

414 Nicollet Mall Minneapolis, MN 55401

November 29, 2017

PUBLIC DOCUMENT NOT-PUBLIC OR PRIVILEGED INFORMATION HAS BEEN EXCISED

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

-Via Electronic Filing-

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. G011, G002/C-17-802

Dear Mr. Wolf:

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission the enclosed Response to the Minnesota Energy Resources Corporation's Formal Complaint and Petition filed November 9, 2017 in the abovereferenced matter.

Attachment B to this filing is marked as "Not-Public" because it includes information considered to be trade secret data as defined by Minn. Stat. § 13.37(1)(b). This information includes confidential service and cost terms having independent economic value from not being generally known to and not being readily ascertainable by other parties who could obtain economic value from its disclosure or use. The disclosure of this information could adversely impact the Company and its customers by giving competitors specific information about the costs to extend service on our system. The Company undertakes efforts to keep this type of information confidential. The Company also considers this to be confidential customer information, recognized by the Minnesota Data Practices Act. Thus, Xcel Energy maintains it as a trade secret pursuant to Minn. Rule 7829.0500

We have electronically filed this document with the Minnesota Public Utilities Commission, and copies have been served on the parties on the attached service list.

Please contact me at (612) 215-5331 or <u>Amanda.Rome@xcelenergy.com</u> with questions.

Sincerely,

/s/

Amanda J. Rome Lead Assistant General Counsel

Enclosures cc: Service List

STATE OF MINNESOTA BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Nancy Lange Dan Lipschultz Matthew Schuerger Katie J. Sieben John A. Tuma Chair Commissioner Commissioner Commissioner

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. G011, G002/C-17-802

RESPONSE TO COMPLAINT

INTRODUCTION

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission (Commission) this Response to a formal complaint filed by Minnesota Energy Resources Corporation (MERC) on November 9, 2017.

This complaint is not materially different from the one MERC filed against Xcel Energy in April 2017 related to new Minnesota Vikings corporate headquarters. The facts are similar: (1) the customer at issue considered MERC but ultimately chose Xcel Energy as its natural gas provider of choice; (2) Xcel Energy offered the customer a promotional incentive consistent with its tariff and industry practice in Minnesota (though significantly smaller than the one offered to the Vikings); (3) the customer will pay the Company's tariffed rate for service and will not receive any discount to that rate; and (4) the new development will be located in Eagan adjacent to the new Vikings facility.

MERC's arguments are also nearly identical to its last complaint. First, MERC argues (again) that the use of promotional incentives violates Minnesota law and the filedrate doctrine. By doing so, MERC ignores both the Commission's July 12, 2017 Order dismissing its earlier complaint on the same grounds and MERC's own promotional activities, which are different only in form from incentives offered by Xcel Energy. MERC is also trying to short-circuit the ongoing generic gas docket by asking the Commission to prohibit Xcel Energy's use of promotional incentives

retroactively despite comments in that docket showing that a majority of utilities use such incentives to attract new customers. Indeed, those comments demonstrate that Xcel Energy is operating squarely within longstanding rules and practices that favor competition and customer choice. Second, MERC argues (again) that respecting customer choice will result in unnecessary duplication of facilities and increased costs to MERC's customers. This argument has even less force than it did in the Vikings dispute, however, because MERC has invested substantially less money to serve the development. Moreover, the Commission has consistently held that such impacts are better addressed in rate cases rather than formal complaints, and it reaffirmed this holding in its July 12, 2017 Order.

Despite all of this, MERC is hoping for a different result in this docket. But the Commission—having been given no reason to depart from its prior decisions should dismiss MERC's present complaint for exactly the same reasons it dismissed MERC's prior complaint. Gas utilities have long competed for new customers, and Commission precedent has consistently upheld that practice and supported customer choice. To the extent the Commission wants to depart from these longstanding practices, it should do so on a going-forward basis after careful consideration and input from all affected gas utilities. That is exactly the purpose of the generic gas docket that is presently ongoing, and MERC should not be allowed to disrupt that process by means of the Commission once again uphold its practice of supporting customer choice and that it dismiss MERC's complaint without further investigation.

PROCEDURAL POSTURE

Minn. Stat. § 216B.17 provides that upon receiving a complaint, the Commission "shall proceed, with notice, to make such investigation as it may deem necessary." The statute gives the Commission significant discretion when it comes to the procedure for handling a complaint and explicitly provides that "[t]he commission may dismiss any complaint *without hearing* if in its opinion a hearing is not in the public interest." *Id.* (emphasis added).

To that end, the Commission's rules contemplate a threshold review of formal complaints whereby the Commission determines the following:¹

- Whether it has jurisdiction over the complaint;
- Whether there are reasonable grounds to investigate the allegation.

¹ Minn. R. 7829.1800.

If the answer to either question is "no"—the Commission's rules provide that it "shall" dismiss the complaint without further investigation.²

We acknowledge that the Commission has jurisdiction over this complaint. As discussed below, however, we believe that MERC's complaint fails to raise any grounds meriting further investigation and that, as a result, it should be summarily dismissed.

FACTUAL BACKGROUND

Prime Therapeutics intends to locate its new headquarters at a site named Boulder Lakes in Eagan, Minnesota. Boulder Lakes is south of Interstate 494 and east of Dodd Road in Eagan. This location is adjacent to the new Minnesota Vikings corporate headquarters in the northeast corner of Eagan, and very close to Eagan's boundary with Mendota Heights, Sunfish Lake, and Inver Grove Heights. Prime Therapeutics' headquarters are being developed by United Properties (United), which broke ground on the project in early June 2017. The first phase of the project is expected to be completed in late 2018.

