

E-002, 111/SA-89-1040 APPROVING CHANGES IN ASSIGNED SERVICE AREAS

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Darrel L. Peterson	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Patrice Vick	Commissioner

In the Matter of a Petition by Northern States
Power Company for an Exchange of Service
Area with Dakota Electric Association

ISSUE DATE: June 15, 1990

DOCKET NO. E-002, 111/SA-89-1040

ORDER APPROVING CHANGES IN
ASSIGNED SERVICE AREAS

PROCEDURAL HISTORY

On November 21, 1989, Northern States Power Company (NSP) filed a petition requesting approval of an agreement it had reached with Dakota Electric Association (Dakota). The agreement would modify the two utilities' assigned service areas as follows: 1. An area in Eagan between Lone Oak Road and Yankee Doodle Road, east of the Milwaukee, St. Paul, and Pacific Railroad and west of Highway 49, would be transferred from Dakota to NSP. 2. The west half of the northwest quarter of Section 6, T113N, R19W, Dakota County, would be transferred from NSP to Dakota. No customer would change utilities under the agreement, which would merely formalize existing service arrangements.

On April 6, 1990, the Department of Public Service (the Department) filed comments recommending approval of the agreement.

On May 14, 1990, the Commission issued a Notice of Comment Period and Commission Meeting to allow all interested persons, including affected customers, an opportunity to comment. No one opposed approving the agreement.

The matter came before the Commission on June 6, 1990.

FINDINGS AND CONCLUSIONS

The utilities propose the first change to allow the utility with closer facilities to serve the area at issue. This is consistent with the goals of the assigned service area statutes:

It is hereby declared to be in the public interest that, in order to encourage the development of coordinated statewide electric service at retail, to eliminate or avoid

unnecessary duplication of electric utility facilities, and to promote economical, efficient, and adequate electric service to the public, the state of Minnesota shall be divided into geographic areas within which a specified electric utility shall provide electric service to customers on an exclusive basis.

Minn. Stat. § 216B.37 (1988).

They propose the second change to allow Dakota to serve its own headquarters, which is consistent with the provisions of Minn. Stat. § 216B.42, subd. 2 (1988).

The Commission finds that the agreement is in the public interest and will further the goals of the assigned service area statutes. It will be approved.

The Commission finds it disturbing, however, that both utilities have been serving customers outside their assigned service areas without executing formal exception agreements under Minn. Stat. § 216B.40 (1988) or without receiving Commission approval. The Commission reminds both utilities that service by exception must be preceded by a written agreement and that permanent changes in assigned service areas require Commission action.

ORDER

1. The assigned service area boundary changes contained in the agreement at issue are approved.
2. The Department of Public Service shall revise the official service area maps to reflect the boundary changes approved herein.
3. In the future both utilities shall execute written exception agreements or request Commission approval of boundary changes before serving customers outside their assigned service areas.
4. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster
Executive Secretary

(S E A L)