



2302 Great N. Drive
Fargo, North Dakota 58102
dave.sederquist@xcelenergy.com
701-241-8632

January 27, 2020

—Via Email and Federal Express—

Steven M. Kahl, Executive Director
North Dakota Public Service Commission
State Capitol Building, Dept 408
600 East Boulevard
Bismarck, ND 58505-0480

RE: SERVICE AREA AGREEMENT BETWEEN
XCEL ENERGY AND NODAK ELECTRIC COOPERATIVE
CASE NO. PU-20-___

Dear Mr. Kahl:

Northern States Power Company, doing business as Xcel Energy, and Nodak Electric Cooperative, Inc., a North Dakota Cooperative corporation respectfully submit this joint petition for approval of a Service Area Agreement to the North Dakota Public Service Commission pursuant to North Dakota Century Code (NDCC) § 49-03-06.

Please contact me if you have any questions regarding this filing.

Sincerely,

A handwritten signature in blue ink that reads 'David H. Sederquist'.

DAVID H. SEDERQUIST
Sr. Consultant, Regulation & Finance

Enclosures

**STATE OF NORTH DAKOTA
BEFORE THE
PUBLIC SERVICE COMMISSION**

Brian Kroshus	Chair
Julie Fedorchak	Commissioner
Randy Christmann	Commissioner

IN THE MATTER OF A SERVICE TERRITORY
AGREEMENT BETWEEN NORTHERN STATES
POWER COMPANY AND NODAK ELECTRIC
COOPERATIVE, INC.

CASE NO. PU-20-____

PETITION

INTRODUCTION

Northern States Power Company, a Minnesota corporation doing business in North Dakota as Xcel Energy, (Xcel Energy) and Nodak Electric Cooperative, Inc., a North Dakota Cooperative corporation (Nodak) submit this joint petition for approval of a Service Area Agreement pursuant to North Dakota Century Code (NDCC) § 49-03-06.

The Service Area Agreement, which accompanies this application as Attachment 1, was entered into by Xcel Energy and Nodak as electric providers to modify a service territory line near Thompson, North Dakota. The Parties have found records that suggest the current service area line was drawn in the 1960s. The Service Area Agreement is necessary because there is a planned residential development in Thompson called Johnson's Second Addition that will not be served efficiently if service were to be provided pursuant to the current service area line. The 1960s line effectively bisects the planned development shown on Attachment 2. The Parties have therefore agreed to a modification of the service area line.

This Service Area Agreement is in the public interest because it will a) avoid misunderstanding and disagreement over areas to be served by each party, b) accomplish the legislative intent of NDCC § 49-03-06 to "encourage harmony and operational efficiency among electric providers, promote safety, discourage unreasonable duplication of electric facilities, assure adequate and reliable electric service for all consumers and territories within the state", and c) provide both parties with reasonable participation in the provision of electric distribution service within the undeveloped areas in and around Thompson.

NDCC § 49-03-06(2) permits electric providers, such as Xcel Energy and Nodak, to enter into service area agreements. The Service Area Agreement at issue here does not involve the sale, transfer, exchange, or lease of equipment or facilities and therefore no approval under NDCC §§ 49-04-05 or 10-13-08.1 is necessary. Pursuant to NDCC § 49-03-06(4), the Service Area Agreement executed by the parties has been promptly filed with the Commission. Xcel Energy and Nodak request the Commission, after notice as provided in NDCC § 49-03-06(4),

approve the Service Area Agreement after finding the Agreement in compliance with NDCC § 49-03-06 and in the public interest.