Xcel Energy will provide electric service to the United development. In late June 2017, the Company reached out to United to determine if their facilities would also require natural gas service, and United responded to the Company with an explanation of its natural gas requirements in July 2017. After determining that we had the capacity to serve the load, the Company began evaluating possible extensions that would enable the service and whether such extensions would be cost justified under our tariff. As shown in the map below, we currently provide natural gas service to the municipalities of Mendota Heights, Sunfish Lake, Inver Grove Heights, as well as the new Vikings Practice Facilities. As a result, we concluded that there were at least three ways to extend service to United. Specifically, we could:

- Build a main from the intersection of Ames Crossing and Vikings Parkway, south down Ames Crossing and east in to the Boulder Lakes area;
- Build a main from the intersection of Lone Oak Road and the municipal boundary between Eagan and Inver Grove Heights west on Lone Oak Road, north on Ames Crossing and east into the Boulder Lakes area; or
- Build a main from the existing mains off of Argenta Trail in Inver Grove Heights west into the back of the Boulder Lakes area.

² Id.



In summer 2017, we provided United a natural gas rate comparison, which showed that it could save approximately \$12,500 per year under the Company's Large Demand Billed Service Tariff (Rate Code 103) as compared to the firm commercial service rates offered in MERC's Tariff. The Company also offered United a \$25,000 promotional incentive pursuant to the terms of its tariffed Natural Gas Competitive Agreement, with \$12,500 paid to United when the agreement was signed, and the remaining \$12,500 paid once 100,000 therms is consumed by the office development.

United selected the Company as its natural gas service provider and signed the Natural Gas Competitive Agreement on August 17, 2017. The Company filed the executed Natural Gas Competitive Agreement with the Commission the following day, August 18, 2017.³ Under that agreement, United will take service under the Company's tariffed rates and will *not* receive a discount to the Company's tariffed rates. The promotional incentive offered to United will be paid by the Company's

³ Docket No. G999/CI-17-499. The agreement is also attached to MERC's complaint as Exhibit A.

shareholders, and the Company will never seek to recover any portion of the promotional incentive in rates.⁴

Shortly after the agreement was signed, on August 23, 2017, the Company applied for a permit from the City of Eagan to install a natural gas distribution line south down Ames Crossing and east in to the Boulder Lakes area (the first option identified above). On September 22, 2017, Eagan administratively denied the permit, and the Company appealed the decision. At the administrative hearing on October 31, 2017, the Company testified that it had revised its plans and now intended to include the natural gas distribution line down Ames Crossing in a looping connection to other natural gas lines owned by the Company, which differed from its initial permit application.⁵ An Eagan representative then testified at the hearing that a looping plan might change his opinion as to one of the factors that led a denial of the initial permit.⁶

On November 3, 2017, a hearing officer concluded that "the City failed to establish a factual basis to support denial on grounds of protecting public health, safety and welfare, or its current use."⁷ The hearing officer recommended

the City Council table the appeal of Xcel and refer the matter to the Public Works Director to allow: (1) Xcel to submit information for its current looping plans for the proposed gas line to connect to its other lines in the area; (2) the Public Works Director to prepare an estimate for reasonably anticipated use of the Ames Crossing Road right-of-way for other utilities due to increased development in the surrounding area; and (3) the Public Works Director to re-evaluate the denial of the Permit based upon this additional information.⁸

The City did so, and the Company submitted a new right-of-way permit on November 7, 2017, to loop its gas system (*i.e.*, connect the existing gas main on Vikings Parkway to the existing gas main on Lone Oak Road) in addition to building the infrastructure necessary to serve United. The permit was granted on November

⁴ In the Commission's generic docket on inter-gas utility competition and promotional incentives, Docket No. G999/CI-17-499, the Company, CenterPoint Energy, and Greater Minnesota Gas all explained that they offer promotional incentives to customers in certain situations. Only MERC and Great Plains Natural Gas Company, who provides service to approximately 23,000 customers in the north central part of the state, do not.

⁵ See MERC's Complaint, Exhibit E, §§ II.8 & III.2.c.

⁶ *Id.* at § III.2.c.

⁷ MERC's Complaint, Exhibit E, pages 4-5.

⁸ Id. at pages 6-7.

13, 2017,⁹ and the Company commenced construction on November 20, 2017. The Company estimates that the work will be completed by December 22, 2017.

While the United Development could have been served by any one of the three options above, looping a connection between the existing mains on Vikings Parkway and Lone Oak Road will lead to greater reliability in the area. Even when the work to loop the system is factored in, the entire project is cost justified under the Company's tariff, and no contribution in aid of construction (CIAC) is required from the customer. The Company's cost justification analysis is provided as Attachment B to this filing. That said, the Company has not waived any CIAC that may need to be collected if unusual or unanticipated conditions emerge during the course of construction. In that case, United could elect to pay a CIAC or draw from the shareholder-funded Promotional Incentive described in the Natural Gas Competitive Agreement, which would then be reduced.

ARGUMENT

The Commission has consistently demonstrated a commitment to respecting customer choice in the provision of natural gas service. It reaffirmed that commitment just a few months ago in its July 12, 2017 Order denying MERC's previous complaint against Xcel Energy in connection with the development of a new Minnesota Vikings complex in Eagan. Notwithstanding this precedent, MERC once again asks the Commission to disregard a customer's choice of Xcel Energy as its preferred natural gas provider. Yet MERC largely rehashes the same arguments it raised in the previous complaint docket, which the Commission fully considered and rejected. Nothing has changed to make those arguments any more persuasive or tenable here, and nothing raised in MERC's complaint merits further investigation or a contested case before the complaint can be dismissed.

Below, we first respond to MERC's arguments related to promotional incentives and then turn to its arguments concerning competition and duplication more generally. Lastly, we address MERC's request for a contested case.

