaint, MERC adheres to the “First in the Field” rule. While Xcel states in its Response that “there is no reference to the ‘First in Field’ rule in Minnesota statutes, Commission rules or Commission precedent,”⁴⁹ the concept is relatively simple and is implemented in practice. This is true regardless of whether the words “First in Field” are familiar to Xcel or have been used in a Commission order.

Under this rule, natural gas utilities are free to compete to provide service to new customers; however, the utility that reaches those new customers first (economically, safely and without a duplication of natural gas facilities) is allowed to maintain those customers. This practice avoids a duplication of facilities, minimizes conflicts between competing utilities, and promotes the safe development of natural gas infrastructure in an environment where utilities do not have exclusive service territories. In this respect, MERC’s practice is consistent with the requirements of Minn. Stat. § 216B.01, which charges the Commission with ensuring that the provision of natural gas in the State (1) avoids unnecessary duplication of facilities, (2) does not

⁴⁸ See Minn. Stat. § 216B.04 (emphasis added).

⁴⁹ Xcel Response at 7.

increase the cost of service to the consumer, and (3) minimizes disputes between utilities that may cause inconvenience or inefficiencies in service to consumers.

Accordingly, in approaching competition based on the First in the Field Rule, MERC considers three primary factors: (1) the ability of MERC to serve the new customers economically; (2) the ability of MERC to serve the new customers safely; and (3) the ability of MERC to avoid the duplication of natural gas infrastructure to serve the new customers. If these three factors are satisfied, all things being equal, customer choice should dictate which gas utility has the right to serve the new customer. MERC adheres to these principles because it is good policy and MERC believes it is what is required by law. This principle was applied by MERC as it considered the installation of potential service in the North Branch industrial park, as described above. Xcel's proposed service to the Planned Development does not satisfy these principles.

With respect to the first principle – the ability of the utility to serve the new customers economically – it is unclear whether Xcel could meet such a standard. Initially, Xcel concedes that they “have not yet entered into a Service Agreement identifying the applicable tariffed rates” for service to the Vikings or the customers that will eventually be a part of the Planned Development in future phases.⁵⁰ It is, therefore, unclear on what basis Xcel was elected to be the exclusive service provider for all present and future customers at the Planned Development.

In addition, Xcel confirmed that it is providing a shareholder funded “promotional incentive” under its March 29, 2017, Natural Gas Competitive Agreement with the Vikings.⁵¹ Xcel characterizes the “promotional incentive” as “an operation and maintenance expenditure

⁵⁰ Ex. C (Xcel Response to MERC IR No. 7.)

⁵¹ *Id.*

paid for by the Company’s shareholders” rather than “a ratepayer expense[.]”⁵² This appears to be a reduced or flexed rate, which suggests that it may not be economical for Xcel to extend service to the Planned Development under Commission-approved rates.

It is also unclear whether the discounted rate is consistent with (1) Minn. Stat. § 216B.03 which requires that “[r]ates shall not be *unreasonably preferential*, unreasonably prejudicial, or discriminatory, but shall be sufficient, equitable, and consistent in application to a class of consumers;” (2) Minn. Stat. § 216B.05 Subd. 1, which provides that “[e]very public utility shall *file with the commission* schedules showing all rates, tolls, tariffs, and charges which it has established and *which are in force at the time for any service* performed by it within the state. . . ” or (3) Minn. Stat. § 216B.06, which specifically prohibits a utility from providing, and a customer from accepting, a rate less than what is set forth in the utility’s tariff.⁵³ The fact that Xcel alleges that its shareholders will bear the cost of the incentive does not provide Xcel with license to charge a rate less than the “Filed Rate” or provide a discriminatory rate not available to customers in the same class. Further, the discount brings into question whether it is the policy of the Commission to allow gas utilities to arbitrarily “flex” rates through customer-specific discounts in order to compete with other gas utilities.

Finally, Xcel has stated that the Vikings are not required to make a Contribution in Aid of Construction (“CIAC”) to support the new service to the Planned Development, but indicated that “the Company anticipates that it will seek recovery of the capital costs in a future rate case,

⁵² *Id.*

⁵³ Minn. Stat. § 216B.06 provides that “[n]o public utility shall directly or indirectly, by any device whatsoever, or in any manner, charge, demand, collect, or receive from any person a *greater or less compensation for any service rendered or to be rendered by the utility than that prescribed in the schedules of rates of the public utility* applicable thereto when filed in the manner provided in Laws 1974, chapter 429, *nor shall any person knowingly receive or accept any service from a public utility for a compensation greater or less than that prescribed in the schedules*, provided that all rates being charged and collected by a public utility upon January 1, 1975, may be continued until schedules are filed.” (emphasis added).

but notes that the expected sales associated with the development of the 200-acre parcel are projected to exceed the capital costs incurred to build the infrastructure necessary to serve the development.”⁵⁴ It is unclear how, or even if, the future recovery of capital costs will benefit Xcel’s existing customers. Because MERC already has facilities serving this Planned Development, we know with certainty that MERC’s existing customers would directly benefit from the expected sales increase.

With respect to the second principle of safety, Xcel has also not shown that it has the ability to serve the new customer safely. As stated, Xcel does not have existing infrastructure serving the Planned Development. Therefore, Xcel must cross MERC’s existing pipeline, presenting significant safety risks. While it is sometimes necessary to cross other lines, the practice should be avoided and here no justification of necessity exists.

With respect to the third principle – the ability of the utility to serve the new customers without duplicating facilities – there is no dispute that Xcel would duplicate natural gas infrastructure MERC already has in place to serve the Planned Development.⁵⁵ MERC’s customers will therefore be precluded from recovering the costs of the existing infrastructure from new sales load in the Planned Development.

Moreover, even though Xcel states it is unfamiliar with the “First in the Field” rule, it has acted consistent with the rule in previous dealings with MERC. For example, in 1974 Xcel and MERC’s predecessor People’s Natural Gas entered into an agreement to exchange facilities and customers within the City of Eagan and Inver Grove Heights.⁵⁶ In relevant part, Peoples acquired customers and facilities in Eagan and Xcel acquired customers and facilities in Inver

⁵⁴ *Id.* (Xcel Response to OAG IR No. 103.)

⁵⁵ *See, e.g.,* Ex. B (MERC Response to OAG IR No. 2.)

⁵⁶ Ex. D (October 2, 1974 Memorandum of Understanding.)

Grove Heights. In a letter to the City of Eagan, attached hereto as Exhibit D, Peoples stated that “this exchange of customers and facilities [reflected in the MOU] will assure a more efficient and reliable natural gas service to both of these areas with only one utility rather than two operating within the same market area.”⁵⁷ These considerations are consistent with how MERC views competition and the First in the Field Rule.

2. Unintended Consequences

In its Complaint, MERC highlighted the fact that there is more at stake in this proceeding than simply which utility should be able to serve the Planned Development. As MERC explained, allowing Xcel to serve the Planned Development will signal that any gas utility can simply extend service to a large customer of another utility regardless of whether that premises is currently served by the utility or if the utility already has infrastructure in place to serve the customer.⁵⁸ More specifically, utilities could consider any change in ownership at a customer premises to mean the service is open for competition and the installation of new infrastructure under the rubric of customer choice. Such a fundamental change in the way gas utilities compete to serve Minnesota customers will ultimately result in stranded costs and poor outcomes for customers, especially residential and other captive customers who do not have multiple providers within their area. Further, it is unclear to what extent that rates may be “flexed” or should be designed to be “flexed” for select or otherwise high profile customers.

The Commission should set clear parameters for competition now, as MERC expects that the issues raised in this dispute will continue to arise more frequently as growth in population and development continues to occur in suburban and exurban areas. The opportunities for growth within the metropolitan areas are spatially limited so unless the Commission sets

⁵⁷ *Id.* (December 26, 1974 Letter to the City of Eagan.)

⁵⁸ Ver. Compl. at 9-10.

competition guidelines, utilities will continually attempt to extend infrastructure into planned development areas even though those areas are already piped for service.

In addition, it is unclear whether the Natural Gas Competitive Agreement entered into between Xcel and MV Eagan Ventures, LLC actually promotes customer choice as Xcel alleges. While approving this agreement would honor the choice made by MV Eagan Ventures, it is MERC's understanding that the agreement pertains to the entire 200 acre Planned Development, which includes future offices, retail locations, residences, hospitality services, and a conference center.⁵⁹ MERC further understands that these additional phases of development will occur over the next ten to fifteen years. Presumably, these additional facilities will be operated by separate entities with no affiliation to the Vikings or MV Eagan Ventures. Accordingly, by requiring that the entire Planned Development be served by Xcel, the agreement prevents those other entities from choosing a natural gas provider. If, as Xcel alleges, this is solely a matter of two utilities competing for new customers in a new service territory, at a minimum, future customers should have opportunity to select whether to receive service from MERC or Xcel, rather than having that choice dictated by the agreement between Xcel and MV Eagan Ventures.

IV. CONCLUSION

As set forth above and in MERC's Complaint, numerous circumstances exist that warrant Commission intervention in this matter. The Commission has made clear that competition among natural gas utilities is a laudable policy, but not if this competition gives rise to "special circumstances." Notably, the Commission has identified safety concerns, wasteful duplication of service, potential harm to existing ratepayers, and higher per customer costs as special circumstances warranting intervention. All of these circumstances are present in this matter.

Accordingly, MERC respectfully requests that the Commission (1) declare that Xcel is in

⁵⁹ See Ex. A (MERC Response to DOC IR No. 2 & Attachment DOC 2B.).

violation of Minn. Stat. § 216B.01 and Commission policy through its attempt to serve the Planned Development; (2) and issue an order that, under the unique circumstances present here, MERC has the exclusive right to provide natural gas service to the Planned Development.

Dated: May 15, 2017

Respectfully Submitted,

MINNESOTA ENERGY RESOURCES CORPORATION

/s/ Amber S. Lee

Amber S. Lee
Regulatory and Legislative Affairs Manager
Minnesota Energy Resources Corporation
2665 145th Street West
Rosemount, MN 55068

STINSON LEONARD STREET LLP

/s/ Brian Meloy

Brian Meloy (#0287209)
Thomas Burman (#0396406)
150 South Fifth Street, Suite 2300
Minneapolis, Minnesota 55402
Telephone: (612) 335-1500
Facsimile: (612) 335-1657
brian.meloy@stinson.com
thomas.burman@stinson.com

Attorneys for Complainant Minnesota Energy Resources Corporation

**STATE OF MINNESOTA
BEFORE THE PUBLIC UTILITIES COMMISSION**

<i>In the Matter of the Formal Complaint</i>	)	MPUC Docket No. G-011, G-002/C-17-305
<i>and Petition for Relief by Minnesota</i>)	
<i>Energy Resources Corporation Against</i>	)	REPLY COMMENTS OF
<i>Northern States Power Company d/b/a</i>	)	MINNESOTA ENERGY
<i>Xcel Energy for Violations of Minn.</i>	)	RESOURCES CORPORATION
<i>Stat. § 216B.01 and Commission Policy</i>)	

Exhibit A

**MERC Responses to DOC
Information Requests**

Minnesota Department of Commerce
Division of Energy Resources
Information Request

Docket Number: G011, 002/C-17-305
Requested From: Amber Lee, MERC
Type of Inquiry: Financial

Nonpublic Public
Date of Request: 4/26/2017
Response Due: 5/8/2017

Requested by: John Kundert
Email Address(es): john.kundert@state.mn.us
Phone Number(s): 651-539-1740

Request Number: 1
Topic: NA
Reference(s): Complaint, page 5, point 8

Request:

Please provide support for the \$140,000 amount of direct costs that MERC states it has incurred since August 2016 to provide service to Kraus-Andersen at the Proposed Development.

MERC RESPONSE:

MERC has incurred approximately \$156,000 since July 2016 to install meters and service lines for natural gas service to the premises during construction and to otherwise prepare the premises for grading and development. The abandonment costs incurred in July 2016 were associated with the removal of MERC's preexisting service line in the northeast corner of the parcel. The meter set removal costs were incurred to move the provision of natural gas during construction. The installation of the six-inch main was completed in August 2016 as a system integrity project necessary to loop MERC's system in this area to reinforce reliability and to be able to seamlessly serve the projected load.

Please see Attachment DOC 1 for a complete detail of the costs MERC has incurred to-date to serve the Proposed Development.

To be completed by responder

Response Date: 5/8/2017
Response by: Seth DeMerritt
Email Address: ssdemerritt@integrysgroup.com
Phone Number: (920) 433-2926

**Minnesota Department of Commerce
Division of Energy Resources
Information Request**

Docket Number: G011, 002/C-17-305

Requested From: Amber Lee, MERC

Type of Inquiry: Financial

Date of Request: 4/26/2017

Response Due: 5/8/2017

Requested by: John Kundert

Attachment DOC 1

Date	Description	Cost
2/10/2017	West meter set - 11M rotary	8,905.00
1/13/2017	East meter set - 5M rotary	5,710.00
2/10/2017	4" service line to west meter set	9,877.00
1/13/2017	2" service line to east meter set	11,541.00
8/29/2016	6" PE along Ames Crossing	112,530.00
7/29/2016	Abandonment of 4" PE main along Lone Oak Point	2,344.00
7/29/2016	Abandon meter and riser at old NW Airlines building	1,713.00
4/20/2017	2" SVC Retirement & Meter Set Removal	\$1,243.00
4/21/2017	4" SVC Retirement & Meter Set Removal	\$1,813.00
	Total	155,676

Minnesota Department of Commerce
Division of Energy Resources
Information Request

Docket Number: G011, 002/C-17-305 Nonpublic Public
Requested From: Amber Lee, MERC Date of Request: 4/26/2017
Type of Inquiry: Financial Response Due: 5/8/2017

Requested by: John Kundert
Email Address(es): john.kundert@state.mn.us
Phone Number(s): 651-539-1740

Request Number: 2
Topic: NA
Reference(s): Complaint, page 5, point 10

Request:

- a. Provide an estimate of the anticipated natural gas demands and usage for the Proposed Development. Please provide electronic copies with all links and formulas intact.

MERC Response:

- a. Please see Attachment DOC 2, which shows the anticipated demand for two load sources to be constructed during Phase I of the planned development, as provided to MERC by Kraus-Anderson on behalf of the Vikings in July 2016. Attachment B also shows the anticipated load attributable to future phases of the planned development. In June 2016, the City of Eagan approved a Preliminary Planned Development (known as “Viking Lakes”) for MV Eagan Ventures, LLC, to establish a multi-building, multi-use development on approximately 200 acres along the northern edge of the City of Eagan. MERC has projected the load for the Planned Development based on the exhibits presented at the June 21, 2016 Eagan City Council meeting. See Attachment DOC 2A.

In total, the Planned Development is expected to add over [TRADE SECRET DATA BEGINS...
...TRADE SECRET DATA ENDS]customers, with an incremental load of [TRADE SECRET
DATA BEGINS... ...TRADE SECRET DATA ENDS] therms annually. This load
equates to approximately [TRADE SECRET DATA BEGINS... ...TRADE SECRET DATA
ENDS] percent of MERC’s existing annual load served within the City of Eagan..

To be completed by responder

Response Date: 5/8/2017
Response by: Seth DeMerritt
Email Address: ssdemerritt@integrysgroup.com
Phone Number: (920) 433-2926

PUBLIC DOCUMENT – TRADE SECRET DATA HAS BEEN EXCISED

Minnesota Department of Commerce
Division of Energy Resources
Information Request

Docket Number: G011, 002/C-17-305 Nonpublic Public
Requested From: Amber Lee, MERC Date of Request: 4/26/2017
Type of Inquiry: Financial Response Due: 5/8/2017

Requested by: John Kundert
Email Address(es): john.kundert@state.mn.us
Phone Number(s): 651-539-1740

The anticipated load attributable to the Planned Development as shown in Attachment B does not include the load associated with the ancillary development that will occur outside the perimeter of the 200-acre project. Nor does it include any of MERC's existing load within or near the proposed development that could be served by Xcel if the Commission were to repudiate the First in the Field doctrine.

To be completed by responder

Response Date: 5/8/2017
Response by: Seth DeMerritt
Email Address: ssdemerritt@integrysgroup.com
Phone Number: (920) 433-2926

**Minnesota Department of Commerce
Division of Energy Resources
Information Request**

Docket Number: G011, 002/C-17-305

Requested From: Amber Lee, MERC

Type of Inquiry: Financial

Date of Request: 4/26/2017

Response Due: 5/8/2017

Requested by: John Kundert

Attachment DOC 2A

**MINUTES OF A REGULAR MEETING OF THE
EAGAN CITY COUNCIL
Eagan, Minnesota**

JUNE 21, 2016

A Listening Session was held at 6:00 p.m. prior to the regular City Council meeting. Present were Mayor Maguire and Councilmembers Bakken, Fields, Hansen and Tilley.

A regular meeting of the Eagan City Council was held on Tuesday, June 21, 2016 at 6:30 p.m. at the Eagan Municipal Center. Present were Mayor Maguire and Councilmembers Bakken, Fields, Hansen and Tilley. Also present were City Administrator Osberg, Assistant City Administrator Miller, Communications Director Garrison, Finance Director Pepper, Director of Community Development Hutmacher, City Planner Ridley, Director of Public Works Matthys, Director of Parks and Recreation Pimental, Police Chief McDonald, City Attorney Dougherty, and Executive Assistant Stevenson.

AGENDA

City Administrator Osberg suggested moving the Economic Development Authority Agenda after the Consent Agenda leaving the only remaining item under New Business. All Councilmembers were in favor.

Councilmember Hansen moved, Councilmember Bakken seconded a motion to approve the agenda as amended. Aye: 5 Nay: 0

RECOGNITIONS AND PRESENTATION

There were no recognitions and presentations.

CONSENT AGENDA

Councilmember Fields moved, Councilmember Tilley seconded a motion to approve the Consent agenda as presented: Aye: 5 Nay: 0

Mayor Maguire pulled Item J. – To accept a donation from the Eagan Lion's Club in the amount of \$10,000 for the Fire Department, for further comment. He thanked the Eagan Lion's Club for the donation and for all they do in the community.

- A. It was recommended to approve the minutes of June 7, 2016 regular City Council meeting as presented.
- B. Personnel Items:
 - 1. It was recommended to approve accept the retirement notice of Richard Nelson, Full Time Utility Water Production Worker and authorize replacement of the vacancy created.
 - 2. It was recommended to authorize the status change of Jeannette Nelson from part time to regular full time.
 - 3. It was recommended to authorize temporary office support to Parks & Recreation.
 - 4. It was recommended to approve the transfer of Greg Tracy from Full Time Utility Worker to Full Time Production Utility Worker.
 - 5. It was recommended to approve the transfer of Jeffrey Tisor, from Full Time Field Utility Worker to Full Time Production Utility Worker.

6. It was recommended to authorize the hiring of Tom Rishel, seasonal utility worker, for the replacement of a Field Utility Worker position created by the transfer of Jeffrey Tisor to Production Utility Worker.
7. It was recommended to authorize recruitment and replacement of a Field Worker position created by the transfer of Greg Tracy to Production Utility Worker.
- C. It was recommended to ratify the check register dated May 27, June 3 and 10, 2016 as presented.
- D. There were no contracts to consider at this time.
- E. It was recommended to approve a Joint Powers Agreement between the City and the DNR for the provision and installation of a fishing pier on Fish Lake within Fish Lake Park and also the required Resolution confirming City support for the project.
- F. It was recommended to authorize the modification of the fee schedule to help make available more time for smaller rentals at the Eagan Community Center on Fridays and Saturdays within 90 days of the date of rental.
- G. It was recommended to approve a resolution to accept a grant from the Farmer's Market Coalition of \$2,000 plus program supplies for Eagan Market Fest and direct the Mayor and City Clerk to sign the appropriate document.
- H. It was recommended to adopt a resolution authorizing the Chief of Police to sign a Master Subscriber Agreement for authorized personnel to access data through the court system.
- I. It was recommended to approve an agreement for legal services between the City of Eagan and Campbell Knutson, PA for prosecuting legal services.
- J. It was recommended to approve a resolution to accept a donation from the Eagan Lion's Club in the amount of \$10,000 for the Fire Department and authorize the necessary budget adjustment.
- K. It was recommended to approve the Fire Departments revised Standard Operating Procedures Manual for implementation.
- L. It was recommended to approve the Joint Powers Agreement for Dakota County Domestic Preparedness Committee.
- M. It was recommended to approve an amendment to an existing Joint Powers Agreement with the State of Minnesota, which will allow the City to continue seeking reimbursement for investigative overtime, training and equipment related to crimes committed over the internet.
- N. It was recommended to approve a resolution appointing absentee ballot board judges and designating them as deputy city clerks for the purpose of administering the August 9, 2016 Primary.
- O. It was recommended to approve a resolution appointing election judges for the August 9, 2016 Primary.
- P. It was recommended to approve a temporary on-sale liquor license and waive the license fee for the Eagan High School Boys' Hockey Booster Club on July 16, 2016 at 3870 Pilot Knob Road.
- Q. It was recommended to approve a temporary on-sale liquor license and waive the license fee for Faithful Shepherd Catholic School's Septemberfest on September 16-18, 2016 at 3355 Columbia Drive.
- R. It was recommended to approve a Sound Amplification Permit and a Permit Fee Waiver for an outdoor event with electronic sound system/audio equipment use after 10 p.m. on September 17, 2016, located at 3355 Columbia Drive.
- S. It was recommended to approve Change Order No. 1 to Contract 16-02 (Citywide Street Improvements) and authorize the Mayor and City Clerk to execute all related documents.
- T. It was recommended to approve Change Order No. 1 to Contract 16-18 (Central Maintenance Facility – Fuel System Improvements) and authorize the Mayor and City Clerk to execute all related documents.

- U. It was recommended to approve the final payment for Contract 16-18 (Central Maintenance Facility – Fuel System Improvements) in the amount of \$35,493.87 to Pump and Meter Service, Inc. and accept the improvements for perpetual City maintenance subject to warranty provision.
- V. It was recommended to approve the plans and specifications for Contract 16-21 (Central Area Street Light Improvements) and authorize the advertisement for a bid opening to be held at 10:30 a.m. on Thursday, July 28, 2016.
- W. It was recommended to approve the plans and specifications for Contract 16-23 (Country Hollow Lift Station Rehabilitation – Sanitary Sewer Improvements) and authorize the advertisement for a bid opening to be held at 11:00 a.m. on Thursday, July 14, 2016 at the Utilities Administration building located at 3419 Coachman Point, Eagan, MN.
- X. It was recommended to direct the City Attorney to prepare an Ordinance Amendment to Section 3.20, Rules and Regulations Relating to Water Service for further consideration regarding the development of a Cross-Connection Control Plan that may require compliance with a mandatory inspection program, including related corrective work orders and enforcement measures with possible surcharges.
- Y. It was recommended to authorize a letter of support to the City of Burnsville for a Regional Solicitation federal funding application for trail improvements along Cliff Road (CSAH 32) from TH 13 to Cinnamon Ridge Trail.
- Z. It was recommended to approve a Change Order No. 2 to Contract 15-15 (Yankee Doodle Road/Promenade Avenue and Yankee Doodle Road/O’Leary Lane – Intersection Improvements), and authorize the Mayor and City Clerk to execute all related documents.
- AA. It was recommended to approve a Final Subdivision (Wilderness Run 4th Addition) to create 2 lots upon approximately 1.8 acres located at 4365 Capricorn Court.
- BB. It was recommended to approve an extension to the Final Subdivision approval for property located at 510 Lone Oak Road.
- CC. It was recommended to direct preparation of an ordinance amendment to City Code Chapter 11 regarding temporary family dwellings.
- DD. It was recommended to approve the Joint Powers Agreement with Dakota County for the Dodd Road Fiber Project.
- EE. It was recommended to approve a resolution to accept donations generated at the 1914 Historic Town Hall open house.
- FF. It was recommended to adopt a resolution approving an Exempt Permit for St. John Neumann Catholic Church to conduct a raffle on August 14, 2016 at 4030 Pilot Knob Road.
- GG. It was recommended to amend the City Council minutes for April 5, 2016, as they pertain to the Cedar Grove Transit Station.

PUBLIC HEARINGS

There were no public hearings to be heard.

OLD BUSINESS

There were no old business items to be heard.

