

January 4, 2018

**Via Electronic Filing**

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

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***

**Docket No. G-011, G-002/C-17-802**

Dear Mr. Wolf:

On behalf of Minnesota Energy Resources Corporation (“MERC”), please find attached a copy of Exhibit H to MERC’s Complaint in the above-referenced matter. MERC previously filed portions of this exhibit as trade secret, but it has determined that the document should be filed publicly. Please do not hesitate to contact me with any questions or concerns.

Sincerely,

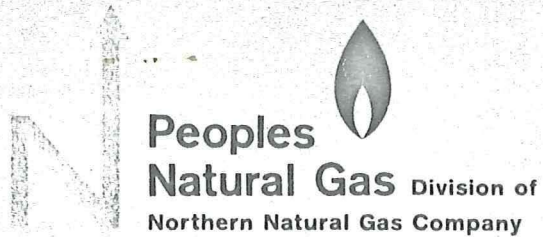
*/s/ Thomas Burman*

Thomas Burman

Enclosure



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

MEMORANDUM OF AGREEMENT

THIS AGREEMENT, made and entered into as of the 2nd day of October, 1974, by and between NORTHERN NATURAL GAS COMPANY, a Delaware Corporation, operating as PEOPLES NATURAL GAS Division, hereinafter called "Peoples" and NORTHERN STATES POWER COMPANY, a Minnesota Corporation, hereinafter called "NSP",

WITNESSETH THAT:

WHEREAS, Northern Natural Gas Company ("Northern") and NSP have entered into an agreement ("Transmission Facilities Agreement") providing for construction by Northern of a new town border station at Lake Elmo, Minnesota, and for the sale by Northern and purchase by NSP of certain of Northern's transmission facilities located in Dakota County, Minnesota; and

WHEREAS, consistent with cessation of these high pressure natural gas pipeline operations by Northern, the parties hereto desire to continue and facilitate the economic and efficient rendition of natural gas service to customers in Inver Grove Heights, South St. Paul, and Eagan, Dakota County, Minnesota; and

WHEREAS, in order to accomplish this desired and necessary economic and efficient operation, the parties agree to sell and transfer under the further conditions and contingencies stated herein, certain distribution properties located in Dakota County, Minnesota and described below, and NSP further agrees to transport gas to certain customers of Peoples,



NOW, THEREFORE, in consideration of the premises, covenants and agreements hereinafter set forth, it is mutually agreed by and between the parties hereto as follows:

1. Peoples agrees to transfer to NSP all of Peoples' small volume mainline direct and farm tap customer distribution facilities and contracts for retail service, except those in Eagan Township, Minnesota, supplied by the pipelines which are being sold and transferred by Northern to NSP as set forth in Paragraph 3 of the above referred to Transmission Facilities Agreement between Northern and NSP. Said pipelines, more fully described in Exhibit A attached hereto and by this reference made a part hereof, include the following: MB 89801, MB 81101, MB 81301, MB 82701, MM 80401, MB 59901, MM 80802, that portion of MM 80801 located North of the Eagan-Mendota Heights Township line, and that portion of MM 80301 located North of Northern's Inver Grove TBS 9 and 15, which are located near Mile Post 1.64 North of the Rosemount Junction. It is further agreed by and between the parties that Peoples shall provide NSP, prior to the closing date, a complete list of all the small volume mainline direct and farm tap customer contracts to be transferred. Northern warrants that there are no restrictions in easements, permits, contracts or correspondence, written or oral, with these customers that will adversely effect the orderly transfer of these customers or future service to these customers by NSP.

2. Furthermore, Peoples agrees to sell and NSP agrees to purchase, Peoples' distribution property (comprising all mains, service lines, odorizers, meters, meter installations, regulators, regulator installations, and all

other appurtenant equipment) in Inver Grove Heights, Dakota County, Minnesota, and the main extension downstream of the Swift and Company delivery point, including the two service lines delivering natural gas to Dakota County Vocational School and Metro Lumber Company, all in South St. Paul, Dakota County, Minnesota. It is agreed that Peoples will retain and continue sales to Cenex Company (formerly called Farmers Union Central Exchange), and to Mr. Ed Jesse, 117th Street Court House Blvd., Inver Grove Heights, Minnesota utilizing facilities not to be sold to NSP. Peoples also agrees to transfer and assign to NSP any and all easements, licenses, permits, and rights-of-way necessary to accomplish the sale to and operation of the above mentioned distribution facilities by NSP. It is further agreed that the sale and transfer mentioned above contemplates no transfer of pipeline contract demand, seasonal service demand, or winter period service.