I. Promotional Incentives

As before, MERC argues that the Company's Natural Gas Competitive Agreement and its optional promotional incentive violates Minnesota law, as well as the filed rate doctrine. These arguments were fully litigated and resolved in the earlier complaint docket. Indeed, the Department agreed that our promotional incentive in that case was consistent with our tariff and Minnesota law, and the Commission dismissed

⁹ The permit from the City is provided as Attachment A to this filing.

MERC's complaint in its entirety. And while the Commission decides competitionrelated complaints on a case-by-case basis, MERC's latest complaint does not identify any new facts that would somehow change the legality of our Competitive Agreement or use of a promotional incentive in this case.

In fact, the opposite is true. As MERC points out, the promotional incentive offered by Xcel Energy to United is only \$25,000, which is less than half of the incentive at issue in the Vikings dispute.¹⁰ Moreover, consistent with the Commission's July 12 Order, the Company publicly filed the Competitive Agreement with United just one day after it was signed.¹¹ This allows not only our regulators but also our competitors the opportunity to review both the frequency and amount of such incentives, and it allows the Commission to ensure that the use of such incentives is both reasonable and appropriate.

As part of its July 12 Order dismissing MERC's prior complaint, the Commission also opened a generic docket to investigate the parameters of inter-gas utility competition and the use of promotional incentives. That docket is now underway, and the utilities made initial filings on October 31. Those filings show that a majority of the natural gas utilities in Minnesota-namely Xcel Energy, CenterPoint Energy, and Greater Minnesota Gas, Inc.-acknowledge using such incentives to attract new customers. And all three utilities confirm that they offer these incentives at the expense of shareholders rather than ratepayers. CenterPoint was the only other utility to provide information regarding the number and amount of incentives it has provided to customers,¹² but its data show that Xcel Energy and CenterPoint use incentives in a similar fashion. For example, from 2012 through October 2017, the average promotional incentive offered by Xcel Energy per residential meter was \$237 whereas CenterPoint's was \$233.13 Likewise, Xcel Energy's average promotional incentive per commercial customer was \$5,803, which is slightly less than CenterPoint's average of \$7200. Thus, MERC plainly takes a minority position when it argues that the use of such incentives violates Minnesota law.

MERC's argument is also belied by its own promotional activities. As shown in Attachment C to this filing, MERC sent an e-mail in November 2016 to Kraus-Anderson (the developer constructing the new Vikings campus) stating that it "want[ed] to explore working with the Vikings organization on co-branded sponsorship opportunities in our community, offering up to \$60,000 over the next three years." We see little material difference between this offer and Xcel Energy's (significantly smaller) \$25,000

¹⁰ MERC's Complaint at 7.

¹¹ Id.

¹² CenterPoint Comments at 3.

¹³ CenterPoint characterizes this number as a "weighted average authorized payment per lot or apartment," which we believe is roughly equivalent to "per residential meter" calculation.

promotional incentive to United. Indeed, it is hard to imagine why MERC would have quantified its proposal ("offering up to \$60,000 over the next three years") if it did not recognize that it was offering something of significant value to the Vikings in exchange for enticing them to take service from MERC. To be clear, we do not take issue with MERC's \$60,000 offer to the Vikings. MERC is competing for customers—just like Xcel Energy, CenterPoint, and Greater Minnesota Gas, all of which offer promotional incentives of one kind or another. That said, we do not believe MERC can offer such incentives and then credibly cry foul when they do not win the customer.

We expect to engage in further dialogue regarding the use of promotional incentives and inter-utility competition during the course of the generic gas docket that is presently ongoing. We believe that docket will give the Commission, Department, and other utilities ample opportunity to evaluate the current methods of competition, debate the merits of both those and alternative methods, and to draw reasoned conclusions. To the extent the Commission ultimately elects to make a change to these longstanding practices, it should do so in that generic docket based on input from all utilities. It should also make any such changes on a going-forward basis so that no utility is penalized for actions that were entirely consistent with industry practice at the relevant time. In short, we do not believe MERC should be allowed to use the formal complaint process to short-circuit the generic gas docket; nor do we believe the Commission should suspend Xcel Energy's use of promotional incentives when it is clear that a majority of natural gas utilities in Minnesota (including MERC) are using them.

II. Competition, Duplication of Facilities & Economic Impacts

MERC also rehashes a number of arguments from its prior complaint related to duplication of facilities under Minn. Stat. § 216B.01. Again, though, the particular facts of this case provide even less support for MERC's arguments in this case. Before turning to those facts and our response to MERC's specific arguments on this issue, we provide a brief background on the Commission's approach to natural gas competition in Minnesota.

A. Competition Precedent

In 1991, the Commission specifically considered the issue of customer choice in the provision of natural gas service. In *Great Plains Natural Gas Co. v. Peoples Natural Gas Co.*,¹⁴ Peoples (MERC's predecessor company), was competing with Great Plains for

¹⁴ In the Matter of the Complaint of Great Plains Natural Gas Company Against Peoples Natural Gas Company and UtiliCorp United, Inc., Docket No. G-004, -011/G-91-731, ORDER DISMISSING COMPLAINT (Dec. 20, 1991) (hereinafter Great Plains Complaint).

the opportunity to serve Minnesota Corn Processors (MCP), a long-time customer of Great Plains. MCP had decided to convert its manufacturing operations from coal to natural gas and sought expanded natural gas service for that purpose. Both Great Plains and Peoples entered into competitive negotiations with MCP, and MCP ultimately selected Peoples as its provider of choice. Great Plains filed a complaint and Peoples defended its right to serve MCP. In other words, MERC's predecessor company argued for a result that directly contradicts the relief sought by MERC's current complaint. The material distinction, of course, was that Peoples benefitted from the competitive process in 1991, whereas MERC did not prove to be competitive in either this case or the earlier Vikings dispute.