NEW BUSINESS

Comprehensive Guide Plan Amendment, Rezoning, Preliminary Planned Development, Preliminary Subdivision and Feasibility Report – MV Eagan Ventures, LLC

City Administrator Osberg introduced the item noting there are five actions the Council is being asked to consider: a Comprehensive Land Use Guide Plan Amendment from Special Area-Major Office to Special Area-Mixed Use upon approximately 200 acres, a Rezoning from Agriculture to Planned Development upon approximately 44 acres, a Preliminary Planned Development to establish an approximately 200 acre multi-building/multi-use development, a Preliminary Subdivision to create three lots and three outlots upon approximately 200 acres, and the Feasibility Report for Project 1225 MV Eagan Ventures LLC streets and utility improvements.

City Planner Ridley gave a staff report and provided a site map.

Public Works Director Matthys briefly introduced the Feasibility Report for Project 1225.

Kevin Warren, Minnesota Vikings, noted the project will bring excitement and interaction to the area bringing a live, work, play environment.

David Murphy, Crawford Architects, gave a presentation that walked through the detailed plans of the project and each of the proposed districts.

Representatives from the Minnesota Vikings were present and available for questions.

The Council discussed the development.

Mayor Maguire opened the public comment. Joe and Linda Rettarrath, 810 O'Neill Drive, stated concern for their privacy regarding the height and proximity of the buildings. Julie Manworren, President/CEO of Living Well Disability Services, 680 O'Neill Drive, stated her excitement about the development now and as the mixed-use development progresses over the next decade. Thomas O'Neill stated he was supportive of the Vikings development, but noted his concern regarding well drilling. Vicki Stute, President Dakota County Regional Chamber of Commerce, stated support for the development and noted the Chamber is very excited to welcome the Vikings to Eagan. There being no further public comment, Mayor Maguire turned the discussion back to the Council.

Councilmember Fields moved, Councilmember Bakken seconded a motion to implement a Comprehensive Land Use Guide Plan Amendment from Special Area-Major Office to Special Area-Mixed Use upon approximately 200 acres generally located south of I-494 and east of Highway 149. Aye: 5
Nay: 0

Councilmember Tilley moved, Councilmember Hansen seconded a motion to approve a Rezoning from A, Agriculture, to PD, Planned Development, upon approximately 44 acres generally located at 720 O'Neil Drive. Aye: 5 Nay: 0

Councilmember Hansen moved, Councilmember Fields seconded a motion to approve a **Preliminary Planned Development** to establish an approximately 200 acre multi-building/multi-use development

generally located south of I-494 and east of Highway 149, subject to the following conditions as amended: Aye: 5 Nay: 0

1. A Preliminary Planned Development Agreement for a term of 15 years shall be executed and recorded against the property at the Dakota County Recorder's office. The Preliminary PD Agreement shall contain the following plans:
 - Preliminary Site Plan
 - Preliminary Signage Plan
2. A Final Planned Development Agreement shall be required for each lot as it develops. The following plans are required for the Final Planned Development Agreement.
 - Final Site Plan
 - Final Building Elevations
 - Final Landscape Plan
 - Final Signage Plan
 - Final Lighting Plan
 - Final Amenities Plan
3. The property shall be platted.
4. All residential development within the site shall be designed and constructed as shared- entrance buildings.
5. All building construction within the proposal area shall incorporate construction methods and techniques that reduce interior noise impacts from airport noise in accordance with the Metropolitan Council's 2030 Transportation Policy Plan and City Code Section 11.64 pertaining to the Aircraft Noise Zone Overlay District.
6. The revised MV Northeast Egan Development Design Guidelines (the "Guidelines"), received on March 30, 2016, are adopted by reference to establish the development framework for Land Use, Architecture, Green Infrastructure, Public Realm, Street and Roadways, Lighting and Signage. To the extent of any inconsistency between the Guidelines and the Conditions herein, the Conditions shall control.
7. The developer shall provide cross parking easements and a comprehensive parking/special events agreement in a form acceptable to the City Attorney. Such agreement shall include a requirement that the developer participate financially in the traffic management strategies necessary to accommodate future events within the development, including events at the stadium and practice facility.
8. Ingress-egress easements shall be provided to ensure all parcels have access to a public street. Such easements shall be in a form acceptable to the City Attorney.
9. All buildings shall present an attractive appearance on all sides with similar architectural features and materials as the front/entry sides of the buildings.
10. Final Planned Development Site Plans shall include the parking island calculation summary within the individual parking area(s) or in the plan sheet legend.
11. Cart corrals shall be shown on the Final Site Plan(s). All cart corrals shall be a permanent installation, and no advertising signage shall be placed on the corrals.
12. Overnight storage of carts outside or in the cart corrals is not permitted. All carts shall be collected each day and stored within the building overnight; indoor storage area for carts shall be provided.
13. Outdoor storage for up to three commercial vehicles is allowed for each commercial building. Such vehicles must fit in a standard parking stall and the designated parking stalls shall be identified on the Site Plan at the time of Final Planned Development.
14. The Signage Master Plan provides bulk standards for size and setbacks for the general overall site freestanding signage; all other building and freestanding future phase, site specific, signage shall

- meet Sign Ordinance standards. The development monument sign at the intersection of Dodd Road and Northwest Parkway shall be eliminated.
15. Outdoor patio dining shall meet City Code requirements of Sec. 11.70, Subd. 29. For each outdoor dining area, a detailed patio seating plan should be provided at the time of Final Planned Development.
 16. Trash and recycling containers shall be stored within the principal building or in an enclosure attached to the building that meets the design standards in the City Code, and be constructed of the same finish materials as the principal buildings.
 17. All mechanical equipment, both roof and ground mounted, shall be screened in accordance with City Code standards. All equipment and proposed screening shall be shown and identified on the Final Building Elevations and/or Site Plan drawings at the time of Final Planned Development.
 18. Each Final Landscape Plan shall include specifications that include a note that the root ball be set flush with grade with the root flare visible 1-2" above grade. Additionally, the plan shall note mulch shall not be in contact with the trunk of the tree.
 19. Screening of the player/coaches parking area from O'Neill Drive shall be enhanced by adding a 3' tall evergreen shrub hedge or knee wall.
 20. All landscaped areas shall be provided with automatic irrigation in compliance with City Code requirements.
 21. A financial guaranty for landscaping and tree mitigation shall be provided at the time of Final Subdivision, in accordance with City Code provisions.
 22. To ensure that tree mitigation is properly addressed as a phased development, the developer shall enter into a Tree Preservation/Mitigation Agreement, in a form acceptable to the City Attorney.
 23. A blue or other industry standard recycling receptacle shall be placed directly next to all trash receptacles in the common areas of the development. Uniform labels on receptacles and lids will indicate recycling or trash and will specifically identify the types of items accepted in each container.
 24. Pedestrian crossings of drive lanes shall be visually and/or texturally offset through use of a different pavement material.
 25. Per the Design Guidelines, a cohesive consistent design shall be provided for all free-standing signs.
 26. All building signage shall be consistent in design, per City Sign Code standards, while accommodating the unique identifiers of individual tenants including colors, script and logos.
 27. Building architecture shall be considered prior to sign placement so that sign placement is in keeping with the architectural features of the building.
 28. Details on the design and placement of directional signs shall be provided with the Final Planned Development. The directional sign structures shall be located so as not to interfere with visibility, vehicular or pedestrian circulation or snow storage.
 29. Building elevations shall be submitted for all buildings at the time of Final Planned Development. Buildings for which Preliminary Elevations were not provided shall utilize the Design Guidelines palette of materials and consistent architectural features presented for the specific District.
 30. All erosion/sediment control plans submitted for development and grading permits shall be prepared by a designer who has received current Minnesota Department of Transportation (MNDOT) training, or approved equal training as determined by the City Engineer in designing stormwater pollution prevention plans. Also, all personnel responsible for the installation of erosion/ sediment control devices, and the establishment of vegetation for the development, shall have received Erosion/Sediment Control Inspector/Installer certification through the University of Minnesota, or approved equal training as determined by the City Engineer.
 31. The developer shall provide hydrant spacing and locations in accordance with City Fire

Department and Public Works standards.

32. The developer shall provide a plan to be approved by staff including development-owned vault(s) at an entry point(s) to the premises and a conduit system to provide fiber optic to all buildings in the development. The conduit system shall utilize a multi-partitioned inner duct system, or other comparable means, to accommodate multiple fiber optic service providers in the future.
33. The developer shall enter into a trail easement agreement per the Sidewalk and Trails Plan (Plan Sheet L100), in a form acceptable to the City Attorney to provide public right-of-way or trail easement of sufficient size for any public trails constructed outside the current right-of-way limits.
34. The developer shall enter into a park and trail agreement per the Parks and Open Space Plan (Plan Sheet L200), in a form acceptable to the City Attorney, to ensure that the dedication of park and trails is completed as the development proceeds in further phases.
35. The developer shall provide building address numbers per Section 2.78 of the City Code.
36. Corporate partner or naming rights sponsor signage shall be limited to 20% of the sides of the IPF and integrated graphics/projection mapping signage on the IPF shall not be subject to the 20% restriction.
37. Integrated graphics/projection mapping signage shall be subject to a Sign Agreement between the City and the Vikings in a form acceptable to the City Attorney.
38. Only two other building permits shall be issued for any property other than Lot 1, Block 1 until above-ground physical construction has begun on the Vikings' Headquarters facility.
39. Developer may not commence construction of any residential units on any land located North of Northwest Parkway until Developer commences construction of a conference center hotel on the Property containing at least 100 guest rooms, 10,000 square feet of event space, 10 breakout/conference rooms, a ballroom with capacity for at least 500 people and a full service sit-down restaurant ("Conference Center Hotel"). Developer shall cooperate with the City of Eagan's Convention and Visitor's Bureau to develop the scope of and undertake a feasibility study examining the market and financial feasibility, without subsidy, of each of, and the combined, hotel and conference center components of the Conference Center Hotel on or before April 1, 2017 and report quarterly, until three years have passed from the issuance of a Certificate of Occupancy for the Vikings' Headquarters facility, as to Developer's efforts and progress toward constructing a Conference Center Hotel. If the feasibility study demonstrates that development of the Conference Center Hotel is not feasible, in any respect, this condition is waived. In any event, this condition automatically expires on April 1, 2023.
40. The developer shall be responsible for all relevant mitigation strategies included within the Mitigation Plan dated May 27, 2016, associated with the Final Alternative Urban Area-wide Review (AUAR) for the Minnesota Vikings Headquarters and Mixed Use Development in accordance with the City's determination of responsibility. The developer shall contribute \$4000/net developable acre into an escrow fund to address their responsible cost of transportation improvements included in said mitigation strategies. The developer shall enter into an escrow agreement in a form acceptable to the City Attorney and provide the required deposit prior to Final Subdivision approval/release of the plat for recording. Any unused amount will be returned to the payers within 10 years of full development of the properties within the study area.
41. The developer shall be responsible for the cost of all updates to the Final Alternative Urban Area-wide Review (AUAR) for the Minnesota Vikings Headquarters and Mixed Use Development. Updates are required every five years until the completion of the development.
42. The developer shall be responsible for the cost of preparing and implementing an event travel demand management plan (TDMP) to identify management strategies for events of various sizes including traffic operations, parking and circulation. Events could include use of the outdoor

stadium, indoor practice facility and outdoor practice fields by the Vikings as well as local community sporting or entertainment events. Implementation costs may include city or contractual labor and material to address a combination of turn restrictions, counter-flow operations, traffic signal overrides, supplemental static and dynamic signage, transportation (bussing) and event management staff to override operations at some intersections.

Mayor Maguire moved, Councilmember Hansen seconded the motion to approve a **Preliminary Subdivision** (Northeast Eagan Development) to create three lots and three Outlots upon approximately 200 acres located in the north ½ of Section 1, generally located south of I-494 and east of Highway 149, subject to the following conditions: Aye: 5 Nay: 0

1. The developer shall comply with these standards conditions of plat approval as adopted by Council on July 1, 2014: A1, B1, B2, B3, B4, C1, C2, D1, E1, F1, G1, H1 and I1.
2. The property shall be platted.
3. Ingress-egress easements shall be provided to ensure all parcels have access to a public street. Such easements shall be in a form acceptable to the City Attorney.
4. All erosion/sediment control plans submitted for development and grading permits shall be prepared by a designer who has received current Minnesota Department of Transportation (MNDOT) training, or approved equal training as determined by the City Engineer in designing stormwater pollution prevention plans. Also, all personnel responsible for the installation of erosion/ sediment control devices, and the establishment of vegetation for the development, shall have received Erosion/Sediment Control Inspector/Installer certification through the University of Minnesota, or approved equal training as determined by the City Engineer.
5. All well and septic systems within the development should be abandoned in accordance with City and County standards.
6. The developer shall meet all requirements of Minn. Rules Ch. 8420 and City Code §11.67 regarding and a proposed wetland replacement plan.
7. The developer shall meet the City's Post Construction Stormwater Management requirements (City Code §4.34) for stormwater management and surface water quality, including Runoff Rate Control and 1.1" Volume Control on the site's new and fully- reconstructed impervious surface area (including effective soil remediation for the site's disturbed soils that are to be revegetated).
8. The developer shall provide adequately sized pre-treatment (e.g. 4' sump with scour protection and skimmer hood, inlet filter structure, etc.) at, or immediately upstream of, all stormwater management facility (e.g. infiltration basin) inlets to provide for effective capture and easily-accessible cleanout of fine-sand sized particles and floatable pollutants. Details shall be included in applicable plan sheet(s).
9. The developer shall provide clear plans and details on how impervious surface runoff will enter proposed infiltration basins (e.g. curb-cuts, catch-basin/piping, etc.), specifically on Utility Plan and other appropriate plan sheets at all proposed individual drainage areas (e.g. P-Park-W1, P-Park-W2, P-Park-E, P-OutSyn, etc).
10. The developer shall provide unobstructed maintenance equipment access paths (without obstructions from grading, private utilities, trees/branches, large shrubs, etc.), from pavement-edge to all surface stormwater facilities' inlets/outlets. The unobstructed equipment access path shall be capable of fully supporting typical maintenance equipment, for periodic maintenance access to the surface storm water facilities and verify that Landscape Plans do not conflict with this access requirement.
11. Prior to receiving city approval to permit land disturbing activity, the developer shall provide the City with soil boring logs from a minimum of four soil-borings within any proposed infiltration

basin area, extending a minimum of 10' below the bottom of the proposed infiltration feature, to evaluate and ensure suitability for infiltration. If the soil boring logs indicate incompatibility of existing sub-soil permeability with the submitted and reviewed design plans for meeting volume control requirements, the developer shall revise the design and/or construction plans (e.g. over-excavation/soil-amendment depth, etc.) and/or follow Permissible Alternative Stormwater Volume Control Designs process if determined appropriate by the City Engineer, to ensure volume control requirements are fully met.

12. Prior to receiving city approval to permit land disturbing activity, the developer shall provide construction details of the proposed infiltration/filtration systems for City review/acceptance by the City Engineer and include in construction plans. Construction details shall include infiltration/filtration basin cross-section(s), construction sequencing/protection/restoration notes, sizing/volume tables, details for stable inlets/outlets/emergency overflows, details for pre-treatment, unobstructed inspection/maintenance access areas to inlets/outlets, soil amendment criteria, live planting, seeding & permanent erosion-control details, etc., to ensure infiltration/filtration practice is properly designed, constructed, planted, and adequately protected during / after construction to prevent clogging, and able to be properly maintained (e.g. unobstructed equipment access, etc.) to function as intended. These graphical details and notes shall be prominently included in all applicable plan sheets (e.g. Erosion & Sediment Control Plan, Grading Plan, Utility Plan, Landscape Plan, Details, etc.).
13. Prior to receiving city approval to permit land disturbing activity, the developer shall provide detailed Soil Management Strategies for City review, and acceptance by the City Engineer, that provide clear assurances that by final grading, prior to installation of any irrigation and plantings, the disturbed areas that are to be revegetated will have protected and/or restored soil permeability to non-compacted soil conditions in the top 12" of soil with greater than 5% soil organic matter content and less than 200 psi of soil compaction in the top 12" of topsoil, to comply with Volume Control requirements. These graphical details and notes on soil protection/restoration shall be included in the Stormwater Management Plan and prominently included in all applicable plan sheets (e.g. Erosion & Sediment Control Plan, Grading & Drainage Plan, Landscape Plan, etc.).
14. Prior to receiving a Certificate of Occupancy for any affected construction, Soil Management Strategy implementation documentation (e.g. representative on-site soil samples, compaction testing and soil organic content test results) shall be provided to City Water Resources staff to verify compliance with approved soil management strategy. City Water Resources staff shall be notified, with 24-hour advance notice, for inspection during soil amendment process, prior to installation of any irrigation, seeding or plant materials, to verify soil compliance. Plan sheet notes/instructions on all applicable plan sheets shall be provided.
15. During infiltration system area over-excavation/sub-soil work, the developer shall ensure that a Certified Soil Scientist will be present to verify and document that practice area sub-soils are suitable for a saturated condition infiltration rate of 0.8-inch per hour or greater (but less than 8.0-inch per hour). If the sub-soil infiltration rates are less than 0.8- inch per hour (or greater than 8.0-inch per hour), the developer shall immediately notify the City Engineer. Documentation shall be provided to the City within 48-hours after infiltration testing. The developer shall provide the City Water Resources staff with 24- hour advance notice of the occurrence of infiltration verifications and also prior to any excavation and/or soil backfilling within the infiltration practices (City Water Resources staff contact/instructions shall be clearly/prominently listed on appropriate plan sheets).
16. Prior to proceeding with land disturbing activity, the developer shall enter into a long- term stormwater management system maintenance agreement with the City, detailing the inspection

- and maintenance required to occur to ensure proper operation and performance of the permanent stormwater management system, in a form acceptable to the City Attorney.
17. Before the city returns any Stormwater-related Performance Guarantee Fees on the development site, the developer shall provide the City Engineer as-built plans that demonstrate that all constructed stormwater conveyance structures, stormwater management facilities (pre-treatment, infiltration practices, etc.), and soil management strategies conform to design and/or construction plans, as approved by the City. As-built volumes (for retention) shall be provided for the infiltration practices. The developer shall submit to the City Engineer certification that the stormwater management facilities have been installed in accord with the plans and specifications approved. This certification shall be provided by a Professional Engineer licensed in the State of Minnesota.
 18. The Developer should provide conservation easements, in a form acceptable to Water Resources and the City Attorney, over the buffer areas of Wetlands A, B, C, F, G, H, I and J, as identified in the wetland delineation map submitted to the City with this application.
 19. The developer shall provide a design to support broadband and fiber optic telecommunications networks. The developer shall provide a plan to be approved by staff including development-owned vault(s) at an entry point(s) to the premises and a conduit system to provide fiber optic to all buildings in the development. The conduit system shall utilize a multi-partitioned inner duct system, or other comparable means, to accommodate multiple fiber optic service providers in the future.
 20. The developer shall dedicate the public right-of-way, and any temporary construction easements, necessary for the construction of the extension of Northwest Parkway, in accordance with City engineering standards for width and curvature.
 21. The developer shall be responsible for all relevant mitigation strategies included within the Mitigation Plan dated May 27, 2016, associated with the Final Alternative Urban Area-wide Review (AUAR) for the Minnesota Vikings Headquarters and Mixed Use Development in accordance with the City's determination of responsibility. The developer shall contribute \$4000/net developable acre into an escrow fund to address their responsible cost of transportation improvements included in said mitigation strategies. The developer shall enter into an escrow agreement in a form acceptable to the City Attorney and provide the required deposit prior to Final Subdivision approval/release of the plat for recording. Any unused amount will be returned to the payers within 10 years of full development of the properties within the study area.
 22. The developer shall provide cross parking easements and a comprehensive parking/special events agreement in a form acceptable to the City Attorney. Such agreement shall include a requirement that the developer participate financially in the traffic management strategies necessary to accommodate future events within the development, including events at the stadium and practice facility.
 23. The developer shall provide hydrant spacing and locations in accordance with City Fire Department and Public Works standards.
 24. The developer shall enter into a park and trail agreement per the Parks and Open Space Plan and the Sidewalk and Trails Plan (Plan Sheets L200 and L100), in a form acceptable to the City Attorney, to ensure that the dedication of park and trails is completed as the development proceeds in further phases.

Councilmember Bakken moved, Councilmember Fields seconded the motion to accept the Feasibility Report for Project 1225 MV Eagan Ventures, LLC Streets and Utility Improvements. Aye: 5 Nay: 0

City Council Meeting Minutes
June 21, 2016
11 page

The City Council welcomed the Vikings organization and noted their excitement for the development, and the impact to the community and revitalization in the northeast corner of Eagan.

LEGISLATIVE / INTERGOVERNMENTAL AFFAIRS UPDATE

There was no legislative/intergovernmental affairs update.

ADMINISTRATIVE AGENDA

There were no administrative agenda items to be heard.

VISITORS TO BE HEARD

Mayor Maguire noted it has been past practice and policy that during election years, from the opening of the Council candidate filing period through the November election, the Visitors to be Heard segment of the meeting shall occur for a period of time not to exceed ten minutes and will not be televised.

There were no visitors to be heard.

ADJOURNMENT

Councilmember Fields moved, Councilmember Hansen seconded a motion to adjourn the meeting at 8:39 p.m. Aye: 5 Nay: 0

7-5-2016

Date

Mike Maguire

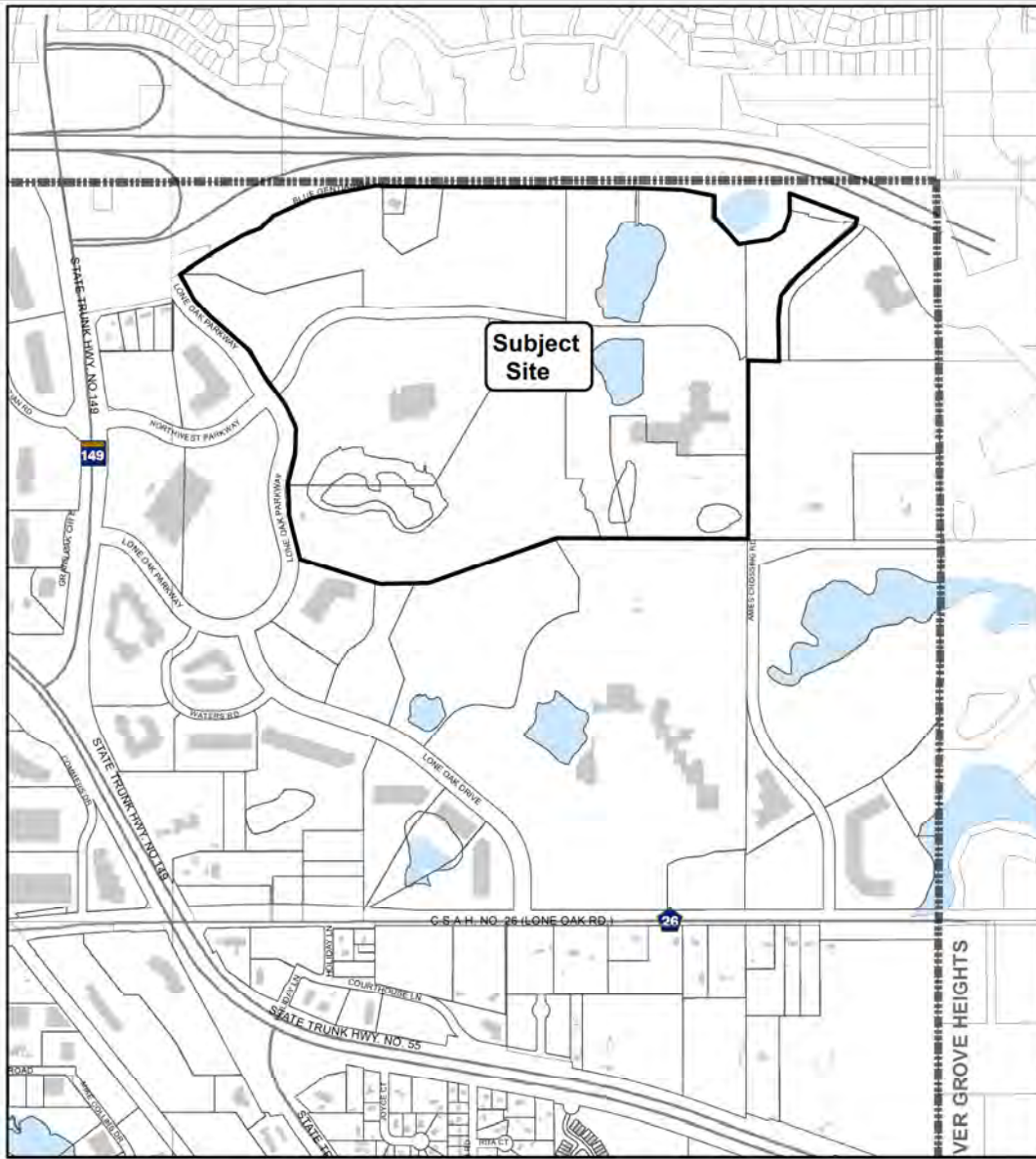
Mayor

Cheryl L. Stevenson

City Clerk

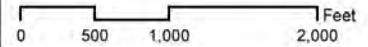
Location Map

Project Name: Northeast Eagan Development
Request: Preliminary Subdivision,
Prelim. PD, Rezoning
Case No: 01-PS-02-03-16, 01-PD-01-03-16
01-RZ-01-03-16



Legend

-  Parcels selection
-  Parcels
-  Buildings
-  Parks
-  City Boundary





Project Name: NE Eagan Development
Request: Preliminary Subdivision, Prelim. PD, Rezoning
Case No: 01-PS-02-03-16, 01-PD-01-03-16, 01-RZ-01-03-16

This map is for reference use only.
This is not a survey and is not intended
to be used as one.








