

December 3, 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. E002,124/SA-18-693

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 Minnesota Valley Electric Cooperative for Approval of Three Compensation and Orderly Transfer Agreements and Three Exception Agreements.

The Petition was jointly filed November 2, 2018 by:

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

And

Joe Green
Key Account Executive
Minnesota Valley Electric Cooperative
125 Minnesota Valley Electric Dr.
Jordan, MN 55352

On November 27, 2018, the Petitioners withdrew their request for approval of one of the three exception agreements.

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Analyst assigned: Daniel W. Beckett

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The Department recommends that the Minnesota Public Utilities Commission (Commission) **approve** the permanent service territory transfers and service by exception agreements between Northern States Power Company d/b/a Xcel Energy and Minnesota Valley Electric Cooperative, and is available to answer any questions the Commission may have.

Sincerely,

/s/ DANIEL W. BECKETT
Rates Analyst

DWB/ja
Attachment

Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. E002,124/SA-18-693

I. BACKGROUND

Minnesota Valley Electric Cooperative is an electric distribution cooperative 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 mutually agreed to modify the border between their exclusive service territories.

I. SUMMARY OF PROPOSAL

On November 2, 2018, Minnesota Valley Electric Cooperative (the Cooperative) 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 three service territory Compensation and Orderly Transfer Agreements and two¹ Exception Agreements between the Parties. Descriptions of the Affected Areas are provided below.

Approval of the Parties' request would permanently transfer the Affected Areas between the Company and the Cooperative.

II. DEPARTMENT ANALYSIS

A. TRANSFER OF THE AFFECTED AREAS BETWEEN THE PARTIES

Schedules A, B, and C to the Petition constitute the three service territory Compensation and Orderly Transfer Agreements. Schedules E and F to the Petition constitute the two Exception Agreements between the Parties.

¹ The Parties have annulled one of the three originally requested Exception Agreements, attached to the Petition as Schedule D, with a supplemental filing made on 11/27/2018.

1. *Schedule A – Victoria:*

The lots at issue in this Agreement are under construction or were recently constructed.

The transfer to Xcel from the Cooperative consists of Lots 16, 15, 14, 13, 12, and 11, of Block 14 of the Whispering Hills Phase One in Victoria.

The transfer to the Cooperative from Xcel consists of Lots 6, 5, 4, 3, 2, and 1, of Block 2 of the Whispering Hills Phase 2 in Victoria.

2. *Schedule B – Cologne:*

The lots at issue in this Agreement are under construction or were recently constructed.

The transfer to Xcel from the Cooperative consists of Lots 1, 2, 3, 4, 5, 6, and 7 of Block 6 of The Village at Cologne North and Lots 1, 2, 3, 4, 5, 6, 7, and 8 of Block 3 of the Village of Cologne North 2nd Addition and Lots 8 and 9 of Block 2 of the Village at Cologne North 2nd Addition, Phase 1 in Cologne.

The transfer to the Cooperative from Xcel consists of Lots 1, 2, 3 and 4 of Block 1 of the Village at Cologne North and Lots 1, 2, 3, and 4 of Block 1 of the Village at Cologne North 2nd Addition and Lots 5, 6, 7, and 8 of Block 1 of the Village of Cologne North 2nd Addition and Lots 1, 2, 3, 4, and 5 of Block 2 of the Village at Cologne North, Phase 1 in Cologne.

3. *Schedule C – Savage:*

There are no existing customers affected by the transfer in this schedule as the following lots at issue are currently being served by the respective utility to which they are being transferred.

The transfer to Xcel from the Cooperative consists of the following lots:

14247 Allen Drive, Savage, Minnesota
Section 29 Township 115 Range 021
P/O NW1/4 COM N1/4 COR, E1401.9' TO CL CO RD 94, SW ALONG CL 543.05',
SW ALONG CL 430', NW 208' TO POB, NW 16.08 NW 212.25', NE 124.73', SE
260.77' TO INT LINE NE FROM POB, SW 125' TO POB.

14233 Allen Drive, Savage, Minnesota
Subdivision Name PHAM ADDN Lot 002 Block 001 Subdivision Cd 26407 Section
29 Township 115 Range 021

14225 Allen Drive, Savage, Minnesota
Subdivision Name PHAM ADDN Lot 001 Block 001 Subdivision Cd 26407 Section
29 Township 115 Range 021

The transfer to the Cooperative from Xcel consists of the following lots:

14366 Allen Blvd S., Savage, Minnesota
1.25 Acres
Section 29 Township 115 Range 021
P/O NW1/4 NE1/4 COM NW COR, SE 873' TO POB, SE 135.57', SE 208' TO CL CO
RD 94, SW TO SW COR, N TO POB

14344 Allen S. Blvd, Savage, Minnesota
Section 29 Township 115 Range 021
P/O NW1/4 NE1/4 COM N1/4 COR, E 1401.9', SW 543.05', SW 740' SW 250' TO
POB, NW 208', NE 140', SE 208', SW 140' TO POB

14290 Allen Drive, Savage, Minnesota
Block 001 Lot 001 Subdivision Cd 26467 Subdivision Name SAUTER ADDN

4. Exception Agreements

Schedules E and F to the Petition are two exception agreements between the Parties. Schedule E – Elko New Market includes three residential sites that are located near Xcel’s distribution facilities, but are in the Cooperative’s service territory in Scott County. The associated Exception Agreement allows Xcel to serve these three residential sites by exception. Schedule F –Mayer includes three residential sites that are near the Cooperative’s distribution facilities, but are in Xcel’s service territory in Carver County. The associated Exception Agreement allows the Cooperative to serve these residential sites by exception.

B. CUSTOMER NOTICE

Attached to the Petition as Schedule G is a copy of the customer notice that the Parties sent to the developers providing information related to the transfer of electric service territory and the pending proceeding before the Commission.

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 Areas as part of the Cooperative's and Company's respective service areas is consistent with Minnesota Statutes 216B.39 and 216B.40.

III. RECOMMENDATION

The Department recommends that the Commission approve the requested service territory transfers and service by exception agreements between Northern States Power Company d/b/a Xcel Energy and Minnesota Valley Electric Cooperative. MnGEO² should update the Commission's maps to reflect the service area designations as shown on the maps in the Petition.

/ja

² The Department notes that the Petition references Norm Anderson as the contact at MnGEO; however, the appropriate MnGEO contact for service territory map updates is Shana Neumann, whose email is shana.neumann@state.mn.us.