The Commission agreed with Peoples, and dismissed the complaint without opening an investigation. In its Order, the Commission explained:

[T]he complaint rests entirely on the contention that Great Plains has an exclusive right to serve this load. This contention has no basis in law or policy. <u>Minnesota does not have assigned service areas for gas utilities</u>. It does have assigned service areas for electric utilities, which suggests that the Legislature intentionally treated the two types of utilities differently. <u>Peoples, then, is free to serve this new load, in the absence of special circumstances, such as unnecessary duplication of facilities or harm to existing ratepayers, requiring Commission intervention.¹⁵</u>

The second seminal Commission Order came in 1996 and again involved MERC's predecessor company. In *Peoples Natural Gas Co. v. Northern States Power Co.*,¹⁶ Peoples—despite having defended its right to compete just five years earlier—had moved into the role of Complainant. In that case, two customers chose Northern States Power Company (NSP) as their preferred natural gas provider and Peoples—like MERC here—argued that special circumstances existed to warrant a Commission investigation.

The facts of *Peoples v. NSP* were similar to the Vikings dispute and, thus, are similar to this case as well. The customers chose NSP as its preferred service provider even though the proposed developments were contiguous to an area served by Peoples and not contiguous to areas served by NSP. There, as here, Peoples alleged that by serving the proposed developments, NSP would be unnecessarily duplicating facilities in violation of Minn. Stat. § 216B.01. And there, as here, Peoples urged the

¹⁵ *Id.* at 4 (emphasis added).

¹⁶ In the Matter of a Complaint of Peoples Natural Gas against Northern States Power Company regarding its Construction of Distribution Facilities, Docket No. G-011/C-96/1062, ORDER DISMISSING COMPLAINT (Oct. 21, 1996) (hereinafter Peoples Complaint).

Commission to find that the alleged duplication of facilities constituted a special circumstance that necessitated an investigation.

The Commission was not persuaded by Peoples' arguments. With respect to safety, the Commission found that the Minnesota Office of Pipeline Safety had addressed or would address any safety issues posed by NSP's planned facilities. Regarding economic concerns, the Commission concluded that "the proper place to analyze the economic consequences of redundant piping is in a rate case proceeding."¹⁷ Accordingly—and consistent with its 1991 decision—the Commission chose to respect the customers' choices and dismissed Peoples' Complaint without further investigation.

Finally, as already discussed at some length, MERC filed a nearly identical complaint against the Company in April 2017. In dismissing that complaint, the Commission concluded that "[w]hile MERC has incurred certain costs which it anticipated being able to offset through revenues from the development, the Commission cannot say, on this record, that this expectation outweighs the harm to the Vikings, Xcel, and Xcel ratepayers if Xcel is forced to rescind its Competitive Agreement with the Vikings and allow MERC to serve the development."¹⁸

All of these cases-both old and new-support dismissal of MERC's latest complaint.

B. Duplication and Economic Arguments

With this background in mind, we now turn to MERC's specific arguments related to competition, duplication of facilities, and economic harm.

First MERC contends that respecting United's choice of provider will result in unnecessary duplication of facilities. However, the Commission explicitly concluded in the 1996 Peoples case that these concerns belong in a rate case proceeding rather than a complaint proceeding like this one.¹⁹ The Commission reached the same conclusion in the recent Vikings dispute, dismissing MERC's complaint and stating:

The Commission clarifies that its conclusion that Xcel should be allowed to serve the Vikings' development does not rest on, or imply, any finding of prudence. The Commission makes no determination in this case as to prudency or whether or not Xcel's new facilities can be added to rate

¹⁷ *Id.* at 4.

¹⁸ Docket No. G011,002/C-17-305, July 12, 2017 Order at 6.

¹⁹ This issue was also addressed in the Commission's 1990 inquiry, and after receiving comment from all eight regulated gas utilities and initiating a study group, the Commission concluded that issues of duplication were more appropriately addressed in rate case proceedings.

base. These issues will be resolved in a future rate case. Similarly, the Commission makes no determination regarding allegedly abandoned facilities owned by MERC or any decision regarding the prudency of those investments or the recovery of the associated costs.²⁰

MERC also references safety-related concerns with duplication, but the Commission also rejected this argument as part of the Vikings dispute, stating:

Nor does the Commission find MERC's arguments about the safety of having two sets of pipeline in the same area to be compelling in this case. The Commission agrees with the Department and Xcel that, as a general matter, and certainly in this case, pipeline-safety issues are best left to the Minnesota Office of Pipeline Safety and local permitting authorities. In short, the Commission does not find any circumstance here that would justify interfering with utility competition.²¹

Next, MERC argues that "MERC and its customers will incur significant costs if Xcel is allowed to serve the United Development by duplicating MERC's facilities."²² Again, however, the Commission considered and rejected these economic harm arguments in the Vikings dispute, finding that MERC's costs and expectation of offsetting them through revenues from the development did not "outweigh the harm to the Vikings, Xcel, and Xcel's ratepayer if Xcel is forced to rescind its Competitive Agreement with the Vikings and allow MERC to serve the development."²³ And here, MERC's argument has even less force, as it has incurred only \$40,000—just a fraction of the \$140,000 it claimed in costs in its last complaint.

Finally, MERC makes several references to the Eagan permitting process, and argues that the Commission should prohibit Xcel Energy from serving the United development so as not to disrupt that process. As discussed above, however, that permitting process is now complete, and the Eagan City Council granted all permits necessary for Xcel Energy to connect the United development to its system. And contrary to certain other statements in MERC's complaint, Xcel Energy will not be boring through any wetlands or other environmentally sensitive areas in order make the connection.

For these reasons, we respectfully request that the Commission (once again) reject MERC's arguments regarding duplication and economic harm.

²⁰ Docket No. G011,002/C-17-305, July 12, 2017 Order at 6.

²¹ Id.

²² MERC Complaint at 24.