Aerial photo-Spring 2014













Land Use Districts

The Northeast Eagan Development is divided into seven (7) distinct districts. These districts are accessible from Northwest Parkway and each boasts connectivity to active green belts as well as unique amenities offered by existing lakes and wetlands which are conceived as focal points within each district. Each district is intended to take on a distinct architectural characteristic based on its building type, amenities, and geographic features. The seven (7) districts are identified as follows and shown in context on the map to the right.

-  District 1 is conceived to be a 'gateway' site with visibility to and from Interstate 494 to the west, Lone Oak Parkway and Northwest Parkway. Proposed uses include office, hotel, retail and multi-family residential.
-  District 2 will accommodate multi-family housing in a forested environment that seeks to preserve, to the fullest extent possible, the existing groves of trees found on site.
-  District 3 will be the new headquarters for the Minnesota Vikings and their practice facilities.
-  District 4 is another 'gateway site' with visibility to Interstate 494 from the east, Ames Crossing Road and Northwest Parkway. Proposed uses include office, hotel and conference center.
-  District 5 is a residential village that features multi-family housing and potentially ground level retail with residential above.
-  District 6 also features multi-family housing with dramatic views to an existing lake and wetlands.
-  District 7 is the commercial core of the development. Ground level retail and restaurants ring a promenade that is focused on the existing lake. The master plan envisions office and potentially multi-family residential and | or hotels on top the ground level retail | restaurants. Other freestanding office, retail and hotel structures are also accommodated.

Site Plan / Zoning

-  **Medium Density Residential** - Multi-family attached homes horizontally attached, typically referred to as town homes or row houses, and dwellings attached both vertically and horizontally, typically referred to as apartments or condominiums. Density is between 6 to 16 dwelling units per acre.
-  **High Density Residential** - Multi-family residential structures consisting of dwelling units attached horizontally and vertically typically referred to as apartments or condominiums. Density is 16 or more dwelling units per acre.
-  **Retail Commercial** - Lots or parcels containing retail sales, services and all recreational services that are predominantly privately owned and operated for profit (for example, sporting goods stores, hotels and restaurants).
-  **Mixed Use** - A denser and more walkable, urban type area with multi-story buildings that house a variety of uses including retail, office, and residential tenants. Mixed Use areas shall contain a mix of uses with retail and limited office uses on the first floor to provide street level activity. Parking is generally more limited with the intent to promote pedestrian traffic and reduced number of vehicle trips per use.
-  **Office** - An area that provides for office uses as a transition from residential to commercial uses, or for large planned office areas. Permitted uses included business, professional, medical and financial offices as well as offices for individuals and non-profit organizations.
-  **Parks and Open Space** - Public and private recreational facilities such as parks, trails, fields, play areas, town greens and plazas. Open space that is typically not developed and left in its natural state. This can include floodplains, drainage ways, bluffs, wetlands, woods, and other natural areas. Often these areas are impractical to develop due to flood plain elevation, floodway, wetlands, steep slopes, or contain a natural splendor that is desirable to be preserved.
-  **Hotel and Conference Center** - An area that provides for hotel and conference center uses ranging from 100 rooms up to 300 rooms as currently planned. Conference facilities could range in size from 25,000 to 200,000 square feet.
-  **Phase One** - Located in District 3, the new Headquarters Complex for the Minnesota Vikings represents the first phase of development. Key program elements include: headquarters office, athletic training facilities, an indoor practice facility, outdoor practice fields and training areas, an outdoor stadium (6,000 to 10,000 seats), maintenance | grounds keeping buildings plus dedicated and securable surface parking.



ARCHITECT
CRAWFORD ARCHITECTS
 181 Madison Street, Suite 200
 Annapolis, MD 21401
 P: 410.291.2547 F: 410.291.2590



CIVIL ENGINEER
EVS
 11025 Valley View Rd, Ste 140
 Elwyn, PA 19021
 P: 610.484.0276 F: 610.484.0290



LANDSCAPE ARCHITECT
CONFLUENCE
 850 NORTH THIRD STREET, SUITE 100
 PH: 410.333.3702



PHASE ONE DEVELOPMENT
**VIKINGS TRAINING FACILITY AND
 CORPORATE OFFICES**
 NORTHEAST EAGAN DEVELOPMENT
 EAGAN / MN

REVISION SCHEDULE		
NO.	DATE	DESCRIPTION

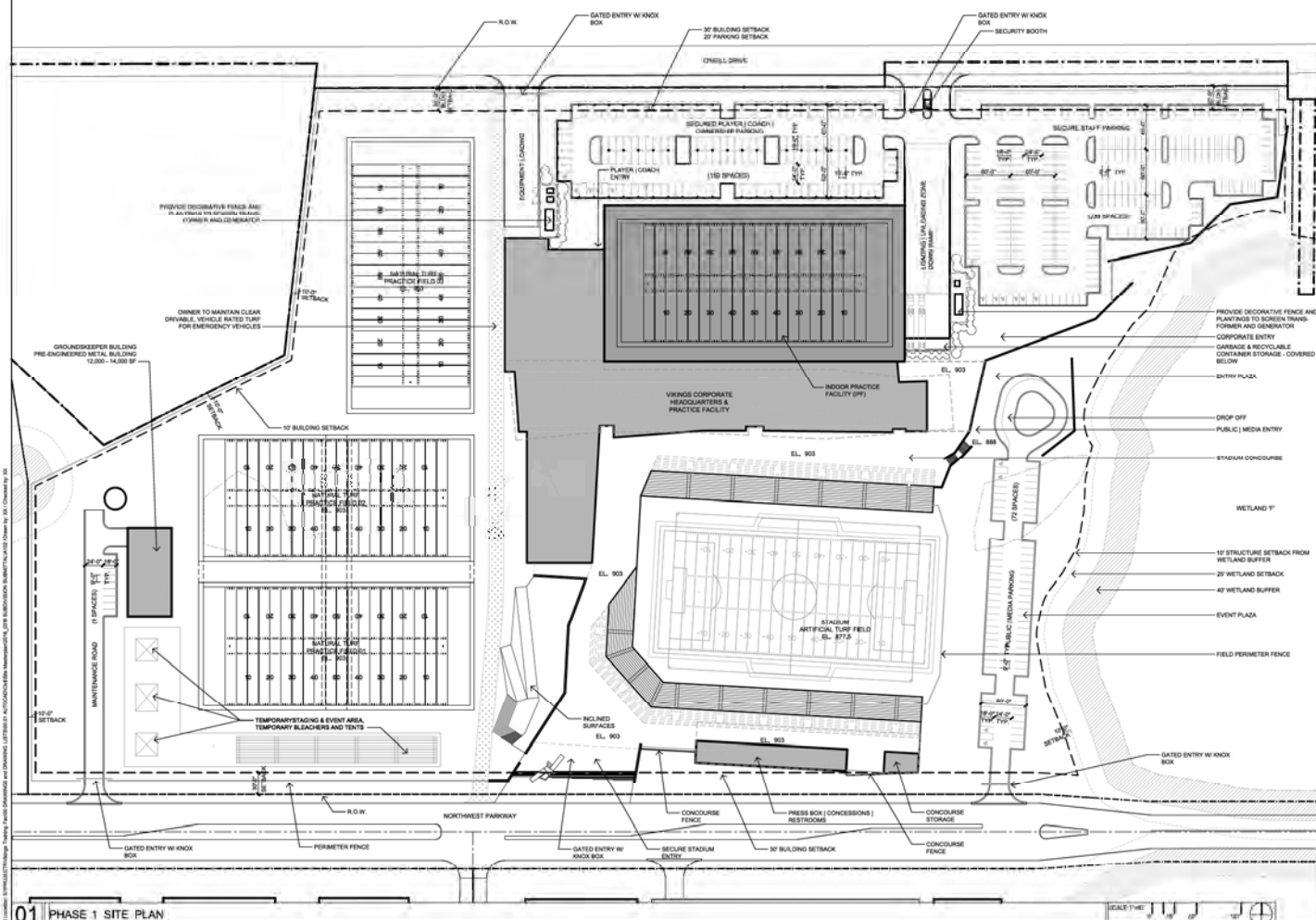
DATE: 03/16/2016

ISSUED FOR
 CITY PRELIMINARY
 SUBMISSION
 NOT FOR
 CONSTRUCTION

DRAWN BY: _____ CHECKED BY: _____

PHASE 1
 SITE PLAN

PROJECT NO: RCHD-15
A102



01 PHASE 1 SITE PLAN

SCALE: 1" = 100'



ARCHITECT
CRAWFORD ARCHITECTS
 1801 Midway Street, Suite 200
 Minneapolis, MN 55416
 PH: 612.421.2040 FAX: 612.421.2040



CIVIL ENGINEER
EVS
 15225 Valley View Road, Suite 140
 Eden Prairie, MN 55346
 PH: 952.949.2024 FAX: 952.949.0290



LANDSCAPE ARCHITECT
CONFLUENCE
 810 South First Street, Suite 120
 PH: 612.333.2712



PHASE ONE DEVELOPMENT
**VIKINGS TRAINING FACILITY
 AND CORPORATE OFFICES**
 NORTHEAST EAGAN
 DEVELOPMENT
 EAGAN/ MN

REVISION SCHEDULE		
DATE	DATE	DESCRIPTION

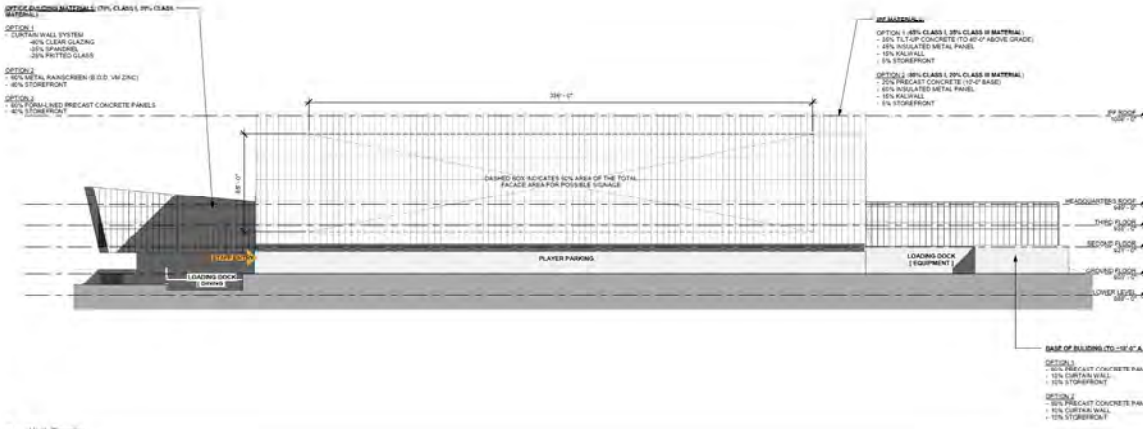
ISSUE DATE: 03.30.2016

ISSUED FOR:
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 SUBMITTAL
 NOT FOR
 CONSTRUCTION

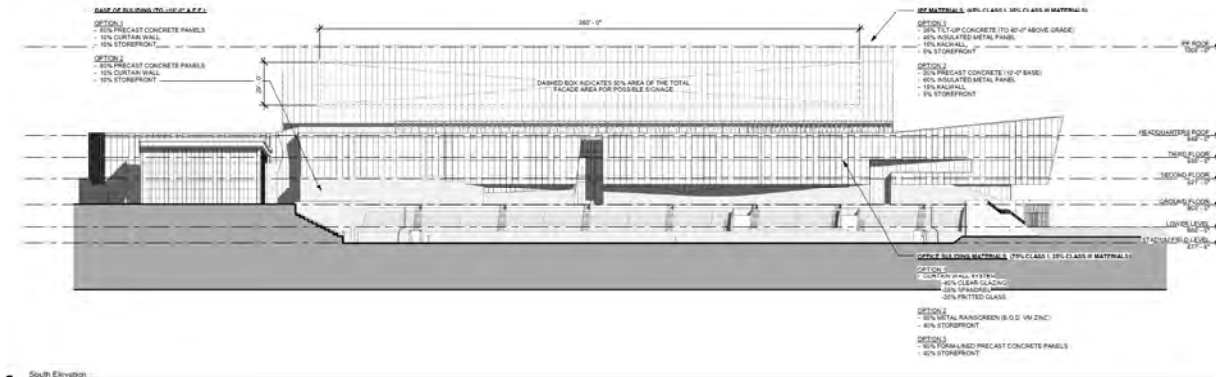
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**PHASE 1 BUILDING
 ELEVATION**

A200



1 North Elevation
 1/32" = 1'-0"



2 South Elevation
 1/32" = 1'-0"



ARCHITECT
CRAWFORD ARCHITECTS
1801 McGowan Street, Suite 200
Parker, CO 80462
PH: 303.427.2040 FAX: 303.427.2000



CIVIL ENGINEER
EVS
15225 Valley View Pl., Ste 140
San Diego, CA 92124
PH: 619.594.2024 FAX: 619.594.2000

CONFLUENCE

LANDSCAPE ARCHITECT
CONFLUENCE
333 North First Street, Suite 120
PH: 619.333.2712



PHASE ONE DEVELOPMENT
VIKINGS TRAINING FACILITY
AND CORPORATE OFFICES
NORTHEAST EAGAN
DEVELOPMENT
EAGAN/ MN

REVISION SCHEDULE		
NO.	DATE	DESCRIPTION

ISSUE DATE: 03.30.2016

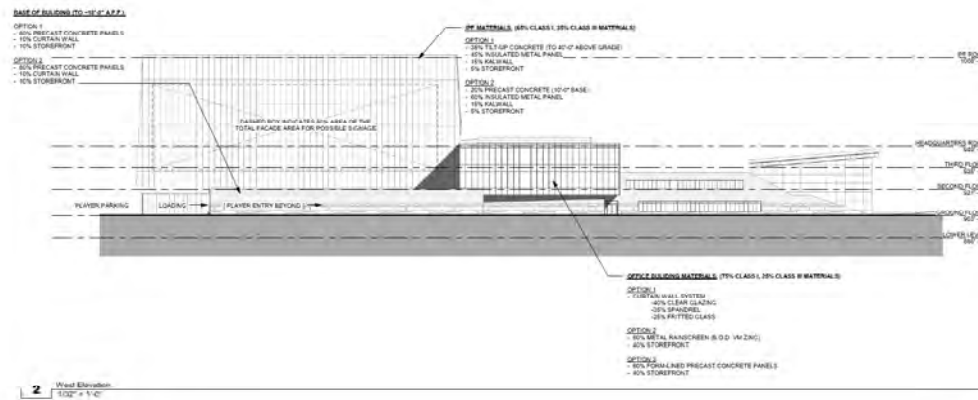
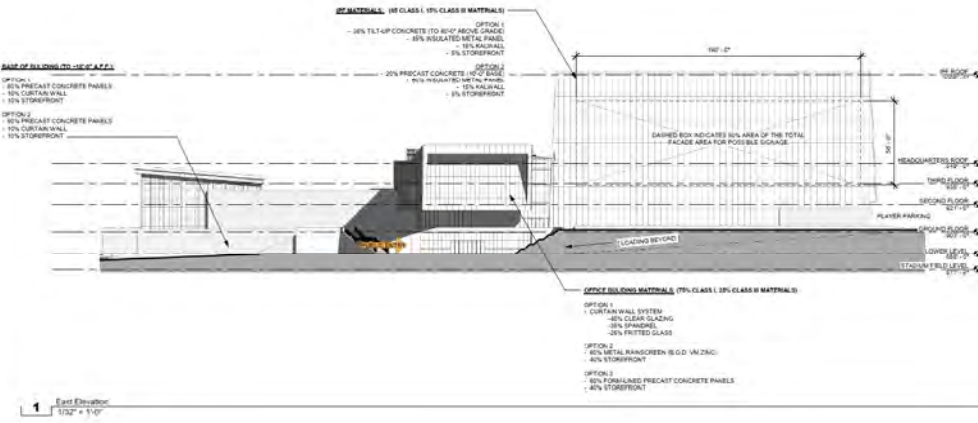
ISSUED FOR:
CITY PRELIMINARY
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NOT FOR
CONSTRUCTION

DRAWN BY: CHECKED BY:

PHASE 1 BUILDING
ELEVATIONS

PROJECT NO: Phase 1/01/001

A201





ARCHITECT
CRAWFORD ARCHITECTS
 1801 McGee Street, Suite 200
 Parkersburg, WV 26101
 PH: 304.421.2040 FAX: 304.421.2000



CIVIL ENGINEER
EVS
 15025 Valley View Rd., Ste 140
 Elwyn, PA 19021
 PH: 610.393.2324 FAX: 610.488.0290

CONFLUENCE

LANDSCAPE ARCHITECT
CONFLUENCE
 120 South First Street, Suite 100
 PH: 610.393.2324



PHASE ONE DEVELOPMENT
 VIKINGS TRAINING FACILITY
 AND CORPORATE OFFICES
 NORTHEAST EAGAN
 DEVELOPMENT
 EAGAN/ MN

REVISION SCHEDULE		
NO.	DATE	DESCRIPTION

ISSUE DATE: 03.16.2016

ISSUED FOR:
 CITY PRELIMINARY
 SUBMITTAL
 NOT FOR
 CONSTRUCTION

DRAWN BY: _____ CHECKED BY: _____

PHASE 1 BAY STUDIES

PROJECT NO.: Project Number

A202

OPTION 1 - CURTAIN WALL SYSTEM

- 40% CLEAR GLAZING
- 35% SPANDREL
- 25% FRITTED GLASS



OPTION 2 - RAINSCREEN

- 60% RAINSCREEN (B.O.D. DRI DESIGN)
- 40% STOREFRONT - MIX OF CLEAR AND TRANSLUCENT PANELS



OPTION 3-A

- VERTICAL PRECAST PANELS
- 12' WIDE X 36' TALL PANELS
- PUNCHED OPENINGS - 30% GLAZING



OPTION 3-B

- HORIZONTAL PRECAST PANELS
- 40' WIDE X 7' TALL
- RIBBON WINDOWS - 40% GLAZING



OPTION 1:
 - PRECAST CONCRETE PANELS WITH FORMLINER

OPTION 2:
 - BOARD-FORMED CAST-IN-PLACE CONCRETE

OPTION 3:
 - CAST STONE VENEER ON CMU BACKUP

SHIELD:

- EXPRESSION OF EACH OF THE 3 'SHIELDS' @ FACADE
- WOOD OR PHENOLIC RESIN (SIMULATED WOOD) PANEL







1 Bay Study - Curtain Wall

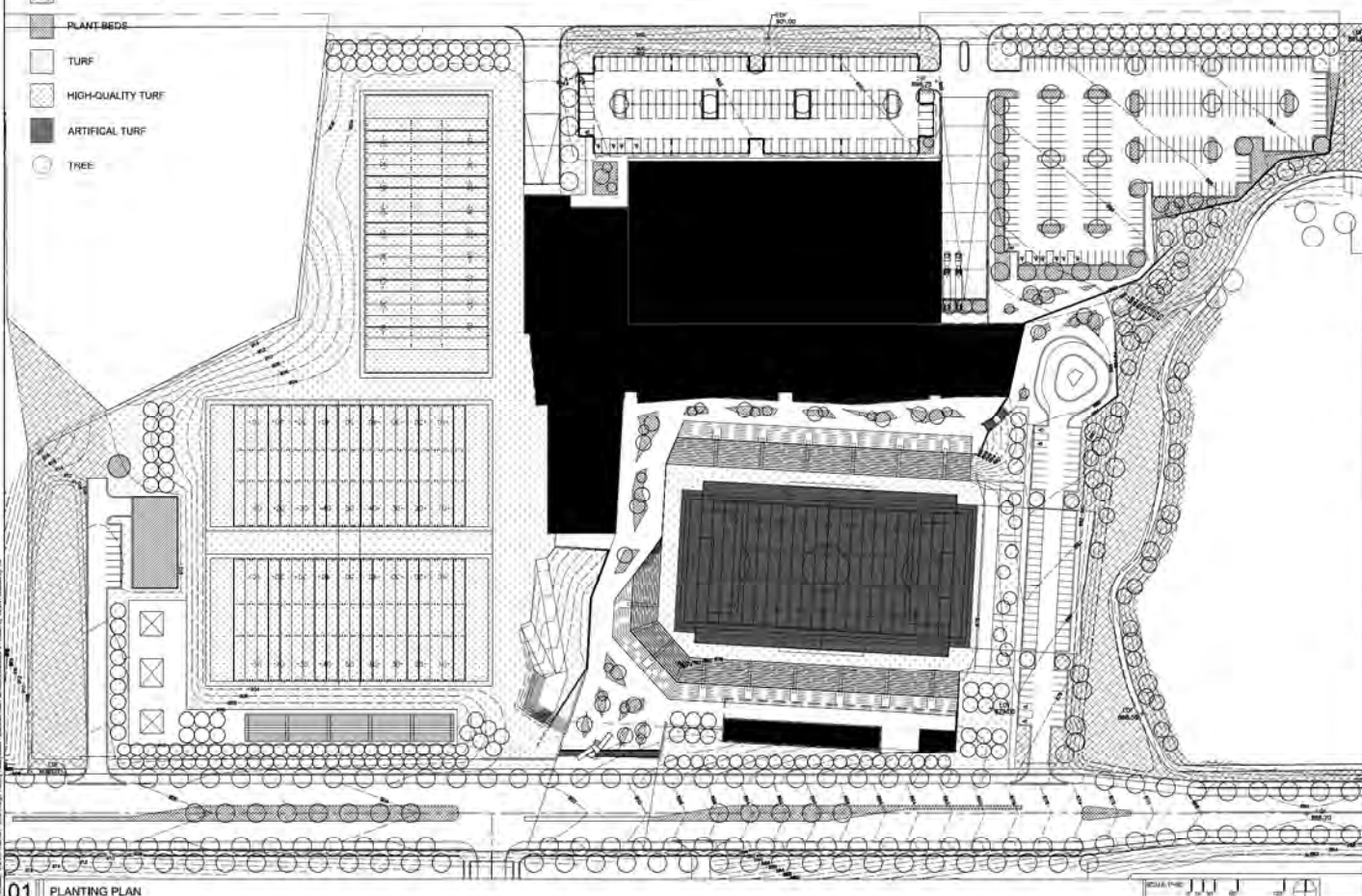
2 Bay Study - Metal Rainscreen

3A Bay Study - Precast Option A

3B Bay Study - Precast Option B

KEY / LEGEND :

-  NATIVE LANDSCAPE
-  PLANT BEDS
-  TURF
-  HIGH-QUALITY TURF
-  ARTIFICIAL TURF
-  TREE



01 PLANTING PLAN



ARCHITECT
CRAWFORD ARCHITECTS
1801 MOORE STREET, SUITE 200
KANSAS CITY, MO 64108
TEL: 816-451-2847 FAX: ---



CIVIL ENGINEER
EVS, INC.
1028 VALLEY VIEW ROAD, SUITE 100
ECON PARK, MISSOURI 64244
TEL: 816-546-2228 FAX: 816-546-0200

CONFLUENCE

LANDSCAPE ARCHITECT
CONFLUENCE
641 NORTH THIRD STREET, SUITE 100
TEL: 817-333-0702

VICINITY MAP



PHASE ONE DEVELOPMENT
VIKINGS TRAINING FACILITY AND
CORPORATE OFFICES
NORTHEAST EAGAN DEVELOPMENT
EAGAN, MN

REVISION SCHEDULE

NO.	DATE	DESCRIPTION
1	03/30/16	ISSUED FOR CITY PRELIMINARY SUBMITTAL

DATE: 03-30-2016

CONSTRUCTION OF THIS PROJECT SHALL BE IN ACCORDANCE WITH THE CITY OF KANSAS CITY, MISSOURI, AND THE MISSOURI DEPARTMENT OF TRANSPORTATION, MISSOURI DIVISION OF HIGHWAYS AND HIGHWAY DESIGN MANUAL.