GENERAL FILING INFORMATION

Pursuant to § 69-02-02-04 of the Commission's Rules of Practice and Procedure, the following information is provided:

Full Name and Post Office Address of the Applicants:

Xcel Energy
2302 Great Northern Drive
Fargo, ND 58102

Nodak Electric Cooperative, Inc.
PO Box 13000
4000 32nd Avenue South
Grand Forks, ND 58201-3000

We also request the following person be placed on the Commission's service list for all communications in this case:

David H. Sederquist, Sr. Regulatory Consultant
Xcel Energy
2302 Great Northern Drive
Fargo, ND 58102
dave.sederquist@xcelenergy.com or (701) 241-8632

Lynnette Sweet, Regulatory Administrator
Xcel Energy
414 Nicollet Mall (401-7th Floor)
Minneapolis, MN 55401
regulatory.records@xcelenergy.com

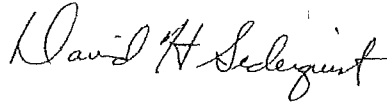
Mylo Einarson, President and CEO
Nodak Electric Cooperative, Inc.
PO Box 13000
4000 32nd Avenue South
Grand Forks, ND 58201-3000
meinaron@nodakelectric.com or (701) 746-4461

CONCLUSION

Xcel Energy and Nodak respectfully request that the Commission approve the Service Area Agreement after finding the Agreement in the public interest and in compliance with NDCC § 49-03-06.

Dated: January 27th, 2020

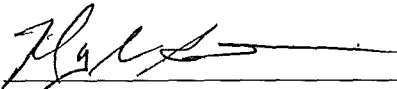
Northern States Power Company



By: _____

DAVID H. SEDERQUIST
SR. REGULATORY CONSULTANT
XCEL ENERGY (NORTH DAKOTA)

Nodak Electric Cooperative, Inc.



By: _____

MYLO EINARSON
PRESIDENT AND CEO
NODAK ELECTRIC COOPERATIVE, INC.
A NORTH DAKOTA COOPERATIVE
CORPORATION

**SERVICE TERRITORY AGREEMENT
BETWEEN
XCEL ENERGY AND NODAK ELECTRIC COOPERATIVE, INC.**

This Service Territory Agreement (“Agreement”) is made and entered into this 21st day of January, 2020, by and between Northern States Power Company, a Minnesota corporation doing business as Xcel Energy, with offices located at 2302 Great Northern Drive, Fargo, North Dakota (“Xcel Energy”), and Nodak Electric Cooperative, Inc., a North Dakota Cooperative corporation with principal place of business at PO Box 13000, 4000 32nd Avenue South, Grand Forks, North Dakota (“Nodak”) (together, “Parties”).

RECITALS

WHEREAS, Xcel Energy is a “electric public utility” under North Dakota Century Code (“NDCC”) 49-03-01.5 subpart 2; and

WHEREAS, Nodak is a “rural electric cooperative” under NDCC 49-03-01.5 subpart 6; and

WHEREAS, both Xcel Energy and Nodak are “electric providers” under NDCC 49-03-01.5 subpart 1, and

WHEREAS, pursuant to NDCC 49-03-06, electric providers can enter into written service area agreements to establish or modify an electric provider’s service area; and

WHEREAS, the Parties have maps from the 1960s showing a service territory line near Thompson, North Dakota; and

WHEREAS, the Parties have come to a mutual agreement to adjust the service territory line identified in the maps from the 1960s;

NOW THEREFORE, the Parties agree as follows:

1. Scope of Agreement. The scope of this Agreement is limited to the following transaction:
 - a. The Parties agree to a new service territory line in the southwest ¼ of the northwest ¼ of Section 30, Township 150 North, Range 50 West in Walle Township, Grand Forks County, North Dakota as depicted on the maps in attached Exhibit A.


- b. The Parties agree that the change in service territory boundary lines will transfer territory from Nodak to Xcel Energy as noted above.
2. Compensation. At this time the Parties agree that no monetary compensation is owed to Nodak by Xcel Energy for this service territory exchange.
3. Lost Revenue. The Parties agree that no additional compensation will be owed by Xcel Energy to Nodak in the future for lost revenue related to the transaction described in Section 1 above.
4. Reservation of Rights. Except as specifically set forth herein, this Agreement does not modify or limit the legal rights of any Party.
5. No Precedent. The Parties recognize that this Agreement is the result of negotiations between the Parties and that this Agreement, and the North Dakota Public Service Commission's ("Commission") approval of this Agreement, does not represent any binding or legal precedent on any party in any other matter.
6. Request for Commission Approval of the Agreement. Coinciding with execution of this Agreement by all Parties, Xcel Energy has prepared and filed a Joint Filing to the Commission by the Parties to approve this Agreement.
7. Miscellaneous.
 - a. Entire Agreement and Modification. This Agreement contains the entire agreement and understandings of the Parties hereto regarding the scope of the Agreement and appropriate compensation for the transactions described in Section 1 above. All previous communications, or agreements, between the Parties hereto, either verbal or written, with reference to the subject matter of this Agreement are hereby abrogated. No amendment, modification or waiver of, or consent with respect to any provision of this Agreement shall be effective unless the same shall be in writing and signed by duly appointed representatives of all Parties, and then any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given
 - b. Assignment. None of the Parties shall assign, or sublet, this Agreement, voluntarily, involuntarily or by operation of law, without the prior written consent of the other.
 - c. Severability. If any provision of this Agreement shall be found invalid or unenforceable, in whole or in part, by a court of competent jurisdiction