²³ Docket No. G011,002/C-17-305, July 12, 2017 Order at 6.

III. MERC's Request for a Contested Case

In the earlier Vikings dispute, MERC insisted that the Commission "grant relief on an expedited basis as Xcel has already started moving forward to supplant the service MERC currently provides."²⁴ MERC has evidently shifted strategies in filing this complaint. Now MERC asserts that there are "disputed issues of fact" that need to be resolved through a contested case proceeding, in what appears to be an attempt to run out the clock and frustrate the customer's choice of Xcel Energy.

The assertion that a contested case is necessary is somewhat puzzling given that MERC's complaint was accompanied by the sworn affidavit of a MERC employee attesting to many of the facts it alleges in its complaint, along with seven other exhibits supporting its claims. In this response, the Company has presented information similar to that requested in discovery during the previous dispute by both the Department of Commerce and the Office of the Attorney General. We hope this aids the Department and OAG's ability to perform analyses similar to that conducted in the last complaint should they wish to do so. Accordingly, we believe the Commission will have sufficient information to make a final disposition on the case, dismissing MERC complaint without the need for a contested case or further proceedings.

CONCLUSION

The Commission should reach the same conclusion in this case as it did in the Vikings case for the same reasons. Not only has MERC failed to allege any facts that would support a different result, but MERC's past practices and arguments run directly counter to the policy arguments it advances in the current complaint. Gas utilities have long competed for new customers, and Commission precedent has consistently upheld that practice and supported customer choice. MERC, not Xcel Energy, seeks a change in the status quo, and their attempts to thwart customer choice only when it benefits MERC should be rejected.

Dated: November 29, 2017

Northern States Power Company



CITY OF EAGAN Permits Office 3830 Pilot Knob Rd Eagan, MN 55122 Docket No. G011, G002/C-17-802 Response to MERC Complaint - November 29, 2017 PERMIT NO. 18478 Attachment A - Page 1 of 6

Job No: 12586987

Phone: 651.675.5641 Fax: 651.675.5694

ROWManager@cityofeagan.com

APPLICATION FOR A UTILITY WORK PERMIT WITHIN THE RIGHT OF WAY

Application to place, construct and thereafter maintain a GAS facility along or across the right of way on Road Name(#) AMES CROSSING at a point VARIES feet from (centerline or property line) nearest cross street SHANAHAN WAY in accordance with the sketch attached with this application. The project is located in the Township or City of EAGAN.

The Permit Office shall be notified at least 48 hours in advance of the actual start of work. The project must be completed by the stated completion date below or a delay penalty may apply. Prior approval and as-built prints are required if the running line has a 2' deviation from the permitted location.

Total Project Footage in the R.O.W/Easement: 4000

I. AERIAL CONSTRUCTION	□New Pole(s) □Replace Existi	ng Pole(s)
Minimum height of cable	e ft. along right of way. Minimum height of cab	le ft. crossing over right of way.
II. UNDERGROUND CONSTRUCTION	Conduit: TYes I No	Casing: □Yes ☑ No
Type: PE	Size: 6" AND 4" Depth: 3'	
METHOD OF INSTALL	ING: UNDER ROADWAYS: Boring	ALONG ROADWAYS: Boring
III. Work to start on 8/30/	/2017 and to be completed by 11/14/2017	

IV. The applicant in carrying out any and all of the work mentioned or referred to in this permit application, shall strictly conform to and agrees to be bound by the terms of the Permit, Special Provisions, Construction Specifications and regulations in applicable Codes and/or Ordinances all of which are made a part of this Permit. The applicant shall comply with the regulations of all other government agencies for the protection of the public as they apply to the work performed. The work shall be accomplished in a way that will not be detrimental to the right of way and that will safeguard the public.

V. The applicant must obtain a copy of any specifications that each city and/or County may have for this proposed work.

Dated this 13 day of November, 2017 **Xcel Energy** Company Name (owner) Bill Lynaugh (651)458-4453 Contact Name Telephone Number Address: 3000 Maxwell Avenue Newport MN 55055 Xcel Energy Bill Lynaugh Contractor Name Contact Name Address: 3000 Maxwell Avenue Newport, MN 55055 Telephone Number: (651)458-4453 Fax Number: -Xcel Energy Bill Lynaugh (651)458-4453 Applicant's Signature: Bill Lynaugh

A COPY OF THIS PERMIT IS REQUIRED TO BE ON THE JOBSITE AND IS NOT VALID UNTIL ITS APPROVED AND SIGNED.

Under this order "utility" shall mean and include all privately, publicly or cooperatively owned communication lines and facilities, any systems, lines and facilities for the distribution and transmission of electrical energy, oil, gas, water, sewer, steam and other pipe lines, railways, ditches, flumes or other structures which under the laws of this State or the ordinance(s) of the County and/or the city may be constructed, placed or maintained across or along the road right of way. Dependent upon the meaning intended in the context, "Utility" shall also mean the utility company, inclusive of any wholly owned subsidiary.

Except as otherwise permitted, construction in the road right of way shall not commence until an application for a Permit has been made and such Permit granted. The Permit sketch shall show the location of the proposed construction work with reference to centerline or right of way lines, curbs, sidewalks, and property addresses. A copy of the sketch shall be provided with the Permit.

The Owner and Contractor shall assume all liability for and save the Road Authority, its agents and employees, harmless from, any and all claims for damages, actions or causes of action arising out of the work to be done herein and the continuing uses by the applicant, including but not limited to the constructing, reconstructing, and maintaining any improvements under this permit.

The Owner or its Contractor, may be required to furnish a deposit in a form required by and in favor of the Road Authority for any expense incurred in the repairing of damage to any portion of the right of way caused by work performed under this Permit, including any out of the ordinary engineering supervision and inspection expense. In those instances where a deposit is required, the amount shall be specified by the Road Authority. If a check is furnished as a deposit, any monies remaining after paying all such expenses shall be returned to the applicant after the repairs are completed or the warranty period expires.