ISSUED FOR
CITY PRELIMINARY
SUBMITTAL
NOT FOR
CONSTRUCTION

DRAWN BY: EN CHECKED BY: JM

SITE PLANTING PLAN

PROJECT NO. 16070000

L200

DENSITY CHART BY DISTRICT

<u>DISTRICT</u>	<u>USE</u>	<u>DENSITY RANGES</u> ¹
1	Office/Med Office Hotel Retail	72,000 – 120,00 sf 60,000 – 120,000 sf (100 – 200 rooms) 0 – 40,000 sf
2	MF Residential	0 - 210,000 sf (0 – 175 units)
3	Office/Med Office IPF Stadium	165,00 – 240,000 sf 100,000 sf 84,000 – 95,000 sf (6,000 – 10,000 seats)
4	Office/Med Office Hotel/Conference Center	226,380 – 240,000 sf 190,000 – 285,000 sf (200 – 300 rooms)
5	MF Residential Retail	660,000 – 870,000 sf (550 – 725 units) 0 – 20,000 sf
6	MF Residential	300,000 sf (250 units)
7	Retail Hotel Office/Med Office	100,000 – 160,000 sf 60,000 – 120,000 sf (100 – 200 rooms) 720,000 – 781,620 sf

Notes:

¹The previous chart describes maximum densities for all uses (Scenario 3). We propose to develop these uses within the density ranges described in this Chart up to the Scenario 3 maximum density for each use. For example, if we build 40,000 sf of retail in District 1, we must reduce maximum retail density in Districts 5 and/or 7 by 40,000 sf in the aggregate so that our maximum retail density within the project does not exceed 160,000 sf as described in Scenario 3.

**Minnesota Department of Commerce
Division of Energy Resources
Information Request**

Docket Number: G011, 002/C-17-305

Requested From: Amber Lee, MERC

Type of Inquiry: Financial

Date of Request: 4/26/2017

Response Due: 5/8/2017

Requested by: John Kundert

Attachment DOC 2B Public

[TRADE SECRET DATA BEGINS...

PHASE I DEVELOPMENT											
1	Class	Customer Count	Annual Therms	MERC RATES				XCEL RATES			
				Distribution Charge	Cost of Gas	Customer Charge	Total Annual Revenue	Distribution Charge	Cost of Gas	Customer Charge	Total Annual Revenue
2	Class	Customer Count	Annual Therms	MERC RATES				XCEL RATES			
				Distribution Charge	Cost of Gas	Customer Charge	Total Annual Revenue	Distribution Charge	Cost of Gas	Customer Charge	Total Annual Revenue
REMAINING DEVELOPMENT PHASES											
3	Class	Customer Count*	Annual Therms	MERC RATES				XCEL RATES			
				Distribution Charge	Cost of Gas	Customer Charge	Total Annual Revenue	Distribution Charge	Cost of Gas	Customer Charge	Total Annual Revenue
4	Class	Customer Count	Annual Therms	MERC RATES				XCEL RATES			
				Distribution Charge	Cost of Gas	Customer Charge	Total Annual Revenue	Distribution Charge	Cost of Gas	Customer Charge	Total Annual Revenue
5	Class	Customer Count	Annual Therms	MERC RATES				XCEL RATES			
				Distribution Charge	Cost of Gas	Customer Charge	Total Annual Revenue	Distribution Charge	Cost of Gas	Customer Charge	Total Annual Revenue
6	Class	Customer Count	Annual Therms	MERC RATES				XCEL RATES			
				Distribution Charge	Cost of Gas	Customer Charge	Total Annual Revenue	Distribution Charge	Cost of Gas	Customer Charge	Total Annual Revenue
7	Class	Customer Count	Annual Therms	MERC RATES				XCEL RATES			
				Distribution Charge	Cost of Gas	Customer Charge	Total Annual Revenue	Distribution Charge	Cost of Gas	Customer Charge	Total Annual Revenue
8	Class	Customer Count	Annual Therms	MERC RATES				XCEL RATES			
				Distribution Charge	Cost of Gas	Customer Charge	Total Annual Revenue	Distribution Charge	Cost of Gas	Customer Charge	Total Annual Revenue
Total											

0.65 0.59
0.7758 0.2242
0.50427 0.132278

...TRADE SECRET DATA ENDS]

PUBLIC DOCUMENT – TRADE SECRET DATA HAS BEEN EXCISED

Minnesota Department of Commerce
Division of Energy Resources
Information Request

Docket Number: G011, 002/C-17-305 Nonpublic Public
Requested From: Amber Lee, MERC Date of Request: 4/26/2017
Type of Inquiry: Financial Response Due: 5/8/2017

Requested by: John Kundert
Email Address(es): john.kundert@state.mn.us
Phone Number(s): 651-539-1740

Request Number: 3
Topic: NA
Reference(s): Complaint, page 6, point 16

Request:

- a. Provide any and all analyses that estimate the costs and revenues MERC forecasts it would incur/receive from the Proposed Development if it were to continue to provide natural gas distribution service beginning August 1, 2017. Please provide electronic copies with all links and formulas intact.
- b. Provide any and all analyses that estimate the costs and revenue MERC forecasts Xcel Gas would incur/receive from the Proposed Development if Xcel Gas were to provide service to the Proposed Development effective August 1, 2017. Please provide electronic copies with all links and formulas intact.

MERC Response:

- A. As shown in Attachment DOC 2, MERC estimates that it would receive approximately **[TRADE SECRET DATA BEGINS... ...TRADE SECRET DATA ENDS]** in revenues annually from service to the proposed development. As noted in MERC's Response to DOC IR 2, that projected revenue does not include the growth that will occur ancillary to the Planned Development, nor does it include the revenue that would be lost if Xcel is allowed to extend its system to customers currently on MERC's system.

Importantly, MERC would incur little to no costs to serve the projected load. As noted in MERC's response to DOC IR 2, MERC has significant distribution assets in the ground that are available and adequate to serve the entire projected load associated with the Planned Development. MERC's infrastructure is also sufficiently sized to accommodate the required increase in capacity to serve the incremental growth. As can be seen in Attachment DOC 3,

To be completed by responder

Response Date: 5/8/2017
Response by: Seth DeMerritt
Email Address: ssdemerritt@integrysgroup.com
Phone Number: (920) 433-2926

Minnesota Department of Commerce
Division of Energy Resources
Information Request

Docket Number: G011, 002/C-17-305 Nonpublic Public
Requested From: Amber Lee, MERC Date of Request: 4/26/2017
Type of Inquiry: Financial Response Due: 5/8/2017

Requested by: John Kundert
Email Address(es): john.kundert@state.mn.us
Phone Number(s): 651-539-1740

the Town Border Station (“TBS”) that will serve the Planned Development is not constrained and there is adequate capacity available to support up to four-times the incremental load MERC is projecting for the 200-acre project. Even more importantly, MERC would incur no additional cost to secure the necessary incremental capacity because MERC can reallocate a portion of its Rochester capacity to this Eagan TBS on a secondary basis under MERC’s Purchase Agreement with Northern Natural Gas, which was approved by the Minnesota Public Utilities Commission on May 5, 2017. See Docket No. G011/M-15-895. The annual value of the capacity MERC would reallocate to meet its peak-day and reserve requirements for the projected load is approximately [TRADE SECRET DATA BEGINS... ..TRADE SECRET DATA ENDS]. See Attachment DOC 3.

- B. Although MERC is unfamiliar with Xcel’s tariffed rate classes, MERC has assumed for purposes of this response that the projected load would be served as large commercial, firm. As can be seen from Attachment B, the Vikings will incur higher costs if it takes service from Xcel for the two buildings associated with Phase I currently under construction. In fact, the Vikings will incur higher costs for the proposed development overall if they take service from Xcel instead of MERC. Overall, when considering all charges, including the cost of gas, MERC’s rates are approximately ten percent lower than Xcel’s for the entire projected load, and the same is true for the rates associated with Phase I of the Planned Development.

To be completed by responder

Response Date: 5/8/2017
Response by: Seth DeMerritt
Email Address: ssdemerritt@integrysgroup.com
Phone Number: (920) 433-2926

**Minnesota Department of Commerce
Division of Energy Resources
Information Request**

Docket Number: G011, 002/C-17-305

Requested From: Amber Lee, MERC

Type of Inquiry: Financial

Date of Request: 4/26/2017

Response Due: 5/8/2017

Requested by: John Kundert

Attachment DOC 3 Public


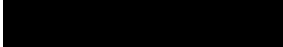
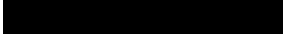
PUBLIC DOCUMENT - TRADE SECRET DATA HAS BEEN EXCISED

[TRADE SECRET DATA BEGINS...

Current System Capacity

TBS	Peak Day Forecast	MERC Capacity	Available Capacity
			

Calculation of Annual Worth of Rochester Capacity Reallocation

Projected Incremental Load (Dth)	
Value of Reallocation of Rochester Capacity (per Dth)	
Annual Value of Rochester Capacity Reallocation	

...TRADE SECRET DATA ENDS]

PUBLIC DOCUMENT – TRADE SECRET DATA HAS BEEN EXCISED

Minnesota Department of Commerce
Division of Energy Resources
Information Request

Docket Number: G011, 002/C-17-305 Nonpublic Public
Requested From: Amber Lee, MERC Date of Request: 4/26/2017
Type of Inquiry: Financial Response Due: 5/8/2017

Requested by: John Kundert
Email Address(es): john.kundert@state.mn.us
Phone Number(s): 651-539-1740

Request Number: 4
Topic: NA
Reference(s): Complaint, page 6, points 14 and 15

Request:

- a. Provide an estimate of MERC's stranded costs if Xcel Gas is allowed to serve the Proposed Development. Please provide electronic copies with all links and formulas intact.
- b. Provide an estimate of the effect of those potential stranded costs on MERC's 2017 revenue requirement. Please provide electronic copies with all links and formulas intact.

MERC Response:

- a. For a complete discussion of the [TRADE SECRET DATA BEGINS... ...TRADE SECRET DATA ENDS] feet of MERC piping that will be underutilized if MERC does not serve the Planned Development, please see MERC Response to OAG 2 provided on May 3, 2017. As noted in MERC's Response to DOC IR 3, MERC will also lose the opportunity to reallocate a portion of its available capacity to serve the projected load.
- b. See MERC Response to OAG 2, provided on May 3, 2017.

To be completed by responder

Response Date: 5/8/2017
Response by: Seth DeMerritt
Email Address: ssdemerritt@integrysgroup.com
Phone Number: (920) 433-2926

PUBLIC DOCUMENT – TRADE SECRET DATA HAS BEEN EXCISED

Minnesota Department of Commerce
Division of Energy Resources
Information Request

Docket Number: G011, 002/C-17-305 Nonpublic Public
Requested From: Amber Lee, MERC Date of Request: 4/26/2017
Type of Inquiry: Financial Response Due: 5/8/2017

Requested by: John Kundert
Email Address(es): john.kundert@state.mn.us
Phone Number(s): 651-539-1740

Request Number: 5
Topic: NA
Reference(s): Complaint, page 10

Request:

- a. Please provide an estimate of the number of large industrial customers that MERC believes it could lose to other gas utilities if the First in the Field criterion is invalidated.
- b. Provide an estimate of MERC's potential stranded costs for those customers for the following three scenarios:
 - i. One third of the customers are served by other utilities;
 - ii. Two-thirds of the customers are served by other utilities;
 - iii. All of the customers are served by other utilities.

Please provide electronic copies of the analyses with all links and formulas intact.

MERC Response:

- a. MERC has reviewed its system to identify the large industrial customers that it could lose to other natural gas providers if the First in the Field doctrine were invalidated. For the most part, MERC has identified the large commercial loads that are located on the edge of territories that are competitive with other natural gas providers. Upon initial review, MERC has identified approximately [TRADE SECRET DATA BEGINS... ...TRADE SECRET DATA ENDS] customers that could be subject to immediate poaching. See Attachment DOC 5.
- b. In total, MERC receives approximately [TRADE SECRET DATA BEGINS... ...TRADE SECRET DATA ENDS] million in annual margin revenue from the customers identified in Attachment DOC 5, which equates to [TRADE SECRET DATA BEGINS... ...TRADE SECRET DATA ENDS] rate increase approved in MERC's last rate case. See

To be completed by responder

Response Date: 5/8/2017
Response by: Seth DeMerritt
Email Address: ssdemerritt@integrysgroup.com
Phone Number: (920) 433-2926

PUBLIC DOCUMENT – TRADE SECRET DATA HAS BEEN EXCISED

Minnesota Department of Commerce
Division of Energy Resources
Information Request

Docket Number: G011, 002/C-17-305 Nonpublic Public
Requested From: Amber Lee, MERC Date of Request: 4/26/2017
Type of Inquiry: Financial Response Due: 5/8/2017

Requested by: John Kundert
Email Address(es): john.kundert@state.mn.us
Phone Number(s): 651-539-1740

Docket No. G011/GR-15-736. In addition to this loss of revenue, MERC would also incur stranded costs associated with the piping currently used to serve these customers that would be underutilized or unused if the Commission were to allow customer poaching.

To be completed by responder

Response Date: 5/8/2017
Response by: Seth DeMerritt
Email Address: ssdemerritt@integrysgroup.com
Phone Number: (920) 433-2926

**Minnesota Department of Commerce
Division of Energy Resources
Information Request**

Docket Number: G011, 002/C-17-305

Requested From: Amber Lee, MERC

Type of Inquiry: Financial

Date of Request: 4/26/2017

Response Due: 5/8/2017

Requested by: John Kundert

Attachment DOC 5 Public

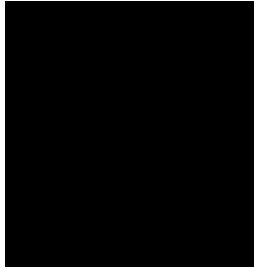
[TRADE SECRET DATA BEGINS...

Metro Area



Distribution	Customer Charge	Annual Therms	Annual Margin	Monthly DFC	Total Annual Revenue
[Redacted]					

Out State



Distribution	Customer Charge	Annual Therms	Annual Margin	Monthly DFC	Total Annual Revenue
[Redacted]					

Other



Distribution	Customer Charge	Annual Therms	Annual Margin	Monthly DFC	Total Annual Revenue
[Redacted]					

Total Annual	[Redacted]	Total Annual Revenue	[Redacted]
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BCF

...TRADE SECRET DATA ENDS]

PUBLIC DOCUMENT – TRADE SECRET DATA HAS BEEN EXCISED

Minnesota Department of Commerce
Division of Energy Resources
Information Request

Docket Number: G011, 002/C-17-305 Nonpublic Public
Requested From: Amber Lee, MERC Date of Request: 4/26/2017
Type of Inquiry: Financial Response Due: 5/8/2017

Requested by: John Kundert
Email Address(es): john.kundert@state.mn.us
Phone Number(s): 651-539-1740

Request Number: 6
Topic: NA
Reference(s): Complaint, page 10 – MERC references the potential for duplication of facilities.

Request:

- a. Has the Company estimated the costs associated with that duplication?
- b. Does MERC's parent company have any experience with this type of issue in the other jurisdictions where it provides natural gas service?

MERC Response

- a. Until MERC knows definitively the services Xcel will need to install to reach and serve the Planned Development, MERC estimates that Xcel will need to install piping along the perimeter of the 200-acre project area, similar to MERC's existing piping. See MERC Response to OAG IR 2, provided May 3, 2017. MERC values the current cost to construct that piping at [TRADE SECRET DATA BEGINS... ..TRADE SECRET DATA ENDS]. In addition, MERC anticipates Xcel will need to bore a new high pressure feed under Interstate 494 to supply natural gas to the project, and MERC roughly estimates that installation will cost at least [TRADE SECRET DATA BEGINS... ..TRADE SECRET DATA ENDS], assuming the material is six-inch main or larger.
- b. WEC Energy Group also provides natural gas distribution service in Wisconsin, Michigan, and Illinois. Recognizing the complications that arise when one utility competes for customers within another utility's service territory, these states have established specific procedures and criteria that a natural gas utility must abide by and meet in order to provide natural gas service to a customer located in an area served by another utility:

To be completed by responder

Response Date: 5/8/2017
Response by: Seth DeMerritt
Email Address: ssdemerritt@integrysgroup.com
Phone Number: (920) 433-2926

PUBLIC DOCUMENT – TRADE SECRET DATA HAS BEEN EXCISED

Minnesota Department of Commerce
Division of Energy Resources
Information Request

Docket Number: G011, 002/C-17-305 Nonpublic Public
Requested From: Amber Lee, MERC Date of Request: 4/26/2017
Type of Inquiry: Financial Response Due: 5/8/2017

Requested by: John Kundert
Email Address(es): john.kundert@state.mn.us
Phone Number(s): 651-539-1740

Wisconsin: Under Wisconsin law, the Public Service Commission of Wisconsin (“PSCW”) may not grant another person a permit, license or franchise for the delivery of natural gas if another utility already has a permit to provide natural gas in that municipality unless that person obtains approval from the PSCW after a public hearing, that public convenience and necessity require the delivery of service by that person. The PSCW may not grant approval unless a certificate has been granted under Wis. Stat. 196.49(1) and all the following apply:

1. The natural gas public utilities enter into a territorial agreement regarding areas to be served by each utility in the municipality.
2. The area to be served by the additional natural gas public utility is adjacent to a municipality the additional natural gas public utility is already authorized to serve.
3. The additional natural gas public utility will provide service only to a limited number of customers in the municipality.

Michigan: Exclusive franchises are not awarded in Michigan. Generally the utility in the area first is given priority. If another utility seeks to serve a new customer in the disputed area, they are required to file an application with the Michigan Public Service Commission under Act 69 giving notice to the first priority utility. The utilities then generally work out the details based upon whose lines are closest to the customer, but if a dispute arises the Commission will decide who will be granted the right to serve. This insures that there will not be a duplication of service, facilities, crossing of service lines, mains, etc.

Illinois: Illinois utilities have exclusive certificated service areas that are a product of Illinois Commerce Commission orders, State law, and franchise agreements with municipalities. Also, a judicial first-in-the-field doctrine addresses service in that certificated area or new customers in an adjacent area. A utility may file a petition to serve a customer located in another utility’s service territory, but the judicial first-in-the-field doctrine protects the incumbent utility’s right to serve that customer; however, if the incumbent does not oppose the petition, the Commission may authorize another utility to serve a customer or customers within another utility’s service territory.

To be completed by responder

Response Date: 5/8/2017
Response by: Seth DeMerritt
Email Address: ssdemerritt@integrysgroup.com
Phone Number: (920) 433-2926

**STATE OF MINNESOTA
BEFORE THE PUBLIC UTILITIES COMMISSION**

<i>In the Matter of the Formal Complaint</i>	)	MPUC Docket No. G-011, G-002/C-17-305
<i>and Petition for Relief by Minnesota</i>)	
<i>Energy Resources Corporation Against</i>	)	REPLY COMMENTS OF
<i>Northern States Power Company d/b/a</i>	)	MINNESOTA ENERGY
<i>Xcel Energy for Violations of Minn.</i>	)	RESOURCES CORPORATION
<i>Stat. § 216B.01 and Commission Policy</i>)	

Exhibit B

**MERC Responses to OAG
Information Requests**

State Of Minnesota
Office Of The Attorney General
Utility Information Request

*In the Matter of the Formal Complaint and
Petition for Relief by Minnesota Energy
Resources Corporation Against Northern
States Power Company d/b/a Xcel Energy for
Violations of Minn. Stat. § 216B.01 and
Commission Policy* **MPUC Docket No.** G011, G-002/C-17-305

By: Ryan Barlow
Telephone: 651-757-1473

Date of Request: April 21, 2017
Due Date: May 3, 2017

Provide responses to all other parties' information requests (formal and informal) and to OAG information requests by email to the following email address: *utilityinfo@ag.state.mn.us*. Items that cannot be sent via email may be mailed to the attention of Rachael Bernardini at the following address: 445 Minnesota Street, Suite 1400, St. Paul, MN 55101.

MERC Response:

MERC will provide responses to all parties' information requests (formal and informal) to OAG.

Response by: Amber Lee
Title: MERC Regulatory and Legislative Affairs
Telephone: (651) 322-8965

State Of Minnesota
Office Of The Attorney General
Utility Information Request

*In the Matter of the Formal Complaint and
Petition for Relief by Minnesota Energy
Resources Corporation Against Northern
States Power Company d/b/a Xcel Energy for
Violations of Minn. Stat. § 216B.01 and
Commission Policy* **MPUC Docket No.** G011, G-002/C-17-305

By: Ryan Barlow **Date of Request:** April 21, 2017
Telephone: 651-757-1473 **Due Date:** May 3, 2017

Reference: MERC's Complaint

Identify MERC's existing infrastructure that would be abandoned or not fully utilized if Xcel is permitted to provide service to the Proposed Development, including the total cost to construct the infrastructure, the current rate base amounts, the date on which they were installed, and the amount in dollars that have been paid by MERC's customers as a result of the infrastructure in question.

MERC Response:

The Proposed Development involves the redevelopment of a 200-acre parcel located along the northern edge of the City of Eagan, south of Interstate 494 and east of State Highway 149 (aka Dodd Road). As part of its current service to the Proposed Development parcel, in July 2016 MERC abandoned approximately 2,900 feet of piping located entirely within the proposed development to facilitate the construction of Phase I of the redevelopment. See MERC Response to OAG 4.

Separate from that abandonment, MERC has extensive infrastructure in place within the City of Eagan that is available and adequate to support the projected load without infrastructure upgrades. See Attachment OAG 2, MERC Facilities at Proposed Development. In total, MERC has over 68,000 feet of pipe within two miles of the parcel and if MERC continues to serve the Proposed Development natural gas will flow through these miles of pipe to reach the parcel from the natural gas feed. This part of MERC's system in Eagan operates at a Maximum Allowable Operating Pressure ("MAOP") of 50 psig. In addition, this spring MERC will add approximately 7,700 feet of eight-inch steel pipe (operating at MAOP of 90 psig) to maintain the overall 50 psig MAOP for this area of MERC's Eagan system. If MERC is not allowed to serve, all of these pipes will be underutilized, as explained more fully below.

Parcel Perimeter Piping

MERC currently has existing infrastructure around the entire perimeter of the Proposed Development. See Attachment OAG 2, MERC Feeder and Perimeter Piping. In total, that piping is 14,092 feet and consists of mostly four- and six-inch piping (all polyethylene or "PE")

that was installed between 1986 and 2016. The breakout of size and length is shown in the Table below:

Table 1: Size and Length of MERC’s Distribution Main along Proposed Development Perimeter

Pipe Size	Length
6-inch main (PE)	4,270 feet
4-inch main (PE)	8,746 feet
3-inch main (PE)	757 feet
2-inch main (PE)	319 feet
Total	14,092 feet

The total cost to construct these 14,092 feet of facilities, present-day in 2017, would be approximately [TRADE SECRET DATA BEGINS... ...TRADE SECERT DATA ENDS]. This entire length of perimeter piping is sufficient to serve the projected load and therefore will be underutilized if MERC does not serve the proposed development.

Of this 14,092 feet of perimeter piping, approximately 4,956 feet are located along O’Neill Road on the northern edge of the parcel between Lone Oak Parkway and Ames Crossing. This piping along O’Neil Road will not directly serve load if MERC does not serve this customer, and this piping will essentially be rendered unused except to the extent that it supports MERC’s system reliability.

DRS to Parcel Distribution Feeder Piping

In addition to the piping that runs along the perimeter, the natural gas to serve the proposed development will run through approximately 54,000 feet of piping from the District Regulator Station (“DRS”) located approximately two miles southwest of the parcel. See Attachment OAG 2, MERC Feeder and Perimeter Piping. Again, MERC’s DRS and associated piping are appropriately sized to serve the projected load and therefore this entire length of pipe will be underutilized if MERC is not allowed to serve. The total cost to construct these facilities, present-day, would be approximately [TRADE SECRET DATA BEGINS... ...TRADE SECERT DATA ENDS]. The breakout of the size and length of piping that make up the 54,000 feet is set forth below.