or the Commission, then such provision shall be deemed to be modified or restricted to the extent and in a manner necessary to render the same valid and enforceable, or if that is not possible, such provision shall be stricken and deleted from this Agreement, as the case may require, and this Agreement shall then be construed and enforced to the maximum extent permitted by law and with the purpose to achieve the fundamental intent of the Parties.

- d. Choice of Laws. This Agreement shall be construed and interpreted in accordance with the laws of the State of North Dakota and excluding any choice of law or rules that may direct the application of laws of another jurisdiction.
- e. Agreement Drafted Jointly. The Parties agree that none of the Parties shall be deemed solely responsible for drafting all or any portion of this Agreement, and in the event of a dispute, responsibilities for any ambiguities arising from any provision of this Agreement shall be shared equally among the Parties.
- f. Regulation. The Parties acknowledge that this Agreement is subject to the continuing jurisdiction of the Commission to settle all service location disputes between the Parties arising under this Agreement.
- g. Effective Date. The effective date of this Agreement is the date upon which the Agreement has been approved by the Commission.
- h. Notice. Any notice permitted or required by this Agreement shall be made in writing and personally served or mailed (postage prepaid, return receipt requested) and shall be effective upon the date of personal service, or if by mail, upon the date of receipt.
- i. Counterparts and Electronic Signatures. This Agreement may be executed in counterpart, and may be executed by way of electronic signature, and if so, shall be considered an original.


IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written and the Parties agree to take such additional steps and actions including execution of such instruments and other documents as are reasonably necessary to effectuate the intentions expressed hereby.


Northern States Power Company, A Minnesota corporation
By: _____ Date: _____
Greg Chamberlain Regional Vice President, Regulatory & Government Affairs

Nodak Electric Cooperative, Inc. A North Dakota Cooperative corporation
By:  Date: <u>1/7/2020</u>
Mylo Einarson President and CEO

Northern States Power Company, A Minnesota corporation
By:  Date: <u>1/21/20</u>
Mary Jo Woolf Sr. Director, Distribution Business Operations, NSP-MN

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written and the Parties agree to take such additional steps and actions including execution of such instruments and other documents as are reasonably necessary to effectuate the intentions expressed hereby.

Northern States Power Company, A Minnesota corporation
By:  Date: <u>1/21/2020</u>
Greg Chamberlain Regional Vice President, Regulatory & Government Affairs

Nodak Electric Cooperative, Inc. A North Dakota Cooperative corporation
By:  Date: <u>1/7/2020</u>
Mylo Einatson President and CEO

Northern States Power Company, A Minnesota corporation
By: _____ Date: _____
Mary Jo Woolf Sr. Director, Distribution Business Operations, NSP-MN