The Permit, as issued does not in any way imply an easement on public or private property. The Permit does not convey any property rights within the right of way to the permittee. If the road right of way covered by this Permit needs to be used or changed, the Road Authority or its assigns may remove, change, or destroy the improvements described in this permit without any obligation to the permittee or its assigns to restore the improvement or pay any damages.

It is expressly understood that this Permit is conditioned upon full restoration of the right of way to its original condition or to a satisfactory condition. It is further understood that this Permit is issued subject to the approval of other authorities having joint supervision over said right of way. The construction work shall be done in conformity with all applicable laws, regulations and codes covering said work.

In accordance with the application herein, a Utility Right of Way Permit is granted to Xcel Energy to excavate, grade, construct and obstruct the right of way of: AMES CROSSING and in the location(s) shown on the sketch which is a part of said application, or in such location(s) as may be specified in the Special Provisions. SPECIAL PROVISIONS:

Prior to removal of any existing turf, all necessary Erosion Control Devices shall be in place. Wherever topsoil and/or sod are disturbed they shall be replaced within a maximum of SEVEN days or in accordance with NPDES Permit requirements, and maintained satisfactorily for up to one year until the new turf is established. In addition, all work shall be in compliance with local, state and federal regulations.

Proper traffic control, installed and maintained in accordance with MMUTCD requirements must be present prior to starting work and throughout the duration of the project. All traffic control devices shall be removed from the right-of-way in a timely manner upon completion of the project.

Other Requirements: PERMIT IS FOR WORK ON AMES CROSSING RD. ROW AND EASEMENTS ONLY. SHANAHAN WAY IS A PRIVATE STREET.

APPROVAL: PERMIT NO. 18478

have histerian

APPROVED BY

<u>11/13/2017</u> DATE Northern States Power Company



CITY OF EAGAN Permits Office 3830 Pilot Knob Rd Eagan, MN 55122 Phone: 651.675.5641 Fax: 651.675.5694 ROWManager@cityofeagan.com

Job No: 12586987

PERMIT INVOICE

Date of Applica	ation:	11/13/2017			Please pay the following amount:	\$820.00
Applicant Nam	ne: Bill Lynaugh Payment Amount Received:				\$0.00	
Company Nam	e:	Xcel Energy			Payment Ref No:	Billed Client
Address:		3000 Maxwell Avenue Newport, MN 55055		·		Billed Client
Email:	Email: william.lynaugh@xcelenergy.com		nergy.com	Payment received by:		
Telephone:	Telephone: (651)458-4453 Fax: (651)45		(651)458-1260			

City of Eagan

CITY OF EAGAN Permits Office 3830 Pilot Knob Rd Docket No. G011, G002/C-17-802 Response to MERC Complaint - November 29, 2017 PERMIT NO. 19234 Attachment A - Page 4 of 6

Job No: 12586987-1

Eagan, MN 55122

Phone: 651.675.5641 Fax: 651.675.5694

ROWManager@cityofeagan.com

APPLICATION FOR A UTILITY WORK PERMIT WITHIN THE RIGHT OF WAY

Application to place, construct and thereafter maintain a NATURAL GAS facility along or across the right of way on Road Name(#) AMES CROSSING RD at a point VARIES feet from (centerline or property line) nearest cross street LONE OAK RD in accordance with the sketch attached with this application. The project is located in the Township or City of EAGAN.

The Permit Office shall be notified at least 48 hours in advance of the actual start of work. The project must be completed by the stated completion date below or a delay penalty may apply. Prior approval and as-built prints are required if the running line has a 2' deviation from the permitted location.

Total Project Footage in the R.O.W/Easement: 750

I. AERIAL CONSTRUCTION	□New Pole(s) □Replace Existing Pole(s)						
Minimum height of cable ft. al	ong right of way. Minimum he	ight of cable ft. crossing over right of way.					
II. UNDERGROUND CONSTRUCTION	Conduit: □Yes ☑	No Casing: □Yes ☑ No					
Type: PE Size	24" Depth	: 36"					
METHOD OF INSTALLING: UNDER ROADWAYS: Boring ALONG ROADWAYS: Boring							

III. Work to start on 11/13/2017 and to be completed by 5/31/2018

- IV. The applicant in carrying out any and all of the work mentioned or referred to in this permit application, shall strictly conform to and agrees to be bound by the terms of the Permit, Special Provisions, Construction Specifications and regulations in applicable Codes and/or Ordinances all of which are made a part of this Permit. The applicant shall comply with the regulations of all other government agencies for the protection of the public as they apply to the work performed. The work shall be accomplished in a way that will not be detrimental to the right of way and that will safeguard the public.
- V. The applicant must obtain a copy of any specifications that each city and/or County may have for this proposed work.

Dated this 13 day of November, 2017	Xcel Energy				
	Company Name (owner)				
Bill Lynaugh	<u>(651)458-4453</u>				
Contact Name	Telephone Numb	er			
Address: 3000 Maxwell Avenue Newport MN 55055					
Xcel Energy	Bill Lynaugh				
Contractor Name	Contact Name				
Address: 3000 Maxwell Avenue Newport, MN 55055					
Telephone Number: (651)458-4453	Fax Number: -				
	Xcel Energy				
	Bill Lynaugh	(651)458-4453			
Applicant's Signature: Bill Lynaugh					

A COPY OF THIS PERMIT IS REQUIRED TO BE ON THE JOBSITE AND IS NOT VALID UNTIL ITS APPROVED AND SIGNED.

