

April 4, 2022

Will Seuffert  
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, 257/SA-22-129

Dear Mr. Seuffert:

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

The Joint Petition for Approval of Two Compensation and Orderly Transfer Agreements Between Northern States Power Company d/b/a Xcel Energy, and the City of Kasson.

The petition was filed March 16, 2022 by:

Bridget Dockter  
Manager, Policy & Outreach  
Xcel Energy  
414 Nicollet Mall, 401 – 7<sup>th</sup> Floor  
Minneapolis, MN 55401

The Department recommends that the Minnesota Public Utilities Commission (Commission) **approve the two proposed service territory transfer agreements between Xcel Energy and the City of Kasson** and is available to answer any questions the Commission may have.

Sincerely,

/s/ Felicia Cullen  
Financial Analyst

FMC/ar  
Attachment



## Before the Minnesota Public Utilities Commission

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

Docket No. E002, E257/SA-22-129

#### I. BACKGROUND

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

#### II. SUMMARY OF PROPOSAL

On March 16, 2022, Xcel Energy and the Municipal jointly filed a petition under Minnesota Statutes §§216B.39 and 316B.44, asking the Minnesota Public Utilities Commission (Commission) to approve two Compensation and Orderly Transfer Agreements between the Company and the Municipal. The Agreements permanently transfer 108.63 acres of service territory from Xcel Energy to the City of Kasson in Dodge County.

#### III. DEPARTMENT ANALYSIS

The 108.63 acres of service territory the Company and City of Kasson are proposing to transfer are located in Dodge County. Schedules A through B of the Petition include two Compensation and Orderly Transfer Agreements (COTA) between Northern States Power Company and Municipal.

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

Schedule A to the Petition includes the COTA, maps, and the legal description of the two parcel numbers located in Township 107 Range 16 Section 340, that are currently in Xcel's service territory and will be transferred to the City of Kasson upon Commission approval of this Petition. The legal description is as follows:

1. Parcel Number 240340700 (39.90 acres) located in Township 107 Range 16 Section 34 in Dodge County, Minnesota.<sup>1</sup>
2. Parcel Number 240340701 (17.17 acres) located in Township 107 Range 16 Section 34 in Dodge County, Minnesota.<sup>2</sup>

<sup>1</sup> The specific legal description of the first parcel is: Section 34 Township 107 Range 016 39.90 AC BEG NWCOR NW ¼ S 508.02 FT E 1107.56 FT S 995.91 FT NE 1537.49 FT N1211.88 FT W2636.38 FT TO PT OF BEG EX PART OF BLAINES 12 SUBDIVISION.

<sup>2</sup> The legal description of the second parcel is: Section 34 Township 107 Range 016 17.17 AC COMM NVWCOR NW ¼ TH S01°07'04" E508.02FT, N88°52'56" E1107.56 FT, S01°07'04" E995.91 FT, FOR POB TH 79°17'00" E1537.49 FT, S00°31'17" E489.91 FT TO THE NORTH RIGHT OF WAY LINE.

**B. TRANSFER OF THE SECOND AFFECTED AREA FROM XCEL ENERGY TO THE CITY OF KASSON**

Schedule B to the Petition includes a second COTA, maps, and the legal description of the 38 residential lots in the Komet Acres Subdivision located in Dodge County, Minnesota, that are currently in Xcel Energy's service territory and will be transferred to the City of Kasson upon Commission approval of this Petition. The legal description is as follows:

1. Parcel number 130270103 (51.56 acres) located in Section 27 Township 107 Range 016 in Dodge County, MN.<sup>3</sup>

**C. CUSTOMER NOTICE**

In the two COTAs, the Parties stated there were no existing customers affected by the service area changes as of December 1, 2021.

Schedule C, Page 1 of 2 to the Petition is a one-page informational Customer Notice Letter, informing any potential customers that their lots are located in Xcel Energy's assigned service territory. To allow the Municipal to provide electric service to their lots, the Parties filed a Compensation and Orderly Transfer Agreement with the Commission. The notice also identifies the pending proceeding before the Commission regarding the process of formally updating the service area maps to reflect the City of Kasson 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 agreed in writing on appropriate compensation regarding the proposed permanent transfer of service rights in the Transfer Areas.

Thus, the Department agrees that the Parties' request to establish the Affected Areas as part of the Municipal's service area is consistent with Minn. Stat. § 216B.44.

**IV. RECOMMENDATION**

The Department recommends the Commission approve the permanent service territory transfers from the Xcel Energy to the City of Kasson. MnGeo should update the Commission's maps to reflect the service area designations as shown on the maps in the Petition.

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<sup>3</sup> The legal description of the third parcel is: Section 27 Township 107 Range 016 51.56 AC THE E 1/2 NE 1/4 EXCEPT COMM NE COR NE 1/4 W 302.5 FT TO POINT OF BEG SW 1373.21 FT, NW 793.21 FT, N 1250 FT, E 1007 FT TO BEGINNING ALSO EXCEPTING