

June 1, 2021

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, E325/SA-21-319

Dear Mr. Seuffert:

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

Compensation and Orderly Transfer Agreement Between the City of Waseca and Xcel Energy.

The petition was filed May 5, 2021 by:

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

The Department recommends that the Minnesota Public Utilities Commission (Commission) approve the requested permanent service territory transfer from Xcel Energy to the City of Waseca and is available to answer any questions the Commission may have.

Sincerely,

/s/ JOHN KUNDERT
Financial Analyst

JPK/ar
Attachment



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. E002, E325/SA-21-319

I. BACKGROUND

The City of Waseca (“Waseca” or “the Municipal”) is an electric municipal utility organized and existing under the laws of the State of Minnesota. Northern States Power Company doing business as Xcel Energy (“Xcel” or “the Company”) is an investor owned electric utility organized and existing under the laws of the State of Minnesota.

II. SUMMARY OF PROPOSAL

On May 5, 2021, the Municipal and the Company, collectively the Parties, jointly filed a petition (Petition) under Minn. Stat. § 216B.44, asking the Minnesota Public Utilities Commission (Commission) to modify the Parties’ service territory boundaries. Approval of the Parties’ request would permanently transfer an area equal to 1.02 acres (Transfer Area) from Xcel to the Municipal. The Transfer Area is located within Waseca’s city limits. The Municipal will compensate Xcel an amount of \$2,787 per lot/house as loss of revenues within the Transfer Area. As of the filing date, Xcel did not serve any customers in the Transfer Area.

III. DEPARTMENT ANALYSIS

A. TRANSFER OF THE AFFECTED AREA FROM THE COMPANY TO THE CITY

The Petition’s Attachment 1 of Schedule A is a map of the Transfer Area, which involves one area of 1.02 acres.

Schedule A to the Petition contains the legal description of the Transfer Area, which is as follows:

1. Scope of Transfer Area. The Transfer Area is estimated to be 1.02 acres, legally described as follows – Parcel Number 126200100 located in Township 107 Range 22, Section 7.

Per the Petition, the proposed transfer would be a permanent transfer of service territory. Further, the transfer of service territory would not affect any existing customers.¹

¹ Consistent with the Commission’s direction in Docket No. E015, E112/SA-20-734, the Department checked to determine if the affected service territory is located in a tribal area. It is not.

B. INTERIM SERVICE

The Parties agreed in writing that the Municipal will serve any new customers requesting service on or before the date on which the Transfer Area changes from Xcel's to Waseca's electric service territory.

C. CUSTOMER NOTICE

Xcel explained in the Petition that one landowner owns property within the Transfer are, but the Company does not currently serve the landowner. The Company included a draft letter notifying the affected customer of the proposed change of electric service provider for the Transfer Area in Schedule B of the Petition. Thus, the letter to notify the existing customer of the transfer would be a letter from the City of Waseca to said customer. Xcel also provided a proposed hearing notice in the Petition in Schedule C.

The Municipal also submitted an affidavit to the Commission on May 20, 2021 regarding this matter. In that affidavit, the Utilities and Public Works Director for Waseca noted that he had mailed a copy of the letter included in Schedule B of the Petition to the owner of the lot in the Transfer Area. That letter notified the potential customer of the proposed change in the electric utility serving that property.

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 Area.

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

IV. RECOMMENDATION

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

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