

November 16, 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. E002,228/SA-18-646

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, doing business as Xcel Energy, and Delano Municipal Utilities for Approval of a Service Territory Transfer as reflected in the Compensation and Orderly Transfer Agreement.

The Petition was jointly filed October 18, 2018 by:

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

And

Paul Twite  
General Manager  
Delano Municipal Utilities  
11 Bridge Ave. W., P.O. Box 65  
Delano, MN 55328

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The Department recommends that the Minnesota Public Utilities Commission (Commission) **approve** the permanent service territory transfer from Northern States Power Company d/b/a Xcel Energy to Delano Municipal Utilities, and is available to answer any questions the Commission may have.

Sincerely,

/s/ DANIEL W. BECKETT  
Rates Analyst

DWB/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. E002,228/SA-18-646

#### I. BACKGROUND

Delano Municipal Utilities is an electric municipal utility organized and existing under the laws of the State of Minnesota. Northern States Power Company, d/b/a as Xcel Energy, is a public utility organized and existing under the laws of the State of Minnesota. The parties have a mutual agreement to modify the border between their exclusive service territories.

#### I. SUMMARY OF PROPOSAL

On October 18, 2018, Delano Municipal Utilities (the Municipal) and Northern States Power Company d/b/a Xcel Energy (the Company or Xcel), collectively the Parties, jointly filed a petition under Minnesota Statutes Sections 216B.39 and 216B.40, asking the Minnesota Public Utilities Commission (Commission) to modify the Parties' service territory boundaries. This joint request concerns the permanent transfer of an area (Affected Area) recently annexed into the city limits of the Municipal. A legal description of the Affected Area is provided below.

Approval of the Parties' request would permanently transfer the Affected Area from the Company to the Municipal.

#### II. DEPARTMENT ANALYSIS

##### A. *TRANSFER OF THE AFFECTED AREA FROM THE COMPANY TO THE MUNICIPAL*

Exhibit A to the Petition is a map that depicts the boundaries of the Transfer Area. The City Council of Delano passed an ordinance to annex a portion of Xcel's service territory within the City's corporate boundaries known as Delano West Metro Business Park First Addition. The area is 23.399 acres and consists of the following legal description:

Delano West Metro Business Park First Addition:

That part of Outlot C and Lot 1, Block 2, and McKinley Parkway, Delano West Metro Business Park First Addition, Wright County, Minnesota, according to the

recorded plat thereof, lying westerly of the east line of the West Half of the Southeast Quarter of Section 3, Township 118, Range 25, Wright County, Minnesota and northerly of the easterly extension of the southerly line of Lot 1, Block 2.

**B. CUSTOMER NOTICE**

The Department notes that, as the transfer of the Affected Area consists of a newly annexed parcel that does not currently have any customers, there was no formal customer notice sent.

**C. COMPENSATION**

The Department notes that the Parties have agreed on appropriate compensation.

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

**III. RECOMMENDATION**

The Department recommends that the Commission approve the requested service territory transfer from Northern States Power Company d/b/a Xcel Energy to Delano Municipal Utilities. MnGEO<sup>1</sup> should update the Commission's maps to reflect the service area designations as shown on the map in the Petition.

/jl

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<sup>1</sup> The Department notes that the contact at MnGEO for service territory map updates is Shana Neumann, whose email is shana.neumann@state.mn.us.