

March 5, 2019

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. E234, E101/SA-19-152

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 Elk River Municipal Utilities and Connexus Energy for approval to Modify Electric Service Territory Boundaries.

The petition was filed February 11, 2019 by:

Kaela Brennan
McGrann Shea Carnival Straughn & Lamb, Chtd.
800 Nicollet Mall, Suite 2600
Minneapolis, MN 55402

The Department recommends that the Minnesota Public Utilities Commission (Commission) approve the requested permanent service territory transfer from Connexus Energy to Elk River Municipal Utilities, and is available to answer any questions the Commission may have.

Sincerely,

/s/ DALE V. LUSTI
Financial Analyst

DVL/ja
Attachment



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. E234, E101/SA-19-152

I. BACKGROUND

Elk River Municipal Utilities (the Municipal) is an electric municipal utility organized and existing under the laws of the State of Minnesota. Connexus Energy (the Cooperative) is an electric distribution cooperative organized and existing under the laws of the State of Minnesota.

II. SUMMARY OF PROPOSAL

On February 11, 2019, the Municipal and Cooperative, collectively the Parties, jointly filed a 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 the Affected Area from the Cooperative to the Municipal.

III. DEPARTMENT ANALYSIS

A. *TRANSFER OF THE AFFECTED AREA FROM THE COOPERATIVE TO THE MUNICIPAL*

The petition's Exhibit A is a map of Affected Area which involves approximately 1,871 acres and 336 customers (321 residential, 15 commercial and 0 industrial).

The Parties do not have a separate legal description of the Affected Area, but have agreed to provide MnGeo whatever information is needed to facilitate the adjustment in the official maps.

B. *CUSTOMER NOTICE*

On August 1, 2018, August 9, 2018, August 27, 2018, August 31, 2018 and September 7, 2018, the Parties provided notice to the Affected Customers regarding the change in electric service providers.

In its petition, the Parties acknowledged that the Commission wishes to direct separate notice to customers as to the pending proceeding before the Commission, and noted that the Parties will provide this notice to affected customers and arrange separate filing with the Commission. Exhibit C to the petition is a proposed notice the Parties expected to provide to all customers in the Affected Area of the pending Commission proceeding.

On February 25, 2019, the parties provided an AFFIDAVIT OF SERVICE that on February 21, 2019, a notice letter was mailed to each customer affected by the boundary change proceeding.

C. ANTICIPATED TRANSFER DATE

As stated in the petition, the transfer during the period of September 13, 2018 and September 18, 2018 occurred efficiently and without technical difficulties.

D. COMPENSATION

The Department notes that the Parties have agreed upon appropriate compensation regarding the permanent transfer of service rights in the Affected Area.

Thus, the Department agrees that the Parties' request to establish the Affected 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 Connexus Energy to Elk River Municipal Utilities. MnGeo should update the Commission's maps to reflect the service area designations as shown on the map in the Petition. Please note that Shana Neumann is the primary MnGeo Contact for the Commission's service area map updates.

/ja