3. It is agreed by and between the parties that Peoples will continue to serve, and will own the measuring equipment necessary for service to, the following customers: Armour and Company, Swift and Company, Ford Motor Company, BTU Mix Company, and Inver Hills Junior College. NSP will transport the natural gas for Peoples, pursuant to a transportation agreement to be executed by the parties, which will be needed to serve the above-mentioned customers except that volume delivered to Ford Motor Company which is provided for under a separate transportation agreement.

4. NSP agrees to sell and transfer to Peoples that portion of NSP's distribution system (together with all mains, service lines, odorizers,

meters, meter installations, regulators, regulator installations, and all other necessary appurtenances) in Eagan Township, Dakota County, Minnesota served through St. Paul TBS #5. In the event that any regulatory authority or public body with jurisdiction over this transaction objects to or refuses to grant authority for service to Eagan by Peoples, NSP shall pay Peoples, at the closing, the sum of \$94,938, which amount is over and above the consideration to be paid by NSP as set forth below. NSP further agrees to transfer and assign to Peoples any and all easements, licenses, permits and right-of-way necessary to accomplish the sale to and operation of the above-mentioned distribution facilities by Peoples. It is further agreed that the sale and transfer mentioned above contemplates no transfer of pipeline contract demand, seasonal service demand, or winter period service. In addition, NSP warrants that there are no restrictions in easements, permits, contract, or correspondence, written or oral, with the customers in Eagan Township that will adversely effect the orderly transfer of these customers or future service to these customers by Peoples.

5. Northern having paid, or accrued for, ad valorem taxes applicable to the Inver Grove Heights, Minnesota facilities, and the South St. Paul, Minnesota facilities (described in Paragraph 2 above), to the closing date, shall pay all such taxes levied and assessed for the year 1973, payable in 1974, (and for the year 1974, payable in 1975, if the closing occurs in 1975), and for the portion of 1974 prorated up to and until the closing date, payable in 1975, (or for the portion of 1975, payable in 1976, if the closing occurs in 1975). NSP shall be responsible for and pay that portion of 1974 or 1975 ad valorem taxes, applicable to the Inver Grove Heights, Minnesota facilities



and the South St. Paul, Minnesota facilities, prorated forward from the closing date, and any and all taxes applicable to the Inver Grove Heights, Minnesota facilities and the South St. Paul, Minnesota facilities in subsequent years. In reference to the transfer of the Eagan Township facilities by NSP to Peoples as provided in Paragraph 4 above, each party's pro rata share of the ad valorem taxes for said Eagan Township facilities shall be computed in the same manner as provided above.

6. The consideration to be paid by NSP, at the time of the closing, for the conveyances of distribution facilities contemplated by this Agreement and the Transmission Facilities Agreement shall be \$614,000, said sum being exclusive of the \$94,938, as provided in Paragraph 4 above.

7. The procedures for the final billing of the party's customers, the final reading of meters, the proration of revenues between the parties, the revenue cut-off date, the method of treating any and all customer accounts receivable for both customer gas service and merchandise sales, and the treatment of customer deposits shall be mutually agreed upon in writing by the parties prior to the closing date.

8. The closing of the sale and transfer of the facilities described in Paragraphs 2 and 4 above shall be at a time mutually agreed to by the parties which is anticipated to be on or before December 27, 1974. The remainder of this transaction is contingent on and shall be closed at the same time as the Transmission Facilities Agreement. The place of closing shall be NSP's offices in Saint Paul, Minnesota.



