

July 27, 2016

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

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**  
Docket No. E002, 111/SA-16-546

Dear Mr. Wolf:

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

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

The petition was filed on June 28, 2016 by:

Bria E. Shea, Regulatory Manager  
Xcel Energy Services Inc.  
414 Nicollet Mall, 401 – 7<sup>th</sup> Floor  
Minneapolis, MN 55401

The Department recommends that the Minnesota Public Utilities Commission (Commission) approve the requested service territory transfer. The Commission's maps should be updated by MnGeo to reflect the service area designations as shown on the maps in the Agreement. The Department is available to answer any questions the Commission may have.

Sincerely,

/s/ DALE V. LUSTI  
Financial Analyst

DVL/ja  
Attachment

**BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

**COMMENTS OF THE  
MINNESOTA DEPARTMENT OF COMMERCE  
DIVISION OF ENERGY RESOURCES**

**DOCKET No. E002, 111/SA-16-546**

**I. BACKGROUND**

Northern States Power (Xcel Energy) is a Minnesota corporation and a public utility under Minn. Stat. 216B.02, subd. 4. Dakota Electric Association (the Cooperative) is an electric distribution cooperative formed pursuant to the provisions of Minn. Stat. Chapter 308A. The parties, Xcel Energy and the Cooperative have negotiated and executed a mutual agreement of the assignment of specific portions of each utility's respective electric service territory.

**II. SUMMARY OF PROPOSAL**

On June 28, 2016, Xcel Energy and the Cooperative jointly filed a request (Petition) that the Commission approve their Compensation and Orderly Transfer Agreement (Agreement). The Parties' Agreement is attached to the Petition as Schedule A. The Agreement will transfer the service territory for three parcels in Dakota County between Xcel Energy and the Cooperative (one to Xcel Energy and two to the Cooperative).

The Cooperative will transfer to Xcel Energy 1 parcel of land having an address of 3330 225<sup>th</sup> Street West, Farmington, Minnesota and located in the southeast quadrant of Trunk Highway 3 and 225<sup>th</sup> Street East and legally described as follows:

That part of the West  $\frac{3}{4}$  of the Southwest  $\frac{1}{4}$  of Section 5, Township 113, Range 19, Dakota County MN lying northerly of a line commencing in the Southwest corner, North on the West line 1420.63 feet to beginning of line, southeasterly to point on the East line of the West  $\frac{3}{4}$  of the Southwest  $\frac{1}{4}$ , 1067.31 feet north of Southeast corner and there terminating, except a 100 foot strip adjacent to and northerly of above described line, and except the North 158.0 feet of the West 667.95 feet, and

except the East 690.00 feet thereof (Dakota County Parcel ID 07-00500-53-010), containing approximately 34.94 acres,

The property is currently in the Cooperative's service territory. See Petition Schedule A, pages 9-10.

Xcel Energy will transfer to the Cooperative 2 parcels of land, both of which parcels are located in Farmington, Minnesota, but do not have designated street addresses and are located in the northeast quadrant of County Road 31 (Pilot Knob Road) and 208<sup>th</sup> Street West, and which are legally described as follows:

The Southerly 283.00 feet of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 25, Township 114, Range 20, Dakota County, MN (Part of Dakota County Parcel ID 14-48700-00-070)

and

The Southwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 25, Township 114, Range 20, Dakota County, MN, except the Southerly 553.33 feet thereof (Part of Dakota County Parcel ID 14-02500-57-011), the combined parcels containing approximately 31.70 total acre.

The property is currently in Xcel's service territory. See Petition Schedule A, Attachments 2 and 3.

### III. DEPARTMENT ANALYSIS

#### A. ASSIGNED SERVICE AREA

Minnesota Statutes section 216B.39, subd. (3) states:

... the commission may on its own or at the request of an electric utility make changes in the boundaries of the assigned service areas, but only after notice and hearing as provided for in sections 216B.17 and 216B.18.

According to the Petition, all three parcels that are the subject of this filing are currently undeveloped and there are no existing customers affected. Also, according to the Petition, the proposed service territory transfer is permanent.

**B.      *COMPENSATION***

According to the Agreement, the parties agreed that no compensation is due to either Party for the exchange of Service Areas.

Thus, the Department agrees that the Parties' request is reasonable.

**IV.     RECOMMENDATION**

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

/ja