MINNESOTA DEPARTMENT OF COMMERCE

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April 27, 2015

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. E112,E015/SA-15-311

Dear Mr. Wolf:

Attached are the comments of the Minnesota Department of Commerce, Division of Energy Resources (the Department or DOC) in the following matter:

> The Joint Request for Approval of a Service Territory Agreement between East Central Energy and Minnesota Power.

The petition was filed on March 31, 2015 by:

> David R. Moeller
> 30 West Superior Street
> Duluth, MN 55802-2093

The Department recommends that the Minnesota Public Utilities Commission (Commission) approve the requested service territory boundary transfer between East Central Energy and Minnesota Power, with understanding that the Agreement is intended to result in permanent service area rights, and is available to answer any questions the Commission may have.

Sincerely,

/s/ DALE V. LUSTI
Financial Analyst

DVL/lt
Attachment

MINNESOTA DEPARTMENT OF COMMERCE

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE MINNESOTA DEPARTMENT OF COMMERCE DIVISION OF ENERGY RESOURCES

DOCKET NO. E112,E015/SA-15-311

I. SUMMARY OF PROPOSAL

On March 30, 2015, East Central Energy (ECE) and Minnesota Power (MP), collectively the Parties, jointly filed a petition under Minn. Stat. §216B.39, subd. 3 asking the Minnesota Public Utilities Commission (Commission) for approval of a Service Territory Agreement.

Attached to the petition as "EXHIBIT A – Petition" is the SERVICE TERRITORY AGREEMENT BETWEEN EAST CENTRAL ENERGY AND MINNESOTA POWER (the Agreement).

Exhibit A to the Agreement is a map showing the current border boundaries of the Parties. Polygon A on the map indicates previously overlapped service territory that will now be permanently assigned to ECE. Polygon B on the map indicates previously overlapped service territory that will now be permanently assigned to MP.

Exhibit B to the Agreement is a map showing the service boundary corrections identified in Exhibit A to the Agreement. This map also indicates that ECE will service the lots in Zhingwaak Oodena Second Addition located in overlapping service areas of both utilities, and MP will serve the lots in Zhingwaak Oodena Third Addition located in overlapping service areas of both utilities, except for lot 14 which will be serviced by ECE.

II. DEPARTMENT ANALYSIS

Minnesota Statutes section 216B.39, subd. (3) states:

> … the commission may on its own or at the request of an electric utility make changes in the boundaries of the assigned service areas, but only after notice and hearing as provided for in sections 216B.17 and 216B.18.

As described in the Parties' joint petition, the Parties agree as follows:

1. Service territory boundaries for Township 41 North, Range 20 West of Section 29 and ½ of sec 30 are show [sic] on Exhibit A: Exhibit A is a map that shows the electric service territory boundary in the above sections for ECE and MP. Polygon A is in ECE Service Territory and Polygon B is in MP Service Territory.

2. ECE and MP agree that ZHINGWAAK OODENA SECOND ADDITION and ZHINGWAAK OODENA THIRD ADDITION are located in both the ECE and MP Service Territories as shown on Exhibit B. It is also agreed that ECE will service the lots in ZHNINGWAAK OODENA SECOND ADDITION and MP will service the lots in ZHINGWAAK OODENA THIRD ADDITION except for lot 14 which will be serviced by ECE.

3. <u>Compensation:</u> The Parties agree that no compensation is owed to either ECE or MP for these mutual assignments in service territory.

4. <u>Affected Customers:</u> The Parties acknowledge that no customers will experience a change in provider as a result of this Agreement.

Although the Department believes that the Parties' requested service area designations for 2nd Addition, 3rd Addition and lot 14 as shown on Exhibit B results in permanent service area rights; to eliminate any potential confusion, the Department requests that the Parties note in Reply Comments if the Department has correctly interpreted that portion of the Agreement.

If the Department's understanding is confirmed, the Department agrees that the Parties' requested service area changes are consistent with Minn. Stat. Sections 216B.37 to 216B.40, and should be approved.

III. RECOMMENDATION

The Department recommends that the Commission approve the requested service territory boundary changes with understanding that the Agreement is intended to result in permanent service area rights.

/lt

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

Minnesota Department of Commerce
Comments

Docket No. **E112,015/SA-15-311**

Dated this 27th day of April 2015

/s/Sharon Ferguson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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