

August 13, 2018

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

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**  
Docket No. E002, E325/SA-18-492

Dear Mr. Wolf:

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

The Joint Request of Northern States Power Company, d/b/a Xcel Energy, and the City of Kasota Electric Department for approval of two Compensations and Orderly Transfer Agreements (Agreements) between the two parties.

The petition was filed July 20, 2018 by:

Lisa Peterson  
Manager, Regulatory Analysis  
Xcel Energy  
414 Nicollet Mall, 401 – 7<sup>th</sup> Floor  
Minneapolis, MN 55401

and

Clint Butterfield  
Public Works Superintendent  
City of Kasota Electric Department  
200 N. Webster Street  
Kasota, MN 56050

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

Sincerely,

/s/ DALE V. LUSTI  
Financial Analyst

DVL/jl  
Attachment



## Before the Minnesota Public Utilities Commission

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

Docket No. E002, E256/SA-18-492

#### I. BACKGROUND

Northern States Power Company d/b/a Xcel Energy, is a public utility duly organized and existing under the laws of the State of Minnesota. The City of Kasota (the City), is an electric municipal utility organized and existing under the laws of the State of Minnesota. Individually each is referred to as a Party and or collectively as the Parties.

#### II. SUMMARY OF PROPOSAL

On July 20, 2018, Xcel Energy and the City of Kasota jointly filed a petition under Minnesota Statutes Sections 216B.44(b), asking the Minnesota Public Utilities Commission (Commission) for approval of two Compensation and Orderly Transfer Agreements (Petition). This joint request concerns the permanent transfers as described below.

Approval of the Parties' request would permanently transfer the Affected Area in Schedule A of the Petition from Xcel Energy to the City of Kasota, and permanently transfer the Affected Area in Schedule B of the Petition from the City to Xcel Energy.

#### III. DEPARTMENT ANALYSIS OF THE TRANSFER FROM XCEL ENERGY TO THE CITY

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

Schedule A to the Petition, is the COMPENSATION AND ORDERLY TRANSFER AGREEMENT between NORTHERN STATES POWER COMPANY and the CITY OF KASOTA ELECTRIC DEPARTMENT (the Agreement) dated June 19, 2018. Attachment 1 to the Agreement is a map and legal description that depicts the boundary of the Affected Area, known as Blue Sky Industrial Park. The legal description for the Affected Area located in Kasota, Le Seuer County, Minnesota is as follows: Block 1 and Block 2 of Blue Sky industrial Park.

*B. INTERIM SERVICE*

The Department notes that the City of Kasota is currently providing interim service to the Affected Area, with permission of Xcel Energy.

*C. CUSTOMER NOTICE*

Schedule C, Page 1 of 2 to the Petition is a customer notice letter, relating to the transfer of electric service territory from Xcel Energy to the City of Kasota that will be provided to the one customer in the Affected Area. The notice identifies the pending proceeding before the Commission regarding the process of formally updating the service area maps to reflect the City as the service provider to the Affected Area. Schedule D to the Petition is a one-page Proposed Hearing Notice.

*D. COMPENSATION*

The Department notes that the Parties have agreed no compensation is owed to Xcel Energy for the transfer of service territory.

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

**IV. DEPARTMENT ANALYSIS OF THE TRANSFER FROM THE CITY TO XCEL ENERGY**

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

Schedule B to the Petition, is the COMPENSATION AND ORDERLY TRANSFER AGREEMENT between NORTHERN STATES POWER COMPANY and the CITY OF KASOTA ELECTRIC DEPARTMENT (the Agreement) dated June 19, 2018. Attachments 1 and 2 to the Agreement represent the map and legal description that depicts the boundary of the Affected Areas. The legal description for the Affected Area of Attachment 1, is as follows: Township 110N Range 26W Section 32 of Le Sueur County. The legal description for the Affected Area of Attachment 2, is as follows: Township 110N Range 26W Section 33 of Le Sueur County.

*B. INTERIM SERVICE*

The Department notes Xcel Energy is currently providing interim service to the Territory Transfer Area, with permission of the City of Kasota.

*C. CUSTOMER NOTICE*

Schedule C, Page 2 of 2 to the Agreement is a Customer Notice Letter, relating to the transfer of electric service territory from the City of Waseca to Xcel Energy, that will be provided to the two customers in the Affected Area. The notice identifies the pending proceeding before the Commission regarding the process of formally updating the service area maps to reflect Xcel Energy as the service provider to the Affected Area. Schedule D to the Petition is a one-page Proposed Hearing Notice.

*D. COMPENSATION*

The Department notes that the Parties have agreed no compensation is owed to the City of Kasota for the transfer of service territory.

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

**IV. RECOMMENDATION**

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

/jl