

BEFORE THE COURT OF ADMINISTRATIVE HEARINGS

FOR THE

MINNESOTA PUBLIC UTILITIES COMMISSION

STATE OF MINNESOTA

In the Matter of the Petition of the City of
Slayton for the Determination of
Compensation for City Acquisition of Xcel
Energy Electric Service Territory

MPUC Docket No. E-002, PT-7157/
SA-25-129
CAH Docket No. 25-2500-40870

**REBUTTAL TESTIMONY OF BLAKE HERONIMUS
ON BEHALF OF THE CITY OF SLAYTON**

January 9, 2025

Exhibit ____

PUBLIC DOCUMENT

1 **Q. Mr. Heronimus, please state your full name, title, and occupation.**

2 **A.** My name is Blake Heronimus. I serve on the Slayton City Council. I have lived in Slayton
3 for more than two decades. I own and operate Slayton Plumbing and Heating, a business
4 I started about 20 years ago. My work takes me into homes, farms, and businesses across
5 the community, and I see every day how important reliable electric service is to people's
6 safety and livelihoods.

7 **Q. On whose behalf are you giving this testimony?**

8 **A.** I am testifying on behalf of the City of Slayton as a City Council member and long-time
9 resident who has been directly involved in the municipal electric utility process.

10 **Q. What is the purpose of your testimony?**

11 **A.** I am responding to testimony from Mr. Al Krug and Mr. John Marshall of Xcel Energy.
12 Mr. Krug's testimony discusses why he believes the City pursued municipalization and
13 Mr. Marshall's discussed Xcel's claimed level of commitment and service in Slayton. As a
14 Council member who has worked closely on this issue, and as a volunteer firefighter who
15 has responded to outages and emergencies, I believe it is important the Commission hear
16 from someone who lives with the real-world impacts of electric reliability.

17 **Q. Have you ever testified before the Minnesota Public Utilities Commission?**

18 **A.** No.

19 **Q. How long have you lived in Slayton?**

20 **A.** Approximately 23 years.

21 **Q. Please describe your public service and volunteer experience.**

22 **A.** I have served as a volunteer firefighter with the Slayton Fire Department for about 19
23 years. I have served on the Slayton City Council for nine years and have acted as a point
24 person in much of the City's work related to investigating and explaining municipal

1 electric service. I am also active in my church. Through my work, public service, and
2 volunteer roles, I speak regularly with residents and business owners about electric
3 service reliability and response.

4 **RESPONSE TO MR. KRUG**

5 **Q. What part of Mr. Krug's testimony are you responding to?**

6 **A.** I am responding to his suggestion that the City intends to acquire Xcel's electric system
7 only to turn it over to Nobles Cooperative.¹ That is not accurate and does not reflect the
8 intent of the City Council or the voters I have heard from who approved municipalization.

9 **Q. What is the City's intent regarding Nobles Cooperative?**

10 **A.** The City Council has reviewed a draft agreement with Nobles Cooperative to provide
11 operation, maintenance and billing services if the City is authorized to operate a municipal
12 electric utility. This approach preserves local ownership and decision making while relying
13 on experienced, nearby crews for technical work. From a practical standpoint, proximity
14 and response time matter, and from what I have seen over many years, Xcel has not
15 consistently met those expectations in Slayton.

16 In my own business, I regularly hire specialists or rely on outside expertise when it is the
17 responsible thing to do. That does not mean I give up control or responsibility to my
18 customers. The City's approach with Nobles is no different.

19 **Q. Does the City intend to sell the electric system to Nobles?**

20 **A.** No. One primary purpose of municipalization is local control. The City Council would be
21 accountable to Slayton residents and businesses for rates and service. Any operations
22 contractor would answer to the City, not the other way around.

¹ Krug Dir. Test., pp. 9-10, 13.

RESPONSE TO MR. MARSHALL

Q. What part of Mr. Marshall's testimony are you responding to?

A. I agree that the City followed an open public process. I do not agree with his characterization of Xcel's service as reliable.² As a volunteer firefighter, I have responded to outages where delayed response created real safety concerns for us and for Slayton citizens. Those experiences are not captured by summary statistics only by the SAIFI, SAIDI and CAIDI numbers.

Q. What is your view of the outage statistics presented by Xcel?

A. The statistics Mr. Marshall refers to show what many Slayton residents and businesses have experienced. In roughly half of the last ten years, Slayton's outage performance has been worse than Xcel's averages for its territory in Minnesota as a whole, with several of the worst years of outages in Slayton occurring recently.³ As a firefighter I have been on scenes where we were ready to act but could not do so safely until power was disconnected. In at least one instance, that delay was measured in hours, not minutes. That is not a statistic, that is a real safety risk.

Q. Have you heard from Slayton residents the same experiences and concerns you have?

A. Yes. Over the years I have lived in Slayton, I have heard many concerns of residents and business owners about electricity outages, slow response, and rising rates. Their experiences were reflected in the strong voter approval for municipalization of electric service. The City believes it can provide more direct accountability and responsiveness through local ownership of the electric utility serving customers in the City.

² Marshall Dir., pp. 7-12.

³ *Id.*, pp. 9-11.

1 **Q. What is your response to Xcel's position in its filed testimony that the electric system**
2 **serving Slayton is worth approximately \$45 million, with most of that amount from its**
3 **calculation of lost future revenues?⁴**

4 **A.** From my perspective as a City Council member and a local business owner, Xcel's position
5 does not align with practical or common-sense valuation. In my business, Slayton
6 Plumbing and Heating, I focus on the tools, pipes, and systems I have today to serve my
7 customers. As a Council member, my responsibility is to protect the people who live and
8 work here. I support the payment amount for lost revenue testified to by Mr. Berg, not
9 the tens of millions of dollars Xcel is asking the City to pay it for future lost revenues from
10 a very small part of its territory, an area that I feel Xcel has neglected.

11 **Q. Does that conclude your rebuttal testimony?**

12 **A.** Yes.

⁴ Peterson Dir., p. 46.