Table 2: Size and Length of MERC’s Feeder Piping from DRS to Perimeter Piping

Size	Type	Length
6-inch main	PE	31,111 feet
4-inch main	PE	20,449 feet
3-inch main	PE	1,157 feet
Total PE Feeder Pipe		52,717
8-inch main	Wrapped Steel	4,879 feet
6-inch main	Wrapped Steel	6,695 feet
4-inch main	Wrapped Steel	3,150 feet
2-inch main	Wrapped Steel	1,163 feet
Total Steel Feeder Pipe		15,887

Other Piping and Future Underutilization

MERC also has approximately 8,800 feet of ten-inch steel main that feeds the DRS from the Town Border Station (“TBS”). Although this piping, which is sufficient to support the projected load, could be considered underutilized if MERC does not continue to serve this parcel, MERC has not included these assets in this response in an attempt to narrowly define the infrastructure that will be underutilized.

Finally, MERC is implementing a system reliability project this spring that will benefit this area of MERC’s system in Eagan, including service to the Proposed Development. In total, MERC will construct approximately 7,700 feet of eight-inch wrapped steel piping from DRS 13 to a new DRS (DRS 14) along Yankee Doodle Road. See Attachment OAG 2, MERC Feeder and Perimeter Piping. DRS 14 will be constructed as part of this project. As a whole, this work will allow MERC to continue to operate this part of its Eagan system at or below its Maximum Allowable Operating Pressure (“MAOP”) of 50 psig. Though this work is necessary to support system reliability in this area of Eagan, this line and DRS will be underutilized if it is not used to support the Proposed Development load. The estimated cost to complete the eight-inch line and DRS 14 is approximately [TRADE SECRET DATA BEGINS... ..TRADE SECRET DATA ENDS].

Of course, if Xcel is allowed to serve this parcel, it’s footprint in the area will continue to grow and more and more of MERC’s system will become underutilized as MERC’s load decreases.

Please see Attachment OAG 2 for a complete identification of the infrastructure that has been abandoned or will not be fully utilized, including the total cost to construct, the current rate base amounts, the date of install, and the accumulated depreciations MERC’s customers have paid for this infrastructure. Attachment OAG 2 does not include the incremental O&M that our customers have paid since the piping was installed beginning in 1958.

Response by Seth DeMerritt
Title MERC Regulatory Affairs
Telephone (920) 433-2926

**State Of Minnesota
Office Of The Attorney General
Utility Information Request**

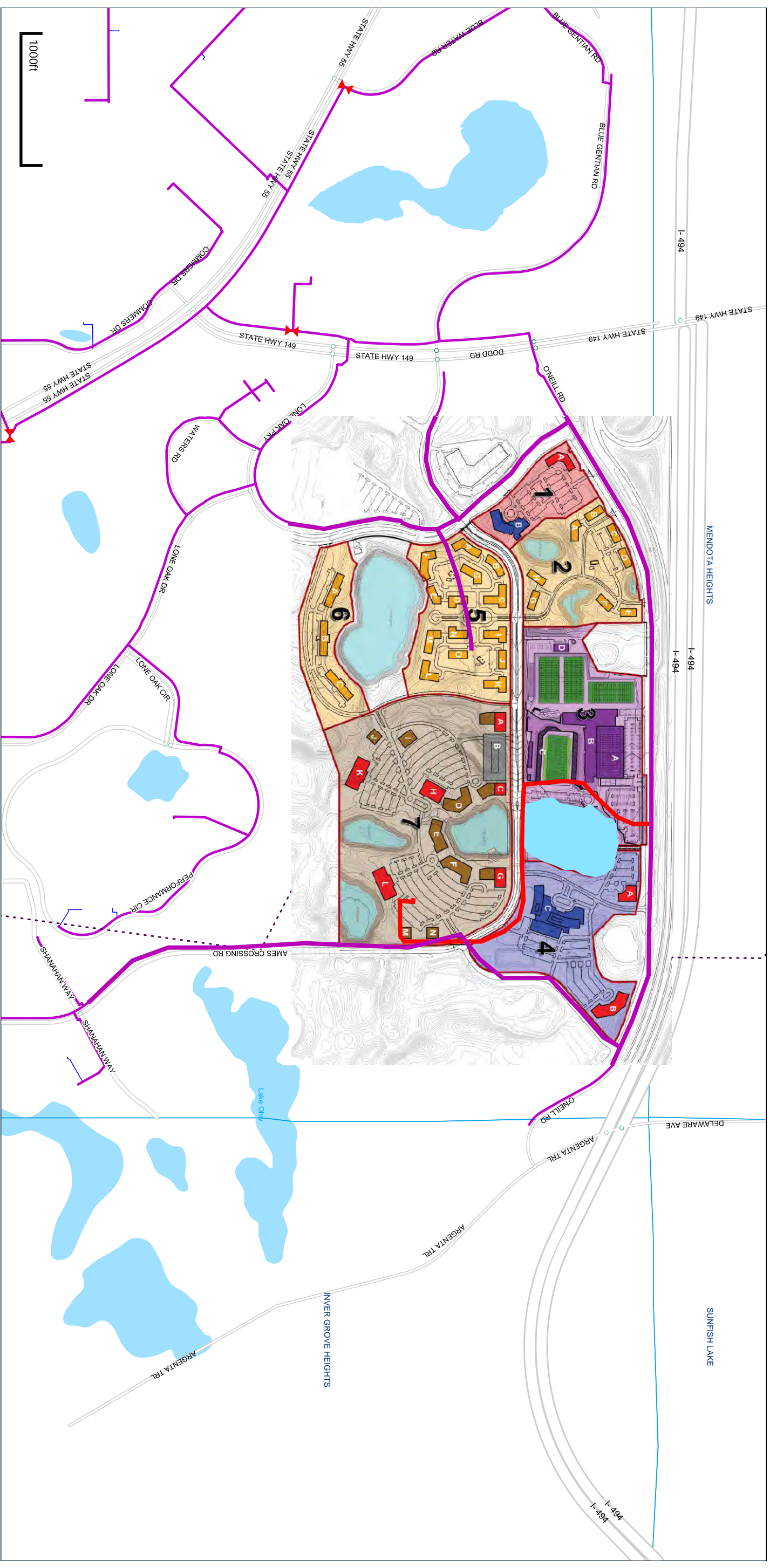
*In the Matter of the Formal Complaint and
Petition for Relief by Minnesota Energy
Resources Corporation Against Northern
States Power Company d/b/a Xcel Energy for
Violations of Minn. Stat. § 216B.01 and
Commission Policy* **MPUC Docket No.** G011, G-002/C-17-305

By: Ryan Barlow
Telephone: 651-757-1473

Date of Request: April 21, 2017
Due Date: May 3, 2017

Attachment OAG 2
MERC Facilities at Proposed Development

- Existing Gas Main
- Existing Gas Main abandoned for Proposed Development building demolition



NavIGate Desktop - 7/26/16 9:31 AM

WARNING: Facility locations shown are for reference purposes only and must be verified. Call before you dig. Not intended to be a survey product.

Lon: -93.116, Lat:44.856

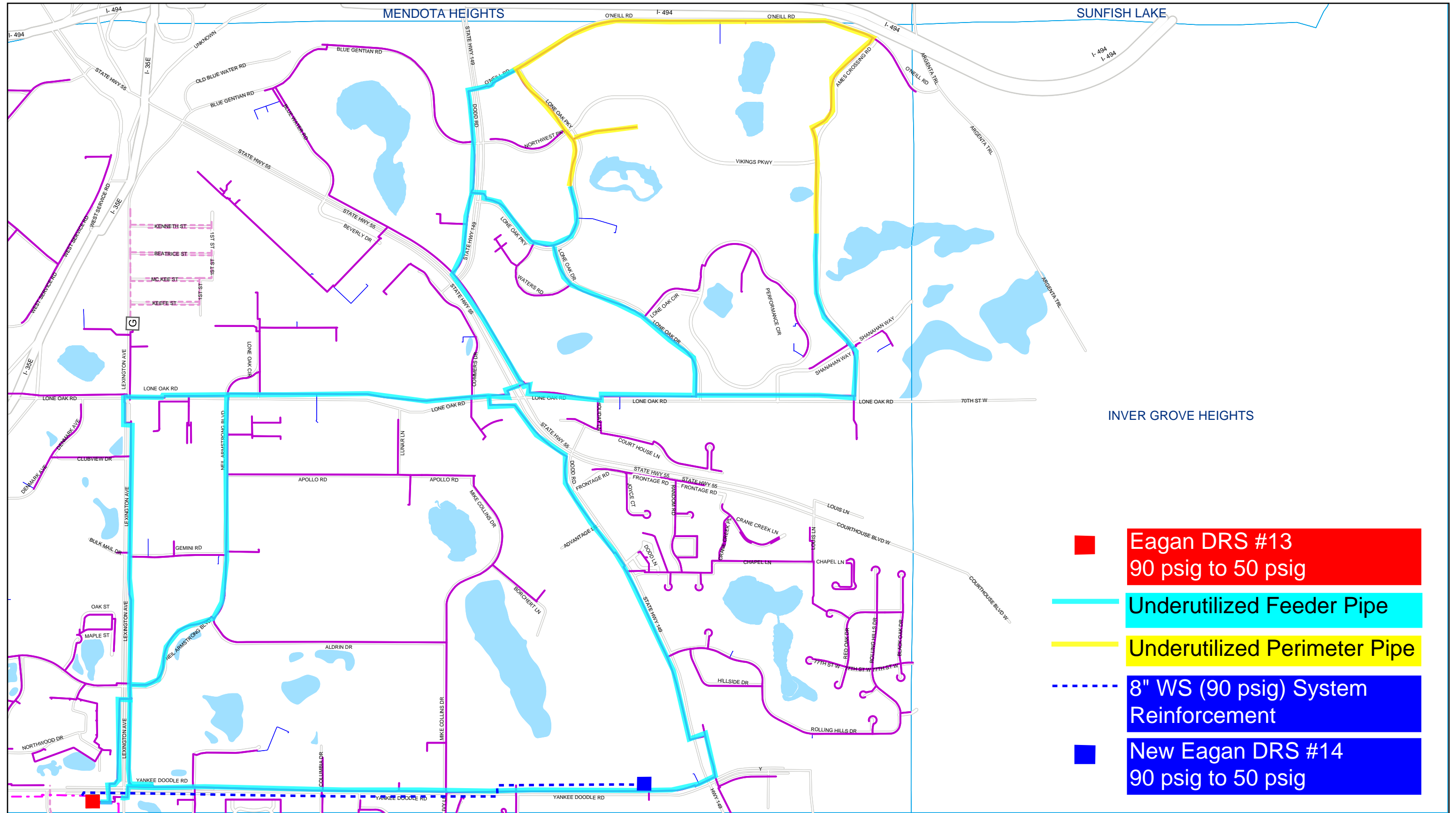
**State Of Minnesota
Office Of The Attorney General
Utility Information Request**

*In the Matter of the Formal Complaint and
Petition for Relief by Minnesota Energy
Resources Corporation Against Northern
States Power Company d/b/a Xcel Energy for
Violations of Minn. Stat. § 216B.01 and
Commission Policy* **MPUC Docket No.** G011, G-002/C-17-305

By: Ryan Barlow
Telephone: 651-757-1473

Date of Request: April 21, 2017
Due Date: May 3, 2017

Attachment OAG 2
MERC Feeder and Perimeter Piping



- Eagan DRS #13
90 psig to 50 psig
- Underutilized Feeder Pipe
- Underutilized Perimeter Pipe
- 8" WS (90 psig) System Reinforcement
- New Eagan DRS #14
90 psig to 50 psig

**State Of Minnesota
Office Of The Attorney General
Utility Information Request**

*In the Matter of the Formal Complaint and
Petition for Relief by Minnesota Energy
Resources Corporation Against Northern
States Power Company d/b/a Xcel Energy for
Violations of Minn. Stat. § 216B.01 and
Commission Policy* **MPUC Docket No.** G011, G-002/C-17-305

By: Ryan Barlow
Telephone: 651-757-1473

Date of Request: April 21, 2017
Due Date: May 3, 2017

Attachment_OAG_2_Public

PUBLIC DOCUMENT -- TRADE SECRET DATA HAS BEEN EXCISED

[TRADE SECRET BEGINS...

Description	Year	Size/Type	Length (ft)	2017 Approximate Costs	Original Value	Annual Depreciation	Accumulated Depreciation	2016 Net Plant
Abandoned	1987	4" PE	2,898					
Under Utilized - Perimeter Pipe	1985	3" PE	757					
Under Utilized - Perimeter Pipe	1985	4" PE	326					
Under Utilized - Perimeter Pipe	1986	2" PE	319					
Under Utilized - Perimeter Pipe	1986	4" PE	2,468					
Under Utilized - Perimeter Pipe	1987	4" PE	2,898					
Under Utilized - Perimeter Pipe	1989	4" PE	678					
Under Utilized - Perimeter Pipe	1996	4" PE	368					
Under Utilized - Perimeter Pipe	1997	4" PE	2,008					
Under Utilized - Perimeter Pipe	2016	6" PE	4,270					
Under Utilized - Feeder Pipe	1958	2" WS	677					
Under Utilized - Feeder Pipe	1959	6" WS	110					
Under Utilized - Feeder Pipe	1960	2" WS	77					
Under Utilized - Feeder Pipe	1961	4" WS	9					
Under Utilized - Feeder Pipe	1961	6" WS	245					
Under Utilized - Feeder Pipe	1961	8" WS	133					
Under Utilized - Feeder Pipe	1968	4" WS	2,218					
Under Utilized - Feeder Pipe	1968	6" WS	180					
Under Utilized - Feeder Pipe	1970	2" WS	102					
Under Utilized - Feeder Pipe	1970	4" WS	656					
Under Utilized - Feeder Pipe	1972	4" WS	40					
Under Utilized - Feeder Pipe	1972	6" WS	1,667					
Under Utilized - Feeder Pipe	1979	2" WS	307					
Under Utilized - Feeder Pipe	1981	4" PE	198					
Under Utilized - Feeder Pipe	1981	6" WS	3,305					
Under Utilized - Feeder Pipe	1981	8" WS	2,854					
Under Utilized - Feeder Pipe	1986	4" PE	234					
Under Utilized - Feeder Pipe	1986	8" WS	42					
Under Utilized - Feeder Pipe	1987	3" PE	400					
Under Utilized - Feeder Pipe	1987	4" PE	1,131					
Under Utilized - Feeder Pipe	1989	4" PE	2,789					
Under Utilized - Feeder Pipe	1990	4" PE	2323					
Under Utilized - Feeder Pipe	1990	6" PE	7					
Under Utilized - Feeder Pipe	1993	6" PE	381					
Under Utilized - Feeder Pipe	1994	6" WS	1,164					
Under Utilized - Feeder Pipe	1995	6" WS	19					
Under Utilized - Feeder Pipe	1996	4" PE	16					
Under Utilized - Feeder Pipe	1997	4" PE	1,786					
Under Utilized - Feeder Pipe	1997	4" WS	227					
Under Utilized - Feeder Pipe	1998	4" PE	82					
Under Utilized - Feeder Pipe	1999	4" PE	425					
Under Utilized - Feeder Pipe	1999	6" PE	3,792					
Under Utilized - Feeder Pipe	2001	4" HPP	182					
Under Utilized - Feeder Pipe	2001	4" PE	255					
Under Utilized - Feeder Pipe	2001	6" HPP	347					
Under Utilized - Feeder Pipe	2001	6" PE	4,942					
Under Utilized - Feeder Pipe	2002	8" WS	228					
Under Utilized - Feeder Pipe	2006	4" PE	410					
Under Utilized - Feeder Pipe	2006	6" PE	4,903					
Under Utilized - Feeder Pipe	2007	4" PE	484					
Under Utilized - Feeder Pipe	2007	6" PE	3,709					
Under Utilized - Feeder Pipe	2008	4" PE	876					
Under Utilized - Feeder Pipe	2009	6" PE	32					
Under Utilized - Feeder Pipe	2009	6" WS	5					
Under Utilized - Feeder Pipe	2009	8" WS	1,622					
Under Utilized - Feeder Pipe	2010	6" PE	14					
Under Utilized - Feeder Pipe	2014	4" PE	512					
Under Utilized - Feeder Pipe	2014	6" PE	7,722					
Under Utilized - Feeder Pipe	2016	6" PE	992					
			<u>71,821</u>					

Rate of Return
Gross Revenue Conversion Factor

6.8842%
1.703

Required Return



Revenue Requirement



*Handy Wittman data available at the time of performing this analysis was 2014 data. Therefore that data was used and an average annual growth rate of 5.1% was used for 2015 and 2016, based upon yearly growth since 1958.

**These assets were assumed to be depreciated over a period of 48 years, which is the same assumption MERC uses in it's NAS filings.

***The actual costs of these assets at the time of installation were not available as MERC uses pooled asset accounting and the specifics do not exist.

...TRADE SECRET DATA ENDS]

**State Of Minnesota
Office Of The Attorney General
Utility Information Request**

In the Matter of the Formal Complaint and Petition for Relief by Minnesota Energy Resources Corporation Against Northern States Power Company d/b/a Xcel Energy for Violations of Minn. Stat. § 216B.01 and Commission Policy **MPUC Docket No.** G011, G-002/C-17-305

By: Ryan Barlow
Telephone: 651-757-1473

Date of Request: April 21, 2017
Due Date: May 3, 2017

Reference: MERC's Complaint, para. 15

Identify any law or rule that would require MERC's existing ratepayers to "absorb the stranded costs associated with [the] facilities" at issue.

MERC Response:

As a regulated utility, MERC has an obligation under Minn. Stat. § 216B.04 to "furnish safe, adequate, efficient, and reasonable service" to its customers. When customers leave the system, the fixed costs associated with the existing infrastructure necessary to provide such service are borne by the remaining customers. In the ratemaking context, Minn. Stat. § 216B.16, Subd. 6, sets forth the principles pursuant to which the Commission sets rates, including the ability of a utility to (1) meet its cost of furnishing service; and (2) earn a return on its investment:

The commission, in the exercise of its powers under this chapter to determine just and reasonable rates for public utilities, shall give due consideration to the public need for *adequate, efficient, and reasonable service* and to the *need of the public utility for revenue sufficient to enable it to meet the cost of furnishing the service, including adequate provision for depreciation of its utility property used and useful in rendering service to the public, and to earn a fair and reasonable return upon the investment in such property*. In determining the rate base upon which the utility is to be allowed to earn a fair rate of return, the commission shall give due consideration to evidence of the cost of the property when first devoted to public use, to prudent acquisition cost to the public utility less appropriate depreciation on each, to construction work in progress, to offsets in the nature of capital provided by sources other than the investors, and to other expenses of a capital nature. [Emphasis added.]

In this respect, the regulatory compact underlying public utility regulation in Minnesota ensures that MERC is authorized to recover prudently incurred costs of providing service to its existing customers – even though the composition of such customers and/or usage changes over time. Put another way, as MERC adds customers, its costs to existing customers decrease. Here, MERC has the potential to add over 1,000 customers without incurring new infrastructure costs.

MERC's customers should have the benefit of increased usage of the infrastructure for which they have paid, which will lower their costs overall.

Response by: Brian Meloy

Title: Counsel for MERC

Department: Stinson Leonard Street

Telephone: 612-335-1451

State Of Minnesota
Office Of The Attorney General
Utility Information Request

*In the Matter of the Formal Complaint and
Petition for Relief by Minnesota Energy
Resources Corporation Against Northern
States Power Company d/b/a Xcel Energy for
Violations of Minn. Stat. § 216B.01 and
Commission Policy* **MPUC Docket No.** G011, G-002/C-17-305

By: Ryan Barlow
Telephone: 651-757-1473

Date of Request: April 21, 2017
Due Date: May 3, 2017

Reference: MERC's Complaint

Provide more information about the line that was abandoned in August 2016, including the cost of the line and any costs recovered from the line after it was abandoned.

MERC Response:

When MERC was asked to start service to the Proposed Development July 2016, Kraus-Anderson instructed MERC to remove the line in the northeast corner to facilitate the planned grading and construction work on the site. As a result, on July 29, 2016, MERC capped approximately 2,900 feet of 4-inch polyethylene piping and that line has been taken out of service. To construct that line today would cost approximately [TRADE SECRET DATA BEGINS... ..TRADE SECRET DATA ENDS]. MERC recovered no costs after the line was abandoned.

Please see Attachment OAG 4 for a listing of the year of installation, original value of the costs based upon the 2017 cost indexed back to the year of installation, net plant (rate base) of the indexed amount, and the 2016 Revenue Requirement for these assets.

Response by Seth DeMerritt
Title Project Specialist 3
Department Minnesota Energy Resources Corporation
Telephone (920) 433-2926

**State Of Minnesota
Office Of The Attorney General
Utility Information Request**

*In the Matter of the Formal Complaint and
Petition for Relief by Minnesota Energy
Resources Corporation Against Northern
States Power Company d/b/a Xcel Energy for
Violations of Minn. Stat. § 216B.01 and
Commission Policy* **MPUC Docket No.** G011, G-002/C-17-305

By: Ryan Barlow
Telephone: 651-757-1473

Date of Request: April 21, 2017
Due Date: May 3, 2017

Attachment_OAG_4_Public

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[TRADE SECRET DATA BEGINS...

Year	Size/Type	Length (ft)	2017 Approximate Costs	Original Value	Annual Depreciation	Accumulated Depreciation	2016 Net Plant
1987	4" PE	2,898	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
1987	Meter Set		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
			[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
				Rate of Return			6.8842%
				Gross Revenue Conversion Factor			1.703
				Required Return		[REDACTED]	[REDACTED]
				Revenue Requirement		[REDACTED]	[REDACTED]

*Handy Wittman data available at the time of performing this analysis was 2014 data. Therefore that data was used and an average annual growth rate of 5.1% was used for 2015 and 2016, based upon yearly growth since 1958.

**Distribution Lines were assumed to be depreciated over a period of 48 years, meter sets over 38 years.

***The actual costs of these assets at the time of installation were not available as MERC uses pooled asset accounting and the specifics do not exist.

...TRADE SECRET DATA ENDS]

**STATE OF MINNESOTA
BEFORE THE PUBLIC UTILITIES COMMISSION**

<i>In the Matter of the Formal Complaint</i>	)	MPUC Docket No. G-011, G-002/C-17-305
<i>and Petition for Relief by Minnesota</i>)	
<i>Energy Resources Corporation Against</i>	)	REPLY COMMENTS OF
<i>Northern States Power Company d/b/a</i>	)	MINNESOTA ENERGY
<i>Xcel Energy for Violations of Minn.</i>	)	RESOURCES CORPORATION
<i>Stat. § 216B.01 and Commission Policy</i>)	

Exhibit C

**Xcel Responses to DOC, OAG,
and MERC Information Requests**

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- Public Document

Xcel Energy

Docket No.: G011, G002/C-17-305

Response To: MN Department of Commerce Information Request No. 7

Requestor: John Kundert

Date Received: April 27, 2017

Question:

- A. Please provide a copy of the contract and agreement forms for natural gas service between Xcel Energy and the Minnesota Vikings.
- B. Please identify what rate tariff Xcel Energy anticipates providing service to the Minnesota Vikings and any surrounding customers.

Response:

- A. Northern State Power Company executed a Natural Gas Competitive Agreement with MV Eagan Ventures, LLC on March 29, 2017. See Attachment A to this response for a copy of the agreement.

We note that the promotional incentive contemplated by the agreement is an operation and maintenance expenditure paid for by the Company's shareholders. It is not a ratepayer expense and is, thus, not included in rates. Further, the conservation incentive contemplated by the agreement is governed by the filed energy conservation program.

- B. While the Company has provided the Minnesota Vikings with rate options, the parties have not yet entered into a Service Agreement identifying the applicable tariffed rates. We anticipate the two Minnesota Vikings buildings currently under construction will be served under *[TRADE SECRET BEGINS . . .*

... TRADE

SECRET ENDS]. Due to the variety of building types and development plans, Xcel Energy anticipates providing service to the MV Eagan Venture's

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project and surrounding areas from the following MN Gas Tariff Rates: 101 Residential; 102/108 Small Commercial Firm; 118/125 Large Commercial Firm; 103 Large Firm Commercial Demand Billed; 105/111 Small Interruptible; 106 Medium Interruptible; and/or Limited Firm Service.