Under this order "utility" shall mean and include all privately, publicly or cooperatively owned communication lines and facilities, any systems, lines and facilities for the distribution and transmission of electrical energy, oil, gas, water, sewer, steam and other pipe lines, railways, ditches, flumes or other structures which under the laws of this State or the ordinance(s) of the County and/or the city may be constructed, placed or maintained across or along the road right of way. Dependent upon the meaning intended in the context, "Utility" shall also mean the utility company, inclusive of any wholly owned subsidiary.

Except as otherwise permitted, construction in the road right of way shall not commence until an application for a Permit has been made and such Permit granted. The Permit sketch shall show the location of the proposed construction work with reference to centerline or right of way lines, curbs, sidewalks, and property addresses. A copy of the sketch shall be provided with the Permit.

The Owner and Contractor shall assume all liability for and save the Road Authority, its agents and employees, harmless from, any and all claims for damages, actions or causes of action arising out of the work to be done herein and the continuing uses by the applicant, including but not limited to the constructing, reconstructing, and maintaining any improvements under this permit.

The Owner or its Contractor, may be required to furnish a deposit in a form required by and in favor of the Road Authority for any expense incurred in the repairing of damage to any portion of the right of way caused by work performed under this Permit, including any out of the ordinary engineering supervision and inspection expense. In those instances where a deposit is required, the amount shall be specified by the Road Authority. If a check is furnished as a deposit, any monies remaining after paying all such expenses shall be returned to the applicant after the repairs are completed or the warranty period expires.

The Permit, as issued does not in any way imply an easement on public or private property. The Permit does not convey any property rights within the right of way to the permittee. If the road right of way covered by this Permit needs to be used or changed, the Road Authority or its assigns may remove, change, or destroy the improvements described in this permit without any obligation to the permittee or its assigns to restore the improvement or pay any damages.

It is expressly understood that this Permit is conditioned upon full restoration of the right of way to its original condition or to a satisfactory condition. It is further understood that this Permit is issued subject to the approval of other authorities having joint supervision over said right of way. The construction work shall be done in conformity with all applicable laws, regulations and codes covering said work.

In accordance with the application herein, a Utility Right of Way Permit is granted to Xcel Energy to excavate, grade, construct and obstruct the right of way of: AMES CROSSING RD and in the location(s) shown on the sketch which is a part of said application, or in such location(s) as may be specified in the Special Provisions. SPECIAL PROVISIONS:

Prior to removal of any existing turf, all necessary Erosion Control Devices shall be in place. Wherever topsoil and/or sod are disturbed they shall be replaced within a maximum of SEVEN days or in accordance with NPDES Permit requirements, and maintained satisfactorily for up to one year until the new turf is established. In addition, all work shall be in compliance with local, state and federal regulations.

Proper traffic control, installed and maintained in accordance with MMUTCD requirements must be present prior to starting work and throughout the duration of the project. All traffic control devices shall be removed from the right-of-way in a timely manner upon completion of the project. Other Requirements: N/A

APPROVAL: PERMIT NO. 19234

have histerian

APPROVED BY

<u>11/13/2017</u> DATE Northern States Power Company



CITY OF EAGAN Permits Office 3830 Pilot Knob Rd Eagan, MN 55122 Phone: 651.675.5641 Fax: 651.675.5694 ROWManager@cityofeagan.com

PERMIT INVOICE

Job No: 12586987-1

Date of Applica	ition:	11/13/2017			Please pay the following amount:	\$220.00		
Applicant Name	t Name: Bill Lynaugh Payment Amount Received:				Payment Amount Received:	\$0.00		
Company Nam	Name: Xcel Energy Payment Ref No:		Xcel Energy		Xcel Energy		Payment Ref No:	Billed Client
Address:		3000 Maxwell Avenue Newport, MN 55055			Payment Method:	Billed Client		
Email: william.lynaugh		h@xcelener	gy.com	Payment received by:				
Telephone:	(651)45	58-4453	Fax:	(651)458-1260				

Northern States Power Company

Docket No. G011, G002/C-17-802 Response to MERC Complaint - November 29, 2017 Attachment B - Page 1 of 3

Password= 'GBD'		Reside	ential And	d Commercial Cu	stomer Infor	mation Sh	eet	
Proj. Wksht Created Date	11/10/2017] •	/ork Order #		[Rev Date	Rev-2 3-29-17
PROJECT NAME: (Business Name)			Ea	gan-Prime Th	erapeutic	S		
	NAMING CONVER	NTION- CITY/TWP	First, Then I	Business Name. Ex: OA	KD-Wolf Holow			
	AIJ SERVICE	E (SITE) INFO			AGREEMEN ⁻ INF			
Customer (contact) Name	Boulder Crossing			Company Legal Name	United Properties			
Service Install Address	2900 Ames Crossi	ng Road	1	Development Name			-	
City, State, Zip	Eagan, MN, 55121			Type Of Business	Office Developme	ent		
E Mail Address	bill.jundt@uproper	ties.com	Billing Address (If diff from site		651 Nicollet Mall - Suite 450			
Customer Phone Nos.	952-837-8664		1		Minneapolis, MN,	55402		
		1	1	City, County,State	Eagan	Dakota	MN	
	Billing She	eet,etc Info	Must enter separately		Agmt made this	Day of	Full Date	_
	Name	Phone 🗸	E-Mail 🗸		10th	November	11/10/17	
Territory Rep	Torre Heiland	651-748-3333	Torre.A.Heiland@Xo	elenergy.com	HVAC Contractor Name	HVAC Contr. Phone	HVAC Contractor E-Mail	_
Gas Designer	Bill Lynaugh 651-4	58-4453						
Service Designer	Jennifer Koeppen	Jennifer Koeppen 651-779-3160			Area	a Office Info		
Manager of GBD	Scott Hults 651-22	9-2265			Office Street Address			
					City ,State,Zip			