9. At the time of closing the parties' responsibilities shall be as follows:

A. In exchange for NSP's check in the amount of \$614,000, as hereinabove provided, Peoples shall at the time of closing:

1. Deliver to NSP (in form satisfactory to NSP's attorney) a bill of sale and all proper assignments, conveyances and other documents of transfer appropriate to the sale herein provided for, sufficient to vest clear title to all properties transferred or sold herein, in NSP, all properly executed and in recordable form where appropriate.
2. Deliver to NSP all files, records, documents, or other such material possessed by Peoples and relating to all properties transferred or sold herein and operations thereof.
3. Deliver possession of the Property to NSP.

B. NSP shall, at the closing:

1. Tender a check payable to Northern Natural Gas Company in the amount of \$614,000 as hereinabove provided.
2. Deliver to Peoples (in form satisfactory to Peoples' attorney) a bill of sale and all proper assignments, conveyances and other documents of transfer appropriate to the sale herein provided for, sufficient to

vest clear title to the Eagan, Minnesota Property in Peoples, all properly executed and in recordable form where appropriate, except that NSP's release from its trust indenture with Harris Trust and Savings Bank shall be delivered within ninety (90) days.

3. Deliver to Peoples all files, records, documents or other such material possessed by NSP and relating to the Eagan, Minnesota Property and operations thereof.
4. Deliver possession of the Property to Peoples.

10. This Agreement is subject to the authority of all regulatory bodies having jurisdiction over this transaction.

11. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of both parties hereto.

NORTHERN STATES POWER COMPANY

NORTHERN NATURAL GAS COMPANY  
Operating as PEOPLES NATURAL GAS  
Division

By

*[Signature]*  
Vice-President Gas Utility

By

*[Signature]*  
Vice-President

Attest:

*[Signature]*

Attest:

*[Signature]*  
Assistant Secretary

**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*

MPUC Docket No. G-011, G-002/C-17-802

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of **Exhibit H [public version]** to **Minnesota Energy Resources Corporation's Complaint** was served on this day by e-filing/e-serving to the following:

NAME	EMAIL	SERVICE
Generic/Commerce Attorneys	<a href="mailto:Commerce.attorneys@ag.state.mn.us">Commerce.attorneys@ag.state.mn.us</a>	Electronic
Lester Bagley	<a href="mailto:bagleyl@vikings.nfl.net">bagleyl@vikings.nfl.net</a>	Electronic
Thomas Burman	<a href="mailto:Thomas.burman@stinson.com">Thomas.burman@stinson.com</a>	Electronic
Carl Cronin	<a href="mailto:Regulatory.records@xcelenergy.com">Regulatory.records@xcelenergy.com</a>	Electronic
Ian Dobson	<a href="mailto:Residential.Utilities@ag.state.mn.us">Residential.Utilities@ag.state.mn.us</a>	Electronic
Sharon Ferguson	<a href="mailto:sharon.gerguson@state.mn.us">sharon.gerguson@state.mn.us</a>	Electronic
Stacy Kotch	<a href="mailto:Stacy.Kotch@state.mn.us">Stacy.Kotch@state.mn.us</a>	Electronic
Allen Krug	<a href="mailto:allen.krug@xcelenergy.com">allen.krug@xcelenergy.com</a>	Electronic
Amber Lee	<a href="mailto:ASLee@minnesotaenergyresources.com">ASLee@minnesotaenergyresources.com</a>	Electronic
Russ Matthys	<a href="mailto:matthys@cityofeagan.com">matthys@cityofeagan.com</a>	Electronic
Brian Meloy	<a href="mailto:brian.meloy@stinson.com">brian.meloy@stinson.com</a>	Electronic
Matt Smith	<a href="mailto:countyadmin@co.dakota.mn.us">countyadmin@co.dakota.mn.us</a>	Electronic
Scott M. Wilensky	<a href="mailto:scott.wilensky@xcelenergy.com">scott.wilensky@xcelenergy.com</a>	Electronic
Daniel P. Wolf	<a href="mailto:dan.wolf@state.mn.us">dan.wolf@state.mn.us</a>	Electronic

Dated this 4th day of January, 2018

*/s/ Susan A. Hartinger*  
Susan A. Hartinger