Portions of this response and Attachment A are marked as "Not-Public" because they include information considered to be trade secret data as defined by Minn. Stat. § 13.37(1)(b). This information includes confidential contract, service and cost terms having independent economic value from not being generally known to and not being readily ascertainable by other parties who could obtain economic value from its disclosure or use. The disclosure of this information could adversely impact contract negotiations, potentially increasing costs for these services for our customers. The Company also considers this to be confidential customer information, recognized by the Minnesota Data Practices Act. Thus, Xcel Energy maintains it as a trade secret pursuant to Minn. Rule 7829.0500.

Preparer: Scott Hults
Title: Manager, Acct Mgmt & Gas Business Development
Department: Gas Business Development
Telephone: 651.229.2265
Date: May 8, 2017



NATURAL GAS COMPETITIVE AGREEMENT

This Natural Gas Competitive Agreement made this 29th day of March, 2017 between Northern States Power Company, a Minnesota corporation ("Xcel Energy"), 414 Nicollet Mall, Minneapolis, Minnesota 55401, and its successors, and MV Eagan Ventures, LLC a Delaware Limited Liability Co. (the "Owner/Developer") (collectively, the "Parties"). This agreement is only valid if signed within 90 days from the date above.

The Owner/Developer owns and is developing property located in Eagan, in the County of Dakota, State of MN, and desires to have Xcel Energy install natural gas main and services to serve the property (the "Project") which is described more specifically on the map or plat attached hereto as Attachment A, and incorporated herein by reference. Xcel Energy is a natural gas public utility and desires to provide service to this property. Therefore, the Parties agree as follows:

1. Xcel Energy agrees to install natural gas main and services to serve the Project. The Owner/Developer represents and warrants to Xcel Energy that it is the owner, or authorized agent of the same, of the property utilized for the Project. Therefore, in consideration of Xcel Energy's agreement to design and install the natural gas service for the Project, the Owner/Developer grants Xcel Energy the exclusive right to transport natural gas to all residential, commercial and industrial structures of any kind within the Project. If another entity transports natural gas to any Structure within the Project, then the Owner/Developer will reimburse Xcel Energy for its costs in the design and installation of its natural gas main and services.
2. All natural gas mains and/or services installed by Xcel Energy shall be and shall remain the property of Xcel Energy, and neither the Owner/Developer nor any contractor of Owner/Developer shall acquire any right, title or interest in any gas main and/or services installed under this Agreement. The Owner/Developer will grant to Xcel Energy all easements necessary for the installation and operation of all natural gas mains and other facilities, as requested by Xcel Energy.
3. It is understood that any incentives offered to the Owner/Developer by Xcel Energy are contingent upon the number and type of customers and respective loads the Owner/Developer has represented to Xcel Energy will exist in the Project. For the Project, the Owner/Developer represents the associated customers and loads are as follows: future development of up to 200 acres. All structures in the Project will utilize natural gas for space heating, unless specified herein: ^{except for Phase 1, electric heat may be selected at} owner/customer discretion. Any change in the customer count or type may constitute a revised offer to the Owner/Developer from Xcel Energy.
4. The Owner/Developer warrants that it has full right, power and authority, and has received all required approvals to enter into this Agreement, to construct the Project and to perform fully its obligation hereunder.
5. The Owner/Developer may not assign this Agreement. This is the complete Agreement between the Owner/Developer and Xcel Energy and it may not be changed except in writing and signed by both parties. The laws of the state where the Project is located govern the terms of this Agreement.
6. Xcel Energy agrees to maintain in good standing all government licenses, permits and other authorizations granted by any governmental agency or department which are necessary for it to fulfill its obligation hereunder. Xcel Energy will provide services in accordance with all applicable laws, ordinances, codes and regulations. Xcel Energy shall also, at its expense, maintain all natural gas mains it installs and services it provides.



7. Additional terms, if any, are included in Attachment B, which is incorporated herein by reference.

Trade Secret information excised

- Natural Gas Promotion Allowance** - Xcel Energy agrees to allocate \$ _____ towards the cost of natural gas equipment or other promotional costs associated with the 200 acre project and approved by Xcel Energy.

(**Promotional dollars should be used for programs that would be mutually beneficial to MV Eagan Ventures, LLC, their partners and Xcel Energy.)

Owner/Developer

**Northern States Power Company,
a Minnesota corporation ("Xcel Energy")**

Mark Wilf
(NAME)

Christopher W. Conrad
Director, Large Account Management
825 Rice Street
St. Paul, Minnesota 55117

President, MV Eagan Ventures, LLC
(COMPANY)

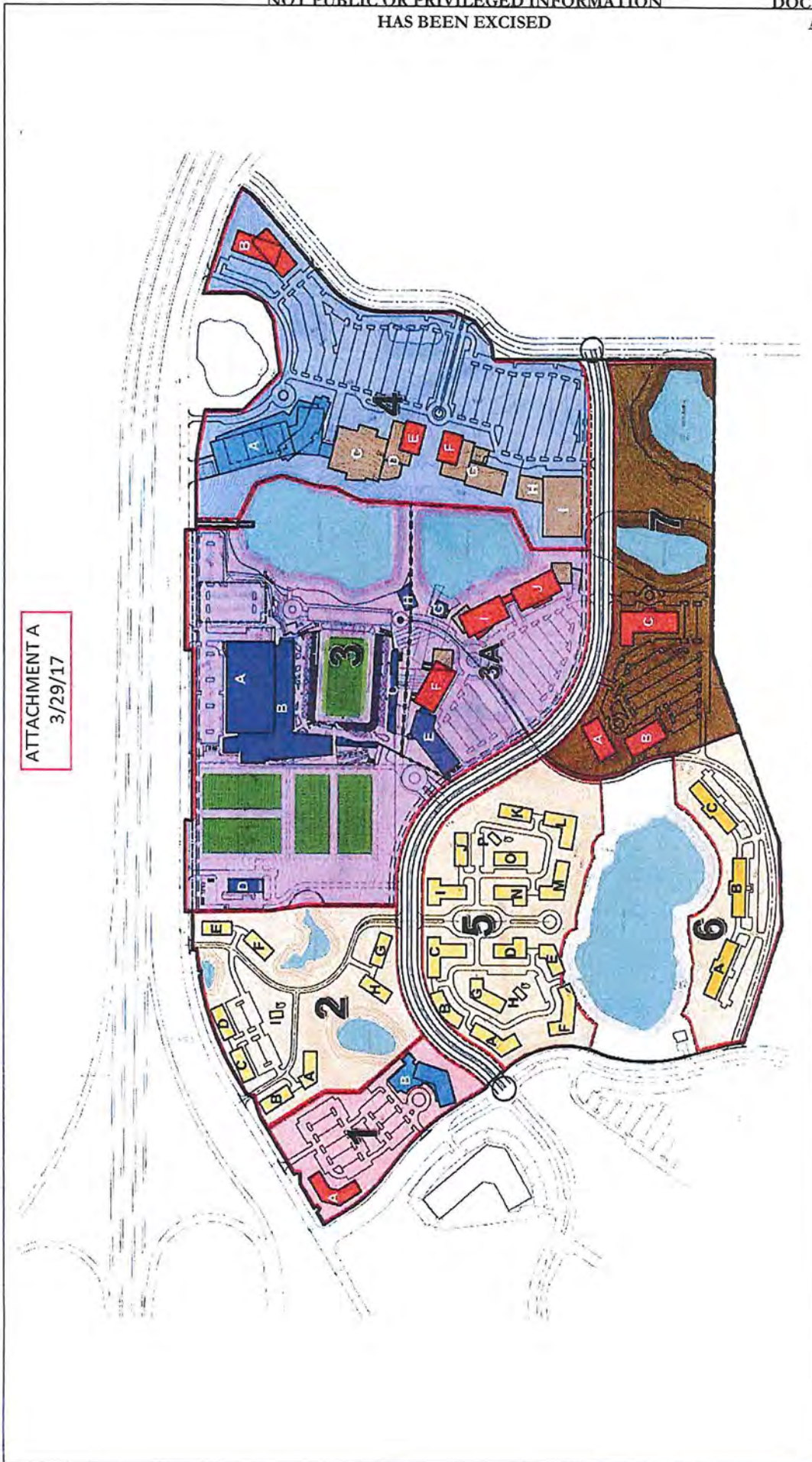
9520 Viking Drive
(ADDRESS)

Eden Prairie, MN 55344
(CITY, STATE, ZIP CODE)

SIGNATURE:
PRINT FULL NAME: MARK WILF
DATE: 3/30/17

SIGNATURE:
PRINT FULL NAME: Christopher W. Conrad
DATE: 29-Mar-17

ATTACHMENT A
3/29/17



NORTHEAST EAGAN DEVELOPMENT

2016_0805

Crawford Architects
10000 Highway 100
Kirkland, MN 55343
763-421-2042



825 Rice Street
Saint Paul, MN 55117-5485

Attachment B

Natural Gas Marketing Proposal, MV Eagan Ventures, LLC

To: MV Eagan Ventures, LLC
From: Xcel Energy: Juan Galloway, Michael Mayerchak; Gas Business Development
CC: Xcel Energy: Scott Hults, Gas Business; Chris Conrad, Account Management
Date: 3/29/17
Re: Proposal: 200 Acre Development, Eagan

Xcel Energy is excited to partner with MV Eagan Ventures, LLC on your project to develop the former Northwest Airlines office site off Lone Oak Parkway in Eagan. Xcel Energy's proposed partnership plan for the Eagan Site is listed below for your review and consideration. When creating this proposal, our goal is to provide you with information on how natural gas from Xcel Energy will be your most cost effective resource.

2017 Competitive Incentive

Trade Secret information excised

Promotional Incentive	\$51,000 Est. Annual gas rate savings
\$15,000 Potential tax reduction	
\$59,714 Natural Gas EDA Conservation Rebate	
1X Incentive benefits	\$51,000 Est. ongoing annual savings

We recognize new projects have start-up costs. Xcel Energy will provide the MV Eagan Ventures, LLC the following:

Trade Secret information excised

Promotional Incentive = → initial promotional incentive upon receipt of signed Competitive Agreement for Xcel Energy to provide natural gas to all phases of the 200 acre development, and → promotional incentive after consumption of 250,000 therms of natural gas usage from Xcel Energy in any of the development phases for the 200 acres. (250,000 therms would be equivalent to the usage of 7 Commercial Firm Service meters with connected load of 2,300 CFH). It's anticipated that the first phase would consume this amount of natural gas in less than 1 year and the 2nd payment would be made as soon as this threshold was met.

Attachment B - Natural Gas Marketing Proposal, MV Eagan Ventures, LLC (Continued)
page 2

Considerations and Benefits

In addition to Paragraph 2 of the Natural Gas Competitive Agreement, the Owner/Developer will cooperate with Xcel Energy to grant to Xcel Energy easements necessary along public rights-of-way or private roads for the installation and operation of all natural gas mains and other facilities, as requested by Xcel Energy.

In addition to Paragraph 4 of the Natural Gas Competitive Agreement, the Owner/Developer warrants that it has received Preliminary Planned Development approvals for the Project and Final Planned Development for phase 1. Xcel Energy acknowledges that the Project will be developed in multiple phases over time, and that Owner/Developer's future phases shall be subject to Final Planned Development approvals as well as obtaining building permits prior to commencing construction of a future phase.

Total anticipated value to MV Eagan Ventures, LLC from choosing Xcel Energy natural gas may exceed as follows:

- in promotional incentive that can be paid directly to MV Eagan Ventures, LLC or used to offset other utility installation costs for electricity or natural gas upon execution of Competitive Agreement – additional tax benefits of \$15,000 could be gained (assumes 30% corporate tax on revenues received)
- in promotional incentive that can be paid directly to MV Eagan Ventures, LLC or used for promotional signage, or events that benefit MV Eagan Ventures, LLC and Xcel Energy upon consumption of 250,000 therms by the development
- \$16,000 in estimated annual rate savings with Xcel Energy natural gas vs. other natural gas distribution company options – estimated total savings increases to \$51,000
- Natural gas conservation rebate estimate based on Xcel Energy's Energy Design Assistance program Bundle Requirements Document, dated 1/19/17 (pending final site verification):
Xcel Energy natural gas rebate - \$59,714
- Single monthly bill for natural gas and electric
- Account manager assigned to assist with energy management, customer service
- Joint trench gas and electric utility installation of mains & service, including waiver of one utility fee during winter joint construction conditions

Trade Secret information excised

Trade Secret information excised

To accept this proposal, please refer to the enclosed Competitive Agreement. Once the agreement is signed and received, Xcel Energy will do the following:

- Issue a check to the MV Eagan Ventures, LLC in the amount of _____ or credit towards utility facilities.
- Follow up on additional _____ (issue a check or credit towards utility facilities) once 250,000 therms consumed by the development.

Trade Secret information excised

Trade Secret information excised

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Xcel Energy

Docket No.: G011, G002/C-17-305

Response To: MN Department of Commerce Information Request No. 8

Requestor: John Kundert

Date Received: April 27, 2017

Question:

Provide an estimate of the anticipated natural gas demands and usage for the Proposed Development. Please provide electronic copies with all links and formulas intact.

Response:

The estimate of the projected natural gas demands for the proposed development was based on the plans provided to the Company by the Minnesota Vikings and Kraus-Anderson, which included the square footage of the various building types anticipated by the site plans. The total Cubic Feet per Hour demand estimate was [**TRADE SECRET BEGINS TRADE SECRET ENDS**]. See Attachment A to this response, which provides underlying data supporting this demand estimate. Attachment A is provided in live Excel spreadsheet format.

This response and Attachment A are marked as "Not-Public" because they include information considered to be trade secret data as defined by Minn. Stat. § 13.37(1)(b). This information has independent economic value from not being generally known to and not being readily ascertainable by other parties who could obtain economic value from its disclosure or use. The disclosure of this information could adversely impact contract negotiations, potentially increasing costs for these services for our customers. The Company also considers this to be confidential customer information, recognized under the Minnesota Data Practices Act. Thus, Xcel Energy maintains it as a trade secret pursuant to Minn. Rule 7829.0500.

Preparer: Scott Hults
Title: Manager, Acct Mgmt & Gas Business Development
Department: Gas Business Development
Telephone: 651.229.2265
Date: May 8, 2017

Password= 'GBD'

Residential And Commercial Customer Information Sheet

Proj. Wksht (AIJ) Date

Work Order #

Rev Date 03/21/16

PROJECT NAME:
 (Business Name)

NAMING CONVENTION- CITY/TWP First, Then Business Name. Ex: OAKD-Wolf Holow

AIJ SERVICE (SITE) INFO

Customer Name		
Service Install Address		
City, State, Zip		
E Mail Address		
Customer Phone Nos.		

AGREEMENT FILL-OUT INFO

Company Legal Name		
Development Name		
Type Of Business		
Billing Address <small>(If diff from site</small>		
City, State, Zip		
City, County, State		

Billing Sheet, etc Info

	Name	Phone
Territory Rep	Juan Galloway Jr	651-779-3519
Gas Designer		
Service Designer		
Manager of GBD	Scott Hults	651-229-2265

Agmt made this Day of Full Date

Agmt made this	Day of	Full Date
HVAC Contractor Name	HVAC Contractor Phone	HVAC Contractor E-Mail

Area Office Info

Office Street Address	825 Rice Street
City ,State,Zip	St Paul, MN 55117

[TRADE SECRET BEGINS

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

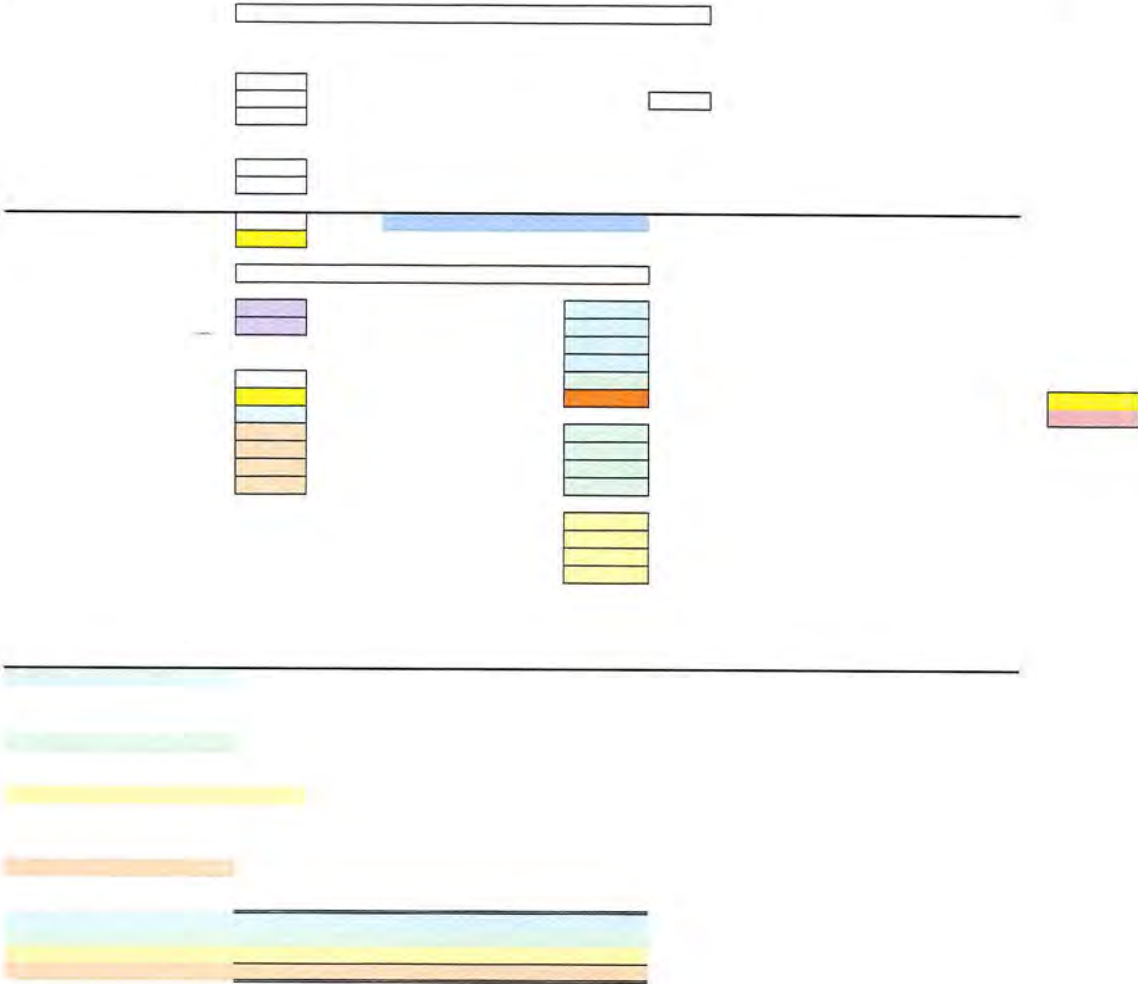
[Redacted]

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TRADE SECRET ENDS]

[TRADE SECRET BEGINS



TRADE SECRET ENDS]

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Xcel Energy

Docket No.: G011, G002/C-17-305

Response To: MN Department of Commerce Information Request No. 9

Requestor: John Kundert

Date Received: April 27, 2017

Question:

- A. Provide any and all analyses that estimate the costs, including any and all expansion costs, and revenues Xcel Energy forecasts it would incur/receive from the Proposed Development if it were to provide natural gas distribution service beginning August 1, 2017. Please provide electronic copies with all links and formulas intact.
- B. Provide any and all analyses that estimate the costs and revenue Xcel Energy forecasts MERC would incur/receive from the Proposed Development if MERC were to provide service to the Proposed Development effective August 1, 2017. Please provide electronic copies with all links and formulas intact.

Response:

- A. Please see the Company's response to DOC Information Request 8, Attachment A.
- B. Xcel Energy conducted a customer rate cost comparison using MERC's filed rates, which are publicly available. The customer rate cost comparison analyzed several natural gas usage scenarios for several buildings for which the Vikings or Kraus-Anderson had provided natural gas demand and usage estimates. The cost comparison document is provided in live Excel spreadsheet format as Attachment A to this response.

Attachment A to this response is marked as "Not-Public" because it includes information considered to be trade secret data as defined by Minn. Stat. § 13.37(1)(b). This information has independent economic value from not being

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generally known to and not being readily ascertainable by other parties who could obtain economic value from its disclosure or use. The disclosure of this information could adversely impact contract negotiations, potentially increasing costs for these services for our customers. The Company also considers this to be confidential customer information, recognized under the Minnesota Data Practices Act. Thus, Xcel Energy maintains it as a trade secret pursuant to Minn. Rule 7829.0500.

Attachment A submitted with the Not-Public version of this response is marked as "Not-Public" in its entirety. Pursuant to Minn. R. 7829.0500, subp. 3, the Company provides the following description of the excised material:

1. **Nature of the Material:** Attachment A is a live Excel spreadsheet providing a customer rate cost comparison using MERC's final rates.
2. **Authors:** Attachment A was drafted by Company gas sales personnel.
3. **Importance:** The information contained in Attachment A has independent economic value to the Company by not being generally known to or ascertainable by other parties. In addition, we protect certain customer information therein as confidential.
4. **Date the Information was Prepared:** The attachment was prepared in Spring of 2017.

Preparer: Scott Hults
Title: Manager, Acct Mgmt & Gas Business Development
Department: Gas Business Development
Telephone: 651.229.2265
Date: May 8, 2017

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Xcel Energy

Docket No.: G011, G002/C-17-305

Response To: MN Department of Commerce Information Request No. 10

Requestor: John Kundert

Date Received: April 27, 2017

Question:

- A. Provide an estimate of Xcel capital costs if Xcel Gas is allowed to serve the Proposed Development. Please provide electronic copies with all links and formulas intact.
- B. Provide an estimate of the amount of Contribution in Aid of Construction (CIAC) that the Minnesota Vikings will be required to provide to receive natural gas service from Xcel Energy. Please provide electronic copies with all links and formulas intact.

Response:

- A. The total estimate of Xcel Energy capital costs for Xcel Energy to provide natural gas service to the entire proposed Vikings development is [**TRADE SECRET BEGINS** **TRADE SECRET ENDS**]. See the Company's response to DOC Information Request 8, Attachment A.
- B. The Minnesota Vikings are not required to make a Contribution in Aid of Construction (CIAC) to the cost of extending natural gas service to their new planned headquarters. That said, the Company has not waived any CIAC that may need to be collected if unusual and unanticipated conditions are uncovered during the course of construction. In that case, the Minnesota Vikings could elect to pay a CIAC [**TRADE SECRET BEGINS** **TRADE SECRET ENDS**].

This response is marked as "Not-Public" because it includes information considered to be trade secret data as defined by Minn. Stat. § 13.37(1)(b). This information has

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independent economic value from not being generally known to and not being readily ascertainable by other parties who could obtain economic value from its disclosure or use. The disclosure of this information could adversely impact contract negotiations, potentially increasing costs for these services for our customers. The Company also considers this to be confidential customer information, recognized under the Minnesota Data Practices Act. Thus, Xcel Energy maintains it as a trade secret pursuant to Minn. Rule 7829.0500.

Preparer: Scott Hults
Title: Manager, Acct Mgmt & Gas Business Development
Department: Gas Business Development
Telephone: 651.229.2265
Date: May 8, 2017

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Xcel Energy

Docket No.: G011, G002/C-17-305

Response To: Office of Attorney General Information Request No. 100

Requestor: Ryan Barlow

Date Received: May 8, 2017

Question:

Provide responses to all other parties' information requests (formal and informal) and to OAG information requests by email to the following email address: utilityinfo@ag.state.mn.us. Items that cannot be sent via email may be mailed to the attention of Rachael Bernardini at the following address: 445 Minnesota Street, Suite 1400, St. Paul, MN 55101.

Response:

Please find attached the Company's Public responses to the Minnesota Energy Resources Corporation's (MERC) Information Requests Nos. 1, 2, 3, 4 and 5. The Office of the Attorney General (OAG) has been copied on responses to all other inquiries submitted by parties to date in this proceeding. We will continue to provide the OAG with copies of responses to information requests from other parties.

Preparer: Mary A. Martinka

Title: Case Specialist

Department: NSPM Regulatory

Telephone: 612.330.6737

Date: May 8, 2017

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Xcel Energy

Docket No.: G011, G002/C-17-305

Response To: Office of Attorney General Information Request No. 101

Requestor: Ryan Barlow

Date Received: May 8, 2017

Question:

Reference: MERC's Complaint

Provide a description of how Xcel will extend its existing system to provide service to the Proposed Development, including both a narrative description, a map, and an identification of the high pressure lines that will lead to the Proposed Development.