EXHIBIT A

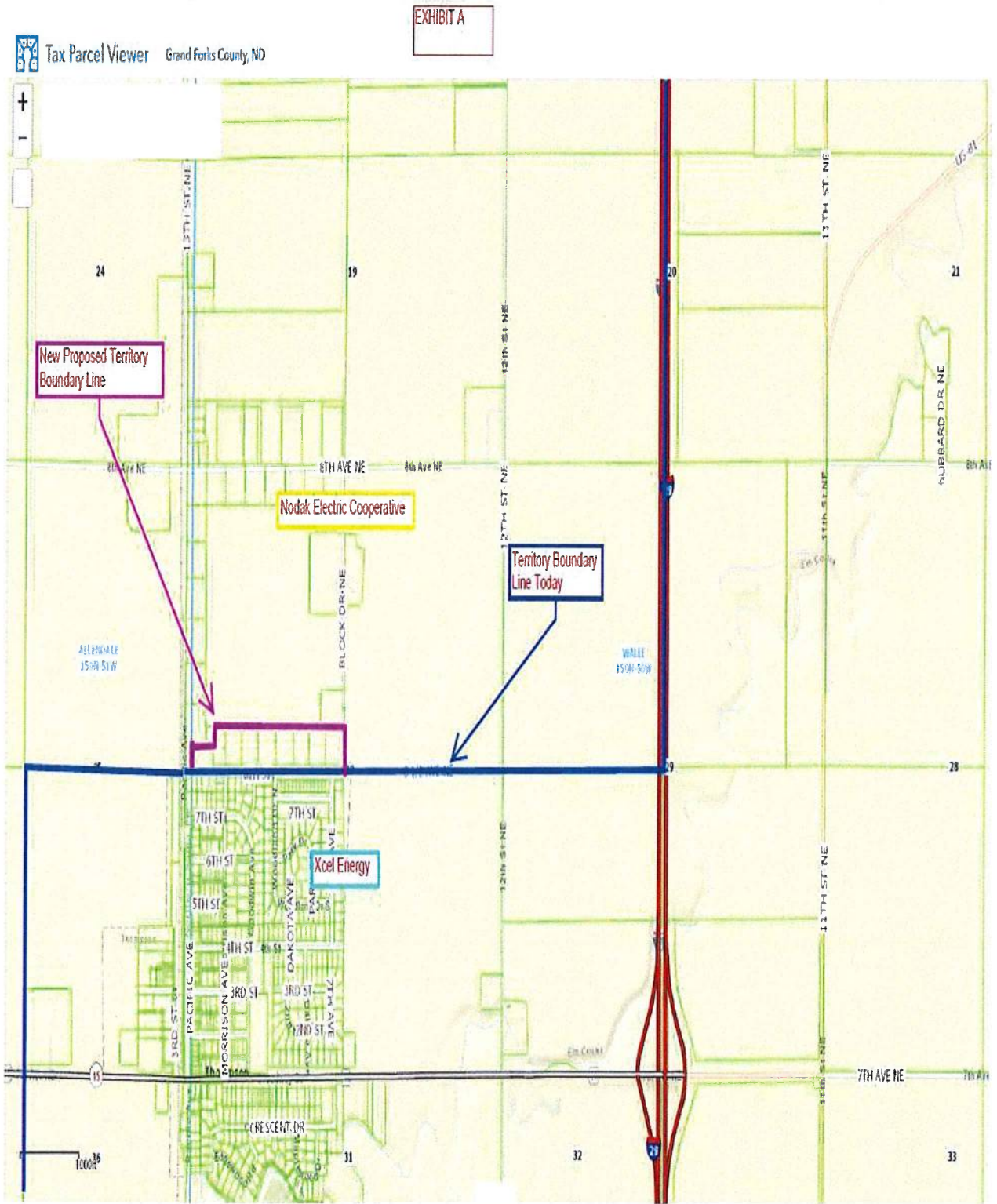


EXHIBIT A

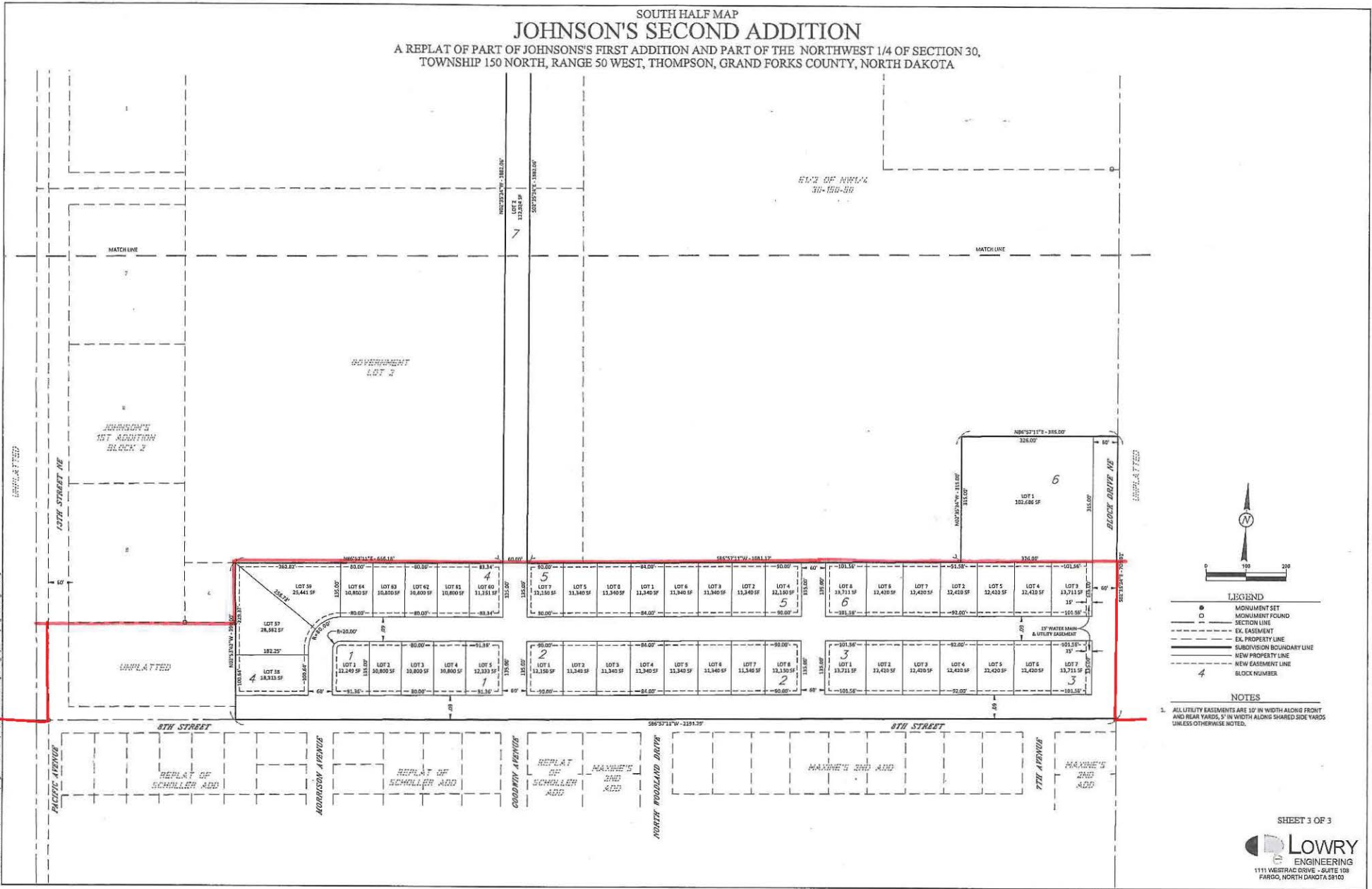
Google Maps 8th Ave NE & 13 St NE

EXHIBIT A



SOUTH HALF MAP
JOHNSON'S SECOND ADDITION

A REPLAT OF PART OF JOHNSON'S FIRST ADDITION AND PART OF THE NORTHWEST 1/4 OF SECTION 30,
 TOWNSHIP 150 NORTH, RANGE 50 WEST, THOMPSON, GRAND FORKS COUNTY, NORTH DAKOTA



LEGEND

- MONUMENT SET
- MONUMENT FOUND
- SECTION LINE
- - - EX. EASEMENT
- - - EX. PROPERTY LINE
- SUBDIVISION BOUNDARY LINE
- NEW PROPERTY LINE
- - - NEW EASEMENT LINE
- 4 BLOCK NUMBER

NOTES

1. ALL UTILITY EASEMENTS ARE 10' IN WIDTH ALONG FRONT AND REAR YARDS, 5' IN WIDTH ALONG SHARED SIDE YARDS UNLESS OTHERWISE NOTED.