

January 12, 2017

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

**RE: Supplemental Comments of the Minnesota Department of Commerce, Division of
Energy Resources**
Docket No. E257, E002/SA-16-287

Dear Mr. Wolf:

This supplemental comment letter by the Minnesota Department of Commerce, Division of Energy Resources (the Department or DOC) addresses the following matter:

The Joint Request of the Kasson Public Utilities, City of Kasson (Kasson) and Northern States Power Company (d/b/a Xcel Energy) for approval to terminate a Service Exception Agreement.

The initial petition was filed on April 4, 2016 and modified and clarified on July 1, 2016 and October 20, 2016, respectively.

On August 1, 2016 the Department filed its initial *Comments* in this proceeding.

On August 18, 2016 the Department was notified by the Petitioner that the Department's August 1, 2016 *Comments*, following a description from Page 2 of Xcel's modified filing of July 1, 2016, incorrectly identified the location of Kasson's waste water treatment plant as being in Goodhue County, when in fact it is located in Dodge County.

On August 22, 2016 the Department filed *Revised Comments* confirming that the legal description as shown on Exhibit A to the Agreement, which is also Exhibit 3, Page 6 of 7 of the July 1, 2016 filing, does in fact reference Dodge County as the location of the waste water treatment plant parcel.

On October 20, 2016 the Parties filed a clarification that the requested action from the Commission in this docket be limited to the termination of the service-by-exception for the waste water treatment plant.

In response, the Department modifies its recommendation. The Department now recommends that the Minnesota Public Utilities Commission (Commission) approve the Parties' request that (1) Xcel Energy's unapproved service by exception to the Kasson waste water treatment plant be terminated; (2) Kasson provide service to the Kasson waste water

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treatment plant in its own assigned service territory; and (3) the Compensation Agreement be approved.

The Department notes it is not necessary for MnGeo to update the Commission's maps to reflect termination of a service-by-exception agreement that was never recorded on the maps.

Sincerely,

/s/ DALE V. LUSTI
Financial Analyst

DVL/ja

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce
Supplemental Comments**

Docket No. E257,E002/SA-16-287

Dated this 12th day of January 2017

/s/Sharon Ferguson

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