Response:

Please see Attachment A to this response for a map showing the pipeline the Company currently plans to install to serve the Vikings complex. As can be seen from the map, *[TRADE SECRET BEGINS...*

... TRADE SECRET ENDS].

Portions of this response and Attachment A are marked as "Not-Public" because they include information considered to be trade secret data as defined by Minn. Stat. § 13.37(1)(b). This information has independent economic value from not being generally known to and not being readily ascertainable by other parties who could obtain economic value from its disclosure or use. The disclosure of this information could adversely impact contract negotiations, potentially increasing costs for these services for our customers. The Company also considers this to be confidential customer information, recognized by the Minnesota Data Practices Act. The attachment also contains information that is security data under Minn. Stat. § 13.37(1)(a). Thus, Xcel Energy maintains the information as a trade secret pursuant to Minn. Rule 7829.0500.

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Attachment A submitted with the Not-Public version of this response is marked as “Not-Public” in its entirety. Pursuant to Minn. R. 7829.0500, subp. 3, the Company provides the following description of the excised material:

1. **Nature of the Material:** Attachment A is a map in pdf format showing the pipeline the Company currently plans to install to serve the Vikings complex.
2. **Authors:** Attachment A was drafted by Company engineering personnel.
3. **Importance:** The information contained in Attachment A has independent economic value to the Company by not being generally known to or ascertainable by other parties. In addition, we protect certain customer information therein as confidential. The attachment also contains security data we maintain as trade secret.
4. **Date the Information was Prepared:** The attachment was prepared in Spring of 2017.

Preparer: Scott Hults
Title: Manager, Acct Mgmt & Gas Business Development
Department: Gas Business Development
Telephone: 651.229.2265
Date: May 8, 2017

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Xcel Energy

Docket No.: G011, G002/C-17-305

Response To: Office of Attorney General Information Request No. 102

Requestor: Ryan Barlow

Date Received: May 8, 2017

Question:

Re: MERC's Complaint

Please produce any agreements with the owners or developers of the Proposed Development.

Response:

Northern States Power Company executed a Natural Gas Competitive Agreement with MV Eagan Ventures, LLC on March 29, 2017. See Attachment A to this response for a copy of the agreement.

We note that the promotional incentive contemplated by the agreement is an operation and maintenance expenditure paid for by the Company's shareholders. It is not a ratepayer expense and is, thus, not included in rates. Further, the conservation incentive contemplated by the agreement is governed by the filed energy conservation program.

Portions of Attachment A are marked as "Not-Public" because they include information considered to be trade secret data as defined by Minn. Stat. § 13.37(1)(b). This information includes confidential contract, service and cost terms having independent economic value from not being generally known to and not being readily ascertainable by other parties who could obtain economic value from its disclosure or use. The disclosure of this information could adversely impact contract negotiations, potentially increasing costs for these services for our customers. The Company also considers this to be confidential customer information, recognized by

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NOT PUBLIC OR PRIVILEGED INFORMATION HAS BEEN EXCISED

the Minnesota Data Practices Act. Thus, Xcel Energy maintains it as a trade secret pursuant to Minn. Rule 7829.0500.

Preparer: Scott Hults
Title: Manager, Acct Mgmt & Gas Business Development
Department: Gas Business Development
Telephone: 651.229.2265
Date: May 8, 2017



NATURAL GAS COMPETITIVE AGREEMENT

This Natural Gas Competitive Agreement made this 29th day of March, 2017 between Northern States Power Company, a Minnesota corporation ("Xcel Energy"), 414 Nicollet Mall, Minneapolis, Minnesota 55401, and its successors, and MV Eagan Ventures, LLC a Delaware Limited Liability Co. (the "Owner/Developer") (collectively, the "Parties"). This agreement is only valid if signed within 90 days from the date above.

The Owner/Developer owns and is developing property located in Eagan, in the County of Dakota, State of MN, and desires to have Xcel Energy install natural gas main and services to serve the property (the "Project") which is described more specifically on the map or plat attached hereto as Attachment A, and incorporated herein by reference. Xcel Energy is a natural gas public utility and desires to provide service to this property. Therefore, the Parties agree as follows:

1. Xcel Energy agrees to install natural gas main and services to serve the Project. The Owner/Developer represents and warrants to Xcel Energy that it is the owner, or authorized agent of the same, of the property utilized for the Project. Therefore, in consideration of Xcel Energy's agreement to design and install the natural gas service for the Project, the Owner/Developer grants Xcel Energy the exclusive right to transport natural gas to all residential, commercial and industrial structures of any kind within the Project. If another entity transports natural gas to any Structure within the Project, then the Owner/Developer will reimburse Xcel Energy for its costs in the design and installation of its natural gas main and services.
2. All natural gas mains and/or services installed by Xcel Energy shall be and shall remain the property of Xcel Energy, and neither the Owner/Developer nor any contractor of Owner/Developer shall acquire any right, title or interest in any gas main and/or services installed under this Agreement. The Owner/Developer will grant to Xcel Energy all easements necessary for the installation and operation of all natural gas mains and other facilities, as requested by Xcel Energy.
3. It is understood that any incentives offered to the Owner/Developer by Xcel Energy are contingent upon the number and type of customers and respective loads the Owner/Developer has represented to Xcel Energy will exist in the Project. For the Project, the Owner/Developer represents the associated customers and loads are as follows: future development of up to 200 acres. All structures in the Project will utilize natural gas for space heating, unless specified herein: ^{except for Phase 1, electric heat may be selected at} owner/customer discretion. Any change in the customer count or type may constitute a revised offer to the Owner/Developer from Xcel Energy.
4. The Owner/Developer warrants that it has full right, power and authority, and has received all required approvals to enter into this Agreement, to construct the Project and to perform fully its obligation hereunder.
5. The Owner/Developer may not assign this Agreement. This is the complete Agreement between the Owner/Developer and Xcel Energy and it may not be changed except in writing and signed by both parties. The laws of the state where the Project is located govern the terms of this Agreement.
6. Xcel Energy agrees to maintain in good standing all government licenses, permits and other authorizations granted by any governmental agency or department which are necessary for it to fulfill its obligation hereunder. Xcel Energy will provide services in accordance with all applicable laws, ordinances, codes and regulations. Xcel Energy shall also, at its expense, maintain all natural gas mains it installs and services it provides.



7. Additional terms, if any, are included in Attachment B, which is incorporated herein by reference. Trade Secret information excised

- Natural Gas Promotion Allowance** - Xcel Energy agrees to allocate \$ _____ towards the cost of natural gas equipment or other promotional costs associated with _____ the 200 acre project and approved by Xcel Energy.

(**Promotional dollars should be used for programs that would be mutually beneficial to MV Eagan Ventures, LLC, their partners and Xcel Energy.)

Owner/Developer

Northern States Power Company,
a Minnesota corporation ("Xcel Energy")

Mark Wilf

(NAME)

Christopher W. Conrad
Director, Large Account Management
825 Rice Street
St. Paul, Minnesota 55117

President, MV Eagan Ventures, LLC

(COMPANY)

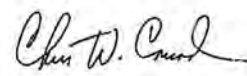
9520 Viking Drive

(ADDRESS)

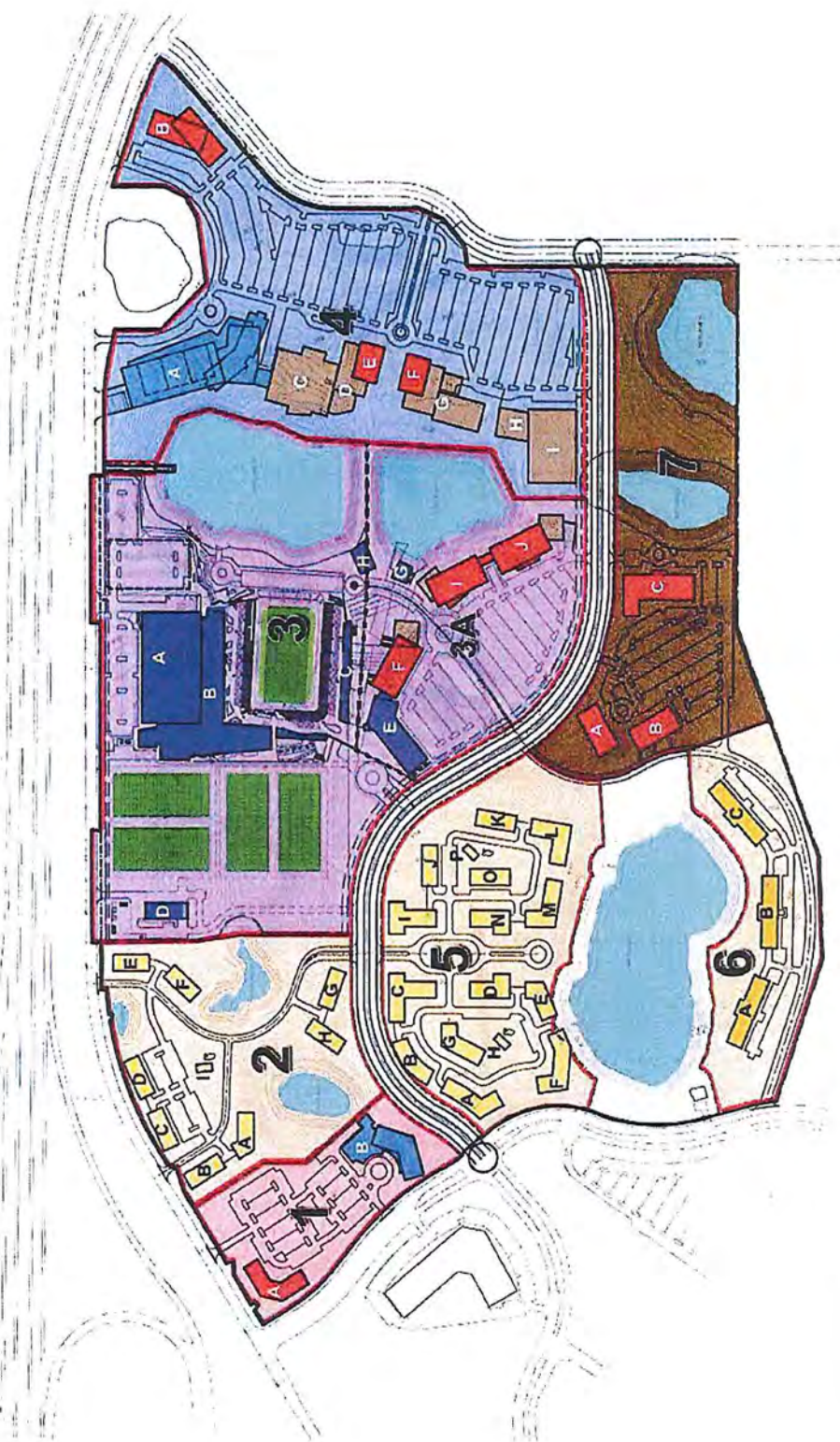
Eden Prairie, MN 55344

(CITY, STATE, ZIP CODE)

SIGNATURE: 
PRINT FULL NAME: Mark Wilf
DATE: 3/30/17

SIGNATURE: 
PRINT FULL NAME: Christopher W. Conrad
DATE: 29-Mar-17

ATTACHMENT A
3/29/17



NORTHEAST EAGAN DEVELOPMENT

2016_0805

Crawford Architects
1401 MacGregor Street, Suite 200
St. Paul, MN 55104
612.271.0242



825 Rice Street
Saint Paul, MN 55117-5485

Attachment B

Natural Gas Marketing Proposal, MV Eagan Ventures, LLC

To: MV Eagan Ventures, LLC
From: Xcel Energy: Juan Galloway, Michael Mayerchak; Gas Business Development
CC: Xcel Energy: Scott Hults, Gas Business; Chris Conrad, Account Management
Date: 3/29/17
Re: Proposal: 200 Acre Development, Eagan

Xcel Energy is excited to partner with MV Eagan Ventures, LLC on your project to develop the former Northwest Airlines office site off Lone Oak Parkway in Eagan. Xcel Energy's proposed partnership plan for the Eagan Site is listed below for your review and consideration. When creating this proposal, our goal is to provide you with information on how natural gas from Xcel Energy will be your most cost effective resource.

2017 Competitive Incentive

Trade Secret information excised

<p>→</p> <p>↘</p>	<p>Promotional Incentive</p> <p>\$15,000 Potential tax reduction</p> <p><u>\$59,714 Natural Gas EDA Conservation Rebate</u></p> <p>1X Incentive benefits</p>	<p>\$51,000 Est. Annual gas rate savings</p> <hr/> <p>\$51,000 Est. ongoing annual savings</p>
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We recognize new projects have start-up costs. Xcel Energy will provide the MV Eagan Ventures, LLC the following:

Trade Secret information excised

Promotional Incentive = → initial promotional incentive upon receipt of signed Competitive Agreement for Xcel Energy to provide natural gas to all phases of the 200 acre development, and → promotional incentive after consumption of 250,000 therms of natural gas usage from Xcel Energy in any of the development phases for the 200 acres. (250,000 therms would be equivalent to the usage of 7 Commercial Firm Service meters with connected load of 2,300 CFH). It's anticipated that the first phase would consume this amount of natural gas in less than 1 year and the 2nd payment would be made as soon as this threshold was met.

Attachment B - Natural Gas Marketing Proposal, MV Eagan Ventures, LLC (Continued)
page 2

Considerations and Benefits

In addition to Paragraph 2 of the Natural Gas Competitive Agreement, the Owner/Developer will cooperate with Xcel Energy to grant to Xcel Energy easements necessary along public rights-of-way or private roads for the installation and operation of all natural gas mains and other facilities, as requested by Xcel Energy.

In addition to Paragraph 4 of the Natural Gas Competitive Agreement, the Owner/Developer warrants that it has received Preliminary Planned Development approvals for the Project and Final Planned Development for phase 1. Xcel Energy acknowledges that the Project will be developed in multiple phases over time, and that Owner/Developer's future phases shall be subject to Final Planned Development approvals as well as obtaining building permits prior to commencing construction of a future phase.

Total anticipated value to MV Eagan Ventures, LLC from choosing Xcel Energy natural gas may exceed as follows:

- Trade Secret information excised
↗
 - ↗
 - in promotional incentive that can be paid directly to MV Eagan Ventures, LLC or used to offset other utility installation costs for electricity or natural gas upon execution of Competitive Agreement – additional tax benefits of \$15,000 could be gained (assumes 30% corporate tax on revenues received)
 - ↘
 - in promotional incentive that can be paid directly to MV Eagan Ventures, LLC or used for promotional signage, or events that benefit MV Eagan Ventures, LLC and Xcel Energy upon consumption of 250,000 therms by the development
- Trade Secret information excised
↖
 - ↖
 - \$16,000 in estimated annual rate savings with Xcel Energy natural gas vs. other natural gas distribution company options – estimated total savings increases to \$51,000
 - - Natural gas conservation rebate estimate based on Xcel Energy's Energy Design Assistance program Bundle Requirements Document, dated 1/19/17 (pending final site verification):
Xcel Energy natural gas rebate - \$59,714
 - - Single monthly bill for natural gas and electric
 - - Account manager assigned to assist with energy management, customer service
 - - Joint trench gas and electric utility installation of mains & service, including waiver of one utility fee during winter joint construction conditions

To accept this proposal, please refer to the enclosed Competitive Agreement. Once the agreement is signed and received, Xcel Energy will do the following:

- Trade Secret information excised
↖
 - ↖
 - Issue a check to the MV Eagan Ventures, LLC in the amount of or credit towards utility facilities.
 - ↗
 - Follow up on additional (issue a check or credit towards utility facilities) once 250,000 therms consumed by the development.

Trade Secret information excised

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Xcel Energy

Docket No.: G011, G002/C-17-305

Response To: Office of Attorney General Information Request No. 103

Requestor: Ryan Barlow

Date Received: May 8, 2017

Question:

Reference: MERC's Complaint

Provide the estimated cost of the infrastructure necessary to provide service to the Proposed Development, and explain the Company's plan for recovering those costs.

Response:

The total estimate of Xcel Energy capital costs for Xcel Energy to provide natural gas service to the entire proposed Vikings development is *[TRADE SECRET BEGINS TRADE SECRET ENDS]*.

The Company anticipates that it will seek recovery of the capital costs in a future rate case, but notes that the expected sales associated with the development of the 200-acre parcel are projected to exceed the capital costs incurred to build the infrastructure necessary to serve the development.

The Company further notes that the Minnesota Vikings are not required to make a Contribution in Aid of Construction (CIAC) to the cost of extending natural gas service to their new planned headquarters. That said, the Company has not waived any CIAC that may need to be collected if unusual and unanticipated conditions are uncovered during the course of construction. In that case, the Minnesota Vikings could elect to pay a CIAC *[TRADE SECRET BEGINS ...*

.... TRADE SECRET ENDS].

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Preparer: Scott Hults
Title: Manager, Acct Mgmt & Gas Business Development
Department: Gas Business Development
Telephone: 651.229.2265
Date: May 8, 2017

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Xcel Energy

Docket No.: G011, G002/C-17-305

Response To: Minnesota Energy Resources Corporation Information Request No. 1

Requestor: Brian Meloy

Date Received: April 25, 2017

Question:

Please provide copies of all responses Northern State Power Company provides to any information request asked by any other party or participant to this proceeding by email to the following email address: brian.meloy@stinson.com. This request is ongoing.

Response:

To date, the Company has not responded to information requests from other parties or participants to this proceeding. We will provide Minnesota Energy Resources Corporation with copies of all public responses to information requests from other parties on a going-forward basis.

Preparer: Mary A. Martinka

Title: Case Specialist

Department: NSPM Regulatory

Telephone: 612.330.6737

Date: May 5, 2017

- Not Public Document – Not For Public Disclosure
 Public Document – Not Public (Or Privileged) Data Has Been Excised
 Public Document

Xcel Energy

Docket No.: G011, 002/C-17-305

Response To: Minnesota Energy Resources Corporation Information Request No. 2

Requestor: Brian Meloy

Date Received: April 25, 2017

Question:

Please identify the rate schedule(s) applicable to Northern States Power Company's proposed provision of natural gas service to the new Minnesota Vikings complex in Eagan, Minnesota.

Response:

While the Company has provided the Minnesota Vikings with rate options, the parties have not yet entered into a Service Agreement identifying the applicable tariffed rates. The following tariffs detailing commercial rates from Northern States Power Company's Gas Rate Book may be applicable to the Company's proposed provision of natural gas service to the new Minnesota Vikings complex in Eagan, Minnesota: 102/108 Small Commercial Firm; 118/125 Large Commercial Firm; 103 Large Firm Commercial Demand Billed; 106 Medium Interruptible; and/or Limited Firm Service.

Preparer: Scott Hults

Title: Manager, Acct Mgmt & Gas Business Development

Department: Gas Business Development

Telephone: 651.229.2265

Date: May 5, 2017

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Xcel Energy

Docket No.: G011, 002/C-17-305

Response To: Minnesota Energy Resources Corporation Information Request No. 3

Requestor: Brian Meloy

Date Received: April 25, 2017

Question:

Please explain when Northern States Power Company entered into an agreement to provide natural gas service to the new Minnesota Vikings complex in Eagan, Minnesota, and provide a copy of such agreement or contract.

Response:

Northern States Power Company executed a Natural Gas Competitive Agreement with MV Eagan Ventures, LLC on March 29, 2017. See Attachment A to this response for a copy of the agreement.

We note that the promotional incentive contemplated by the agreement is an operation and maintenance expenditure paid for by the Company's shareholders. It is not a ratepayer expense and is, thus, not included in rates. Further, the conservation incentive contemplated by the agreement is governed by the filed energy conservation program.

Portions of Attachment A are marked as "Not-Public" because they include information considered to be trade secret data as defined by Minn. Stat. § 13.37(1)(b). This information includes confidential contract, service and cost terms having independent economic value from not being generally known to and not being readily ascertainable by other parties who could obtain economic value from its disclosure or use. The disclosure of this information could adversely impact contract negotiations, potentially increasing costs for these services for our customers. The Company also considers this to be confidential customer information, recognized by the Minnesota Data Practices Act. Thus, Xcel Energy maintains it as a trade secret pursuant to Minn. Rule 7829.0500.

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NOT PUBLIC OR PRIVILEGED INFORMATION HAS BEEN EXCISED

Preparer: Scott Hults
Title: Manager, Acct Mgmt & Gas Business Development
Department: Gas Business Development
Telephone: 651.229.2265
Date: May 5, 2017



NATURAL GAS COMPETITIVE AGREEMENT

This Natural Gas Competitive Agreement made this 29th day of March, 2017 between Northern States Power Company, a Minnesota corporation ("Xcel Energy"), 414 Nicollet Mall, Minneapolis, Minnesota 55401, and its successors, and MV Eagan Ventures, LLC a Delaware Limited Liability Co. (the "Owner/Developer") (collectively, the "Parties"). This agreement is only valid if signed within 90 days from the date above.

The Owner/Developer owns and is developing property located in Eagan, in the County of Dakota, State of MN, and desires to have Xcel Energy install natural gas main and services to serve the property (the "Project") which is described more specifically on the map or plat attached hereto as Attachment A, and incorporated herein by reference. Xcel Energy is a natural gas public utility and desires to provide service to this property. Therefore, the Parties agree as follows:

1. Xcel Energy agrees to install natural gas main and services to serve the Project. The Owner/Developer represents and warrants to Xcel Energy that it is the owner, or authorized agent of the same, of the property utilized for the Project. Therefore, in consideration of Xcel Energy's agreement to design and install the natural gas service for the Project, the Owner/Developer grants Xcel Energy the exclusive right to transport natural gas to all residential, commercial and industrial structures of any kind within the Project. If another entity transports natural gas to any Structure within the Project, then the Owner/Developer will reimburse Xcel Energy for its costs in the design and installation of its natural gas main and services.
2. All natural gas mains and/or services installed by Xcel Energy shall be and shall remain the property of Xcel Energy, and neither the Owner/Developer nor any contractor of Owner/Developer shall acquire any right, title or interest in any gas main and/or services installed under this Agreement. The Owner/Developer will grant to Xcel Energy all easements necessary for the installation and operation of all natural gas mains and other facilities, as requested by Xcel Energy.
3. It is understood that any incentives offered to the Owner/Developer by Xcel Energy are contingent upon the number and type of customers and respective loads the Owner/Developer has represented to Xcel Energy will exist in the Project. For the Project, the Owner/Developer represents the associated customers and loads are as follows: future development of up to 200 acres. All structures in the Project will utilize natural gas for space heating, unless specified herein: ^{except for Phase 1, electric heat may be selected at} owner/customer discretion. Any change in the customer count or type may constitute a revised offer to the Owner/Developer from Xcel Energy.
4. The Owner/Developer warrants that it has full right, power and authority, and has received all required approvals to enter into this Agreement, to construct the Project and to perform fully its obligation hereunder.
5. The Owner/Developer may not assign this Agreement. This is the complete Agreement between the Owner/Developer and Xcel Energy and it may not be changed except in writing and signed by both parties. The laws of the state where the Project is located govern the terms of this Agreement.
6. Xcel Energy agrees to maintain in good standing all government licenses, permits and other authorizations granted by any governmental agency or department which are necessary for it to fulfill its obligation hereunder. Xcel Energy will provide services in accordance with all applicable laws, ordinances, codes and regulations. Xcel Energy shall also, at its expense, maintain all natural gas mains it installs and services it provides.



7. Additional terms, if any, are included in Attachment B, which is incorporated herein by reference. (Include Screen information excised)

- Natural Gas Promotion Allowance** - Xcel Energy agrees to allocate \$ _____ towards the cost of natural gas equipment or other promotional costs associated with _____ the 200 acre project and approved by Xcel Energy.

(**Promotional dollars should be used for programs that would be mutually beneficial to MV Eagan Ventures, LLC, their partners and Xcel Energy.)