PUBLIC DOCUMENT

NOT-PUBLIC OR PRIVILEGED INFORMATION HAS BEEN EXCISED



Northern States Power Company

Docket No. G011, G002/C-17-802 Response to MERC Complaint - November 29, 2017 Attachment B - Page 3 of 3



Northern States Power Company

Docket No. G011, G002/C-17-802 Response to MERC Complaint - November 29, 2017 Attachment C - Page 1 of 2

From: Sent: To: Subject: Cottrell, Dana Thursday, June 08, 2017 3:50 PM Ascheman, Mara K FW: Vikings - Eagan Campus Natural Gas Services

From: Kemp, Jeff [mailto:jeff.kemp@krausanderson.com] Sent: Thursday, June 08, 2017 3:48 PM To: Cottrell, Dana Subject: Fwd: Vikings - Eagan Campus Natural Gas Services

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Jeff Kemp, P.E. LEED AP Sent from my iPad

Begin forwarded message:

From: "Wiken, Wade L" <<u>WLWiken@minnesotaenergyresources.com</u>> Date: November 3, 2016 at 10:14:04 PM CDT To: "Kemp, Jeff" <<u>jeff.kemp@krausanderson.com</u>> Cc: "Wiken, Wade L" <<u>WLWiken@minnesotaenergyresources.com</u>>, "Larson, Jeffrey W" <<u>JWLarson@minnesotaenergyresources.com</u>>, "Kult, David G" <<u>DGKult@minnesotaenergyresources.com</u>>, "Kult, David G" <<u>ACKeuten@minnesotaenergyresources.com</u>>, "Keuten, Alfred C" <<u>ACKeuten@minnesotaenergyresources.com</u>>, "Clinkscales, Jay M" <<u>JMClinkscales@minnesotaenergyresources.com</u>>, "Langseth, Levi T" <<u>LTLangseth@minnesotaenergyresources.com</u>>, "Braith, Alan W" <<u>AWBraith@minnesotaenergyresources.com</u>>, "Beiseker, Timothy R" <<u>TRBeiseker@minnesotaenergyresources.com</u>>, "Rice, Thomas A" <<u>TARice@minnesotaenergyresources.com</u>> Subject: Vikings - Eagan Campus Natural Gas Services

Jeff,

On behalf of the team here at Minnesota Energy Recourses, we thank you for the opportunity to provide safe, affordable and reliable natural gas to the Minnesota Vikings Campus in Eagan.

As the current natural gas utility, we have the distribution infrastructure in place to meet the natural gas needs for construction as well as the individual meter needs for all phases of this development. Under our commercial firm sales tariffs there will be no cost for connecting the individual services as you move

forward. As soon as possible we would like to begin reviewing natural gas options in the Conservation Improvement Program (CIP) to find all opportunities for rebates. (CIP is a state mandated program that governs all utilities.)

Additionally we want to explore working with the Vikings organization on co-branded sponsorship opportunities in our community, offering up to \$60,000 over the next three years.

We look forward to growing our relationship with you and the Vikings organization as you develop this new complex within the city of Eagan.

Best Regards,

Wade Wiken Senior Account Manager |Transportation | Key Accounts | Minnesota Energy Resources

651-322-8930 612-910-2225 *mobile* WLWiken@minnesotaenergyresources.com

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CERTIFICATE OF SERVICE

I, Lynnette Sweet, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

<u>xx</u> by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States mail at Minneapolis, Minnesota

or

 \underline{xx} electronic filing

Docket No. G011, G002/C-17-802

Dated this 29th day of November 2017

/s/

Lynnette Sweet Regulatory Administrator

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Julia	Anderson	Julia.Anderson@ag.state.m n.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_17-802_PUC Official Service List
Lester	Bagley	bagleyl@vikings.nfl.net	Minnesota Vikings	N/A	Electronic Service	No	OFF_SL_17-802_PUC Official Service List
Thomas	Burman	thomas.burman@stinson.c om	Stinson Leonard Street LLP	50 S 6th St Ste 2600 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_17-802_PUC Official Service List
Carl	Cronin	Regulatory.records@xcele nergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_17-802_PUC Official Service List
lan	Dobson	Residential.Utilities@ag.sta te.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_17-802_PUC Official Service List
Sharon	Ferguson	sharon.ferguson@state.mn .us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_17-802_PUC Official Service List
Stacy	Kotch	Stacy.Kotch@state.mn.us	MINNESOTA DEPARTMENT OF TRANSPORTATION	395 John Ireland Blvd. St. Paul, MN 55155	Electronic Service	No	OFF_SL_17-802_PUC Official Service List
Allen	Krug	allen.krug@xcelenergy.co m	Xcel Energy	414 Nicollet Mall-7th fl Minneapolis, MN 55401	Electronic Service	No	OFF_SL_17-802_PUC Official Service List
Amber	Lee	ASLee@minnesotaenergyr esources.com	Minnesota Energy Resources Corporation	2665 145th St W Rosemount, MN 55068	Electronic Service	No	OFF_SL_17-802_PUC Official Service List
Russ	Matthys	matthys@cityofeagan.com	City of Eagan	N/A	Electronic Service	No	OFF_SL_17-802_PUC Official Service List
Brian	Meloy	brian.meloy@stinson.com	Stinson,Leonard, Street LLP	50 S 6th St Ste 2600 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_17-802_PUC Official Service List

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Matt		countyadmin@co.dakota.m n.us	Dakota County	Administration Center 1590 Hwy 55 Hastings, MN 55033-2372	Electronic Service		OFF_SL_17-802_PUC Official Service List
Scott M.	Wilensky	scott.wilensky@xcelenergy. com	Xcel Energy	7th Floor 414 Nicollet Mall Minneapolis, MN 554011993	Electronic Service		OFF_SL_17-802_PUC Official Service List
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service		OFF_SL_17-802_PUC Official Service List