Owner/Developer

Mark Wilf
(NAME)

President, MV Eagan Ventures, LLC
(COMPANY)


9520 Viking Drive
(ADDRESS)

Eden Prairie, MN 55344
(CITY, STATE, ZIP CODE)

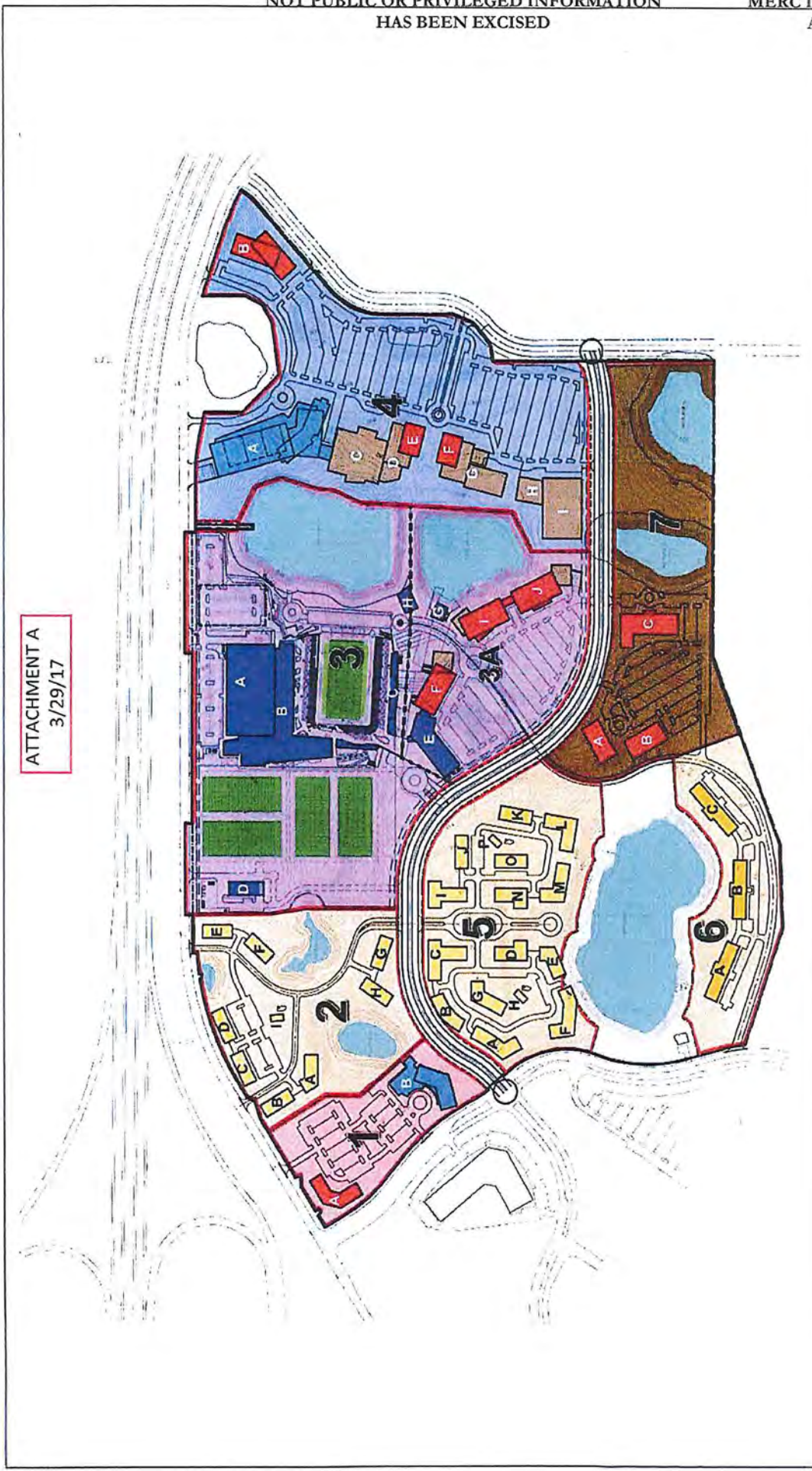
**Northern States Power Company,
a Minnesota corporation ("Xcel Energy")**

Christopher W. Conrad
Director, Large Account Management
825 Rice Street
St. Paul, Minnesota 55117

SIGNATURE: 
PRINT FULL NAME: Mark Wilf
DATE: 3/30/17

SIGNATURE: 
PRINT FULL NAME: Christopher W. Conrad
DATE: 29-Mar-17

ATTACHMENT A
3/29/17



NORTHEAST EAGAN DEVELOPMENT

2016_0805

Crawford Architects
4001 McGee Street, Suite 200
Eagan, MN 55121
612-431-2642



825 Rice Street
Saint Paul, MN 55117-5485

Attachment B

Natural Gas Marketing Proposal, MV Eagan Ventures, LLC

To: MV Eagan Ventures, LLC

From: Xcel Energy: Juan Galloway, Michael Mayerchak; Gas Business Development

CC: Xcel Energy: Scott Hults, Gas Business; Chris Conrad, Account Management

Date: 3/29/17

Re: Proposal: 200 Acre Development, Eagan

Xcel Energy is excited to partner with MV Eagan Ventures, LLC on your project to develop the former Northwest Airlines office site off Lone Oak Parkway in Eagan. Xcel Energy's proposed partnership plan for the Eagan Site is listed below for your review and consideration. When creating this proposal, our goal is to provide you with information on how natural gas from Xcel Energy will be your most cost effective resource.

2017 Competitive Incentive

Trade Secret information excised

→	Promotional Incentive	\$51,000 Est. Annual gas rate savings
	\$15,000 Potential tax reduction	
	\$59,714 Natural Gas EDA Conservation Rebate	
↘	1X Incentive benefits	\$51,000 Est. ongoing annual savings

We recognize new projects have start-up costs. Xcel Energy will provide the MV Eagan Ventures, LLC the following:

Trade Secret information excised

Promotional Incentive = → initial promotional incentive upon receipt of signed Competitive Agreement for Xcel Energy to provide natural gas to all phases of the 200 acre development, and → promotional incentive after consumption of 250,000 therms of natural gas usage from Xcel Energy in any of the development phases for the 200 acres. (250,000 therms would be equivalent to the usage of 7 Commercial Firm Service meters with connected load of 2,300 CFH). It's anticipated that the first phase would consume this amount of natural gas in less than 1 year and the 2nd payment would be made as soon as this threshold was met.

Attachment B - Natural Gas Marketing Proposal, MV Eagan Ventures, LLC (Continued)
page 2

Considerations and Benefits

In addition to Paragraph 2 of the Natural Gas Competitive Agreement, the Owner/Developer will cooperate with Xcel Energy to grant to Xcel Energy easements necessary along public rights-of-way or private roads for the installation and operation of all natural gas mains and other facilities, as requested by Xcel Energy.

In addition to Paragraph 4 of the Natural Gas Competitive Agreement, the Owner/Developer warrants that it has received Preliminary Planned Development approvals for the Project and Final Planned Development for phase 1. Xcel Energy acknowledges that the Project will be developed in multiple phases over time, and that Owner/Developer's future phases shall be subject to Final Planned Development approvals as well as obtaining building permits prior to commencing construction of a future phase.

Total anticipated value to MV Eagan Ventures, LLC from choosing Xcel Energy natural gas may exceed as follows:

- in promotional incentive that can be paid directly to MV Eagan Ventures, LLC or used to offset other utility installation costs for electricity or natural gas upon execution of Competitive Agreement – additional tax benefits of \$15,000 could be gained (assumes 30% corporate tax on revenues received)
- in promotional incentive that can be paid directly to MV Eagan Ventures, LLC or used for promotional signage, or events that benefit MV Eagan Ventures, LLC and Xcel Energy upon consumption of 250,000 therms by the development
- \$16,000 in estimated annual rate savings with Xcel Energy natural gas vs. other natural gas distribution company options – estimated total savings increases to \$51,000
- Natural gas conservation rebate estimate based on Xcel Energy's Energy Design Assistance program Bundle Requirements Document, dated 1/19/17 (pending final site verification):
Xcel Energy natural gas rebate - \$59,714
- Single monthly bill for natural gas and electric
- Account manager assigned to assist with energy management, customer service
- Joint trench gas and electric utility installation of mains & service, including waiver of one utility fee during winter joint construction conditions

Trade Secret information excised

Trade Secret information excised

To accept this proposal, please refer to the enclosed Competitive Agreement. Once the agreement is signed and received, Xcel Energy will do the following:

- Issue a check to the MV Eagan Ventures, LLC in the amount of _____ or credit towards utility facilities.
- Follow up on additional _____ (issue a check or credit towards utility facilities) once 250,000 therms consumed by the development.

Trade Secret information excised

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 Public Document

Xcel Energy

Docket No.: G011, G002/C-17-305

Response To: Minnesota Energy Resources Corporation Information Request No. 4

Requestor: Brian Meloy

Date Received: April 25, 2017

Question:

Please explain in detail how Northern States Power Company has applied (or will apply) its Extension Policies reflected in Section 5 of its Tariff in agreeing to extend natural gas service to the new Minnesota Vikings complex in Eagan, Minnesota. In answering this question, please answer the following:

- (a) Whether Northern States Power Company has waived any requirement of its Tariff in extending gas service to the Vikings complex; and
- (b) Whether the Minnesota Vikings are contributing to the cost of extending natural gas service, e.g., Contribution in Aid of Construction (CIAC).

Response:

- (a) The Company did not waive any requirement of the Extension Policies included in Section 5 of its Gas Rate Book in extending gas service to the Minnesota Vikings complex in Eagan, Minnesota.
- (b) The Minnesota Vikings are not required to make a Contribution in Aid of Construction (CIAC) to the cost of extending natural gas service to their new planned headquarters. That said, the Company has not waived any CIAC that may need to be collected if unusual and unanticipated conditions are uncovered during the course of construction. In that case, the Minnesota Vikings could elect to pay a CIAC *[TRADE SECRET BEGINS ...*

... TRADE SECRET ENDS]

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NOT PUBLIC OR PRIVILEGED INFORMATION HAS BEEN EXCISED

This response is marked as "Not-Public" because it includes information considered to be trade secret data as defined by Minn. Stat. § 13.37(1)(b). This information has independent economic value from not being generally known to and not being readily ascertainable by other parties who could obtain economic value from its disclosure or use. The disclosure of this information could adversely impact contract negotiations, potentially increasing costs for these services for our customers. The Company also considers this to be confidential customer information, recognized under the Minnesota Data Practices Act. Thus, Xcel Energy maintains it as a trade secret pursuant to Minn. Rule 7829.0500.

Preparer: Scott Hults
Title: Manager, Acct Mgmt & Gas Business Development
Department: Gas Business Development
Telephone: 651.229.2265
Date: May 5, 2017

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Xcel Energy

Docket No.: G011, 002/C-17-305

Response To: Minnesota Energy Resources Corporation Information Request No. 5

Requestor: Brian Meloy

Date Received: April 25, 2017

Question:

Please provide a detailed map showing any plans to install or construct new distribution pipeline or associated facilities that Northern States Power Company is planning to construct to extend natural gas service to the new Minnesota Vikings complex in Eagan, Minnesota.

- (a) Please identify the length of any pipeline, its diameter and operating pressure.
- (b) Please indicate whether Northern States Power Company has obtained all necessary easements to facilitate the extension natural gas service to the new Minnesota Vikings complex in Eagan, Minnesota.

Response:

- (a) Please see Attachment A to this response for a map showing the pipeline the Company currently plans to install to serve the Vikings complex. As can be seen from the map, *[TRADE SECRET BEGINS...*

... TRADE SECRET ENDS].

- (b) The Company has not yet obtained any permits or easements, but it has filed for a permit with the Minnesota Department of Transportation (MnDOT). The Company's application for a MnDOT permit is provided as Attachment B to this response.

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Part (a) of this response and Attachments A and B are marked as "Not-Public" because they include information considered to be trade secret data as defined by Minn. Stat. § 13.37(1)(b). This information has independent economic value from not being generally known to and not being readily ascertainable by other parties who could obtain economic value from its disclosure or use. The disclosure of this information could adversely impact contract negotiations, potentially increasing costs for these services for our customers. The Company also considers this to be confidential customer information, recognized by the Minnesota Data Practices Act. The attachments also contain information that is security data under Minn. Stat. § 13.37(1)(a). Thus, Xcel Energy maintains the information as a trade secret pursuant to Minn. Rule 7829.0500.

Attachments A and B submitted with the Not-Public version of this response are marked as "Not-Public" in their entirety. Pursuant to Minn. R. 7829.0500, subp. 3, the Company provides the following description of the excised material:

1. **Nature of the Material:** Attachment A is a map in pdf format showing the pipeline the Company currently plans to install to serve the Vikings complex. Attachment B is a copy of the Company's application for a MnDOT permit.
2. **Authors:** Attachment A was drafted by Company engineering personnel. Attachment B was drafted by Company distribution personnel.
3. **Importance:** The information contained in Attachments A and B has independent economic value to the Company by not being generally known to or ascertainable by other parties. In addition, we protect certain customer information therein as confidential. The attachments also contain security data we maintain as trade secret.
4. **Date the Information was Prepared:** The attachments were prepared in Spring of 2017.

Preparer: Scott Hults
Title: Manager, Acct Mgmt & Gas Business Development
Department: Gas Business Development
Telephone: 651.229.2265
Date: May 5, 2017

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Xcel Energy

Docket No.: G011, 002/C-17-305

Response To: Minnesota Energy Resources Corporation Information Request No. 6

Requestor: Brian Meloy

Date Received: April 27, 2017

Question:

Please indicate whether Northern States Power Company will provide or intends to provide a flexible rate, including but not limited to those flexible rates reflected in Section 5 of its Tariff, for its proposed provision of natural gas service to the new Minnesota Vikings complex in Eagan, Minnesota.

Response:

The Company did not provide, nor does it intend to provide a flexible rate for the Vikings facilities.

Preparer: Scott Hults

Title: Manager, Acct Mgmt & Gas Business Development

Department: Gas Business Development

Telephone: 651.229.2265

Date: May 8, 2017

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Xcel Energy

Docket No.: G011, 002/C-17-305

Response To: Minnesota Energy Resources Corporation Information Request No. 7

Requestor: Brian Meloy

Date Received: April 27, 2017

Question:

Please indicate the distance between Xcel's existing natural gas system in Eagan, Minnesota to the nearest interstate natural gas pipeline, and the distance between Xcel's proposed extension to provide natural gas service to the new Minnesota Vikings complex in Eagan, Minnesota and the nearest interstate natural gas pipeline.

Response:

The Company has existing natural gas facilities less than ½ mile away from the Vikings complex and anticipates a main feed of less than 1.5 miles will be needed in order to provide service. The Company's existing natural gas system in Eagan interconnects directly with Northern Natural Gas Company's interstate pipeline at a Town Border Station in Eagan. The Vikings complex is approximately 3.7 miles from the Eagan Town Border Station.

Preparer: Scott Hults

Title: Manager, Acct Mgmt & Gas Business Development

Department: Gas Business Development

Telephone: 651.229.2265

Date: May 8, 2017

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Xcel Energy

Docket No.: G011, G002/C-17-305

Response To: Minnesota Energy Resources Corporation Information Request No. 8

Requestor: Brian Meloy

Date Received: May 1, 2017

Question:

Please refer to Northern State Power Company's ("Xcel") April 28, 2017 Response to Complaint filed in the above-referenced docket at page 1 where Xcel states: "The customer at issue here – the Minnesota Vikings – selected Xcel Energy as its chosen provider for its new corporate headquarters in Eagan, Minnesota following a competitive bidding process that included the Complainant, Minnesota Energy Resources Corporation (MERC)."

- (a) Please provide a copy of any and all written materials relating to the referenced "competitive bidding process," including but not limited to any (1) written documents provided by the Vikings, (2) response(s) provided by Xcel, and (3) any electronic communications between Xcel and the Vikings related to Xcel's offer to provide natural gas service to the Vikings.
- (b) Please identify the names and titles of all individuals at Xcel that participated in developing, negotiating or preparing the rates, terms and conditions of service to the Vikings.
- (c) Please identify the time, place and participants for all meetings that occurred in 2016 and 2017 between the Vikings and Xcel related to the provision of electric or gas service to the Vikings' planned development in Eagan.
- (d) Please identify all instances in which Xcel has participated in a Request for Proposal ("RFP") or competitive bidding process for natural gas service in the last five years. Please provide the timeframe, the customer that issued the RFP, and the other natural gas providers that participated in the bid process.

Response:

The Company objects to this information request as overly broad, burdensome, premature and improper in that it seeks information that is not relevant to the Complaint filed by MERC in the above-captioned docket.

Notwithstanding our objection, the Company notes that on September 13, 2016, it was invited to the Minnesota Vikings' current headquarters to present a service proposal to the Vikings and its representatives. It is our understanding that MERC also presented a service proposal to the Vikings and its representatives in September 2016, and perhaps on the same day that Xcel Energy made its presentation. The analyses that informed the Company's proposal have been produced as attachments to the Company's responses to prior information requests, including MERC Information Request No. 5, DOC Information Request Nos. 8 and 9 and OAG Information Request No. 101.

Following the presentation of our proposal, Company representatives engaged in ongoing discussions with the Vikings and its representatives during which we answered questions about our natural gas operations and refined our service proposal.

On or about February or March 2017, the Vikings or its representative informed Company representatives that Xcel Energy had been selected as the Vikings' preferred natural gas service provider. It is our understanding that, at that time, MERC was informed by the Vikings or its representative that Xcel Energy had been selected as the exclusive natural gas service provider for the Vikings' development site.

On March 29, 2017, the Company entered into a Natural Gas Competitive Agreement with MV Eagan Ventures LLC, which granted Xcel Energy the exclusive right to serve the Vikings complex as well as any future developments on the 200-acre site. We produced this agreement as Attachment A to the Company's response to MERC Information Request No. 3.

Preparer: Scott Hults
Title: Manager, Acct Mgmt & Gas Business Development
Department: Gas Business Development
Telephone: 651.229.2265
Date: May 11, 2017

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Xcel Energy

Docket No.: G011,002/C-17-305

Response To: Minnesota Energy Resources Corporation Information Request No. 9

Requestor: Brian Meloy

Date Received: May 1, 2017

Question:

Please refer to Northern State Power Company's ("Xcel") April 28, 2017 Response to Complaint filed in the above-referenced docket at page 3 where Xcel states: "As the Vikings' natural gas service provider of choice, we are actively working to coordinate the timing and installation of natural gas and electric facilities with Kraus-Anderson, the City of Eagan, and the Minnesota Department of Transportation."

- (a) Please provide a copy of all written materials relating to Xcel's communications with Kraus-Anderson, the City of Eagan, and the Minnesota Department of Transportation related to Xcel's proposed provision of service to the Vikings.
- (b) Please identify the names and titles of all individuals at Kraus-Anderson, the City of Eagan, and the Minnesota Department of Transportation that Xcel "coordinated" with related to Xcel's provision of service to the Vikings.

Response:

The Company objects to this information request as overly broad, burdensome, premature and improper in that it seeks information that is not relevant to the Complaint filed by MERC in the above-captioned docket.

Notwithstanding our objection, the Company notes that on Monday, May 8, it was granted a permit by the Minnesota Department of Transportation to build infrastructure in a State of Minnesota Right of Way. We produced the underlying permit application as Attachment B to the Company's response to MERC Information Request No. 5. The Company has also met with the City of Eagan

on permitting issues, and shared with the City our proposed route, which we have produced as Attachment A to MERC Information Request No. 5.

The Company further notes that it communicates regularly with Kraus-Anderson about the progress of construction, site and plan modifications, and how those items may impact Xcel Energy's engineering design and construction work.

Preparer: Scott Hults
Title: Manager, Acct Mgmt & Gas Business Development
Department: Gas Business Development
Telephone: 651.229.2265
Date: May 11, 2017

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Xcel Energy

Docket No.: G011, G002/C-17-305

Response To: Minnesota Energy Resources Corporation Information Request No. 10

Requestor: Brian Meloy

Date Received: May 1, 2017

Question:

Please refer to Northern State Power Company's ("Xcel") April 28, 2017 Response to Complaint filed in the above-referenced docket at page 3 where Xcel states: "In August 2016, the Vikings, along with their construction partner, Kraus-Anderson, broke ground at their new site. The next month, in September 2016, the Vikings invited Xcel Energy to a meeting to provide a quote for the provision of natural gas service to their new development. We understand that MERC was also invited to, and did, provide a price quote during the same timeframe."

- (a) Please provide the basis for Xcel's statement that "MERC was also invited to, and did, provide a price quote during the same [August-September 2016] timeframe," including but not limited to, any documents showing that MERC was invited to provide a competitive offer and that MERC did provide such an offer to the Vikings.

Response:

Please see the Company's response to MERC Information Request No. 8.

Preparer: Scott Hults

Title: Manager, Acct Mgmt & Gas Business Development

Department: Gas Business Development

Telephone: 651.229.2265

Date: May 11, 2017

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Xcel Energy

Docket No.: G011, G002/C-17-305

Response To: Minnesota Energy Resources Corporation Information Request No. 11

Requestor: Brian Meloy

Date Received: May 1, 2017

Question:

Please refer to Northern State Power Company's ("Xcel") April 28, 2017 Response to Complaint filed in the above-referenced docket at pages 3-4 where Xcel states: "Another potential threat to the timely advancement of the project is MERC's failure to timely cooperate with the Vikings development."

- (a) Please identify all communications between Xcel and Kraus-Anderson or Xcel and the Vikings that caused Xcel to believe that MERC has "...failed to timely cooperate with the Vikings development." Identify the source of the communication, when the communication occurred, the context in which Xcel received the communication and any reasons provided by Kraus-Anderson or the Vikings to Xcel.

Response:

Based on discussions with Kraus-Anderson, it is our understanding that MERC was asked to remove temporary gas service and meters from the Vikings project site and waited several weeks before complying with that request. We similarly understand that MERC was asked to remove an existing service located at the former Northwest Airlines headquarter building and declined to do so until the last week of April. We understand that the resulting delay forced the contractor to expend additional time and effort to avoid contact with the facilities while grading changes were underway for the new development.

Preparer: Scott Hults

Title: Manager, Acct Mgmt & Gas Business Development

Department: Gas Business Development

Telephone: 651.229.2265

Date: May 11, 2017

**STATE OF MINNESOTA
BEFORE THE PUBLIC UTILITIES COMMISSION**

<i>In the Matter of the Formal Complaint</i>	)	MPUC Docket No. G-011, G-002/C-17-305
<i>and Petition for Relief by Minnesota</i>)	
<i>Energy Resources Corporation Against</i>	)	REPLY COMMENTS OF
<i>Northern States Power Company d/b/a</i>	)	MINNESOTA ENERGY
<i>Xcel Energy for Violations of Minn.</i>	)	RESOURCES CORPORATION
<i>Stat. § 216B.01 and Commission Policy</i>)	

Exhibit D

**1974 Letter and Memorandum of
Agreement**

P.O. Box 6538
Rochester, Minn. 55901



December 26, 1974

Mayor and City Council
City of Eagan
Eagan, Minnesota

Attention: City Clerk

Gentlemen:

This letter will serve as official notification of the exchange of facilities and customers between Northern States Power and Peoples Natural Gas within the Eagan and Inver Grove Heights areas. Under this agreement, NSP will acquire customers and facilities from Peoples in the Inver Grove Heights area and Peoples will acquire customers and facilities from NSP in the Eagan area.

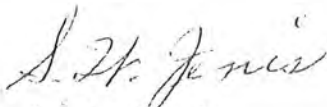
We are confident that this exchange of customers and facilities will assure a more efficient and reliable natural gas service to both of these areas with only one utility rather than two operating within the same market area.

The exchange of customers and facilities will be effective December 27, 1974 and all customers involved will receive a notification from NSP and Peoples. Also, we want to assure you that at no time during the transfer will the natural gas service to any customer be interrupted.

Thank you very much for your understanding and cooperation. Should you have any questions regarding this matter please contact our district office at Eagan or the undersigned.

Sincerely,

PEOPLES NATURAL GAS
Northern Region Office



S. W. Jervis
Vice President and Regional Manager

SWJ:sg

**STATE OF MINNESOTA
BEFORE THE PUBLIC UTILITIES COMMISSION**

*In the Matter of the Formal Complaint
and Petition for Relief by Minnesota
Energy Resources Corporation Against
Northern States Power Company d/b/a
Xcel Energy for Violations of Minn.
Stat. § 216B.01 and Commission Policy*

)
) MPUC Docket No. G-011, G-002/C-17-305
)
)

) **REPLY COMMENTS OF**
) **MINNESOTA ENERGY**
) **RESOURCES CORPORATION**
)
)

**THE 1974 MEMORANDUM OF AGREEMENT
CONTAINS TRADE SECRET INFORMATION. IT IS
OMITTED FROM THE PUBLIC VERSION OF THE
FILING BUT INCLUDED IN THE NONPUBLIC
VERSION IN ITS ENTIRETY**