

McGRANN SHEA CARNIVAL STRAUGHN & LAMB, CHARTERED

ATTORNEYS AT LAW

WILLIAM R. MCGRANN
DOUGLAS M. CARNIVAL
PETER L. COOPER
KATHLEEN M. LAMB
JOHN R. SCHULZ
BRIAN L. SOBOL
SCOTT B. CROSSMAN

CARLA J. PEDERSEN
JOSEPH T. BAGNOLI
ROGER J. STELLJES
JEFFREY C. URBAN
KATHLEEN MICHAELA BRENNAN
CARL S. WOSMEK
AMY L. COURT

CHRISTY E. LAWRIE
KEVIN A. SCHAEKEL

OF COUNSEL
ROBERT O. STRAUGHN

RETIRED
ANDREW J. SHEA

November 11, 2016

VIA ELECTRONIC FILING

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
350 Metro Square Building
121 Seventh Place East
St. Paul, MN 55101

Re: In the Matter of the Joint Request of Elk River Municipal Utilities and
Connexus Energy to Update Electric Service Territory Records
MPUC Docket: _____
Our File No.: 61739-002

Dear Mr. Wolf:

I represent Elk River Municipal Utilities (the "Municipal"), which is authorized, on behalf of the Municipal and Connexus Energy (the "Cooperative") (collectively, the "Parties") to make this filing.

Summary of the Joint Request

This filing constitutes the Parties' joint request under Minn. Stat. § 216B.39, subd. 3, that the MPUC modify the Parties' service territory boundaries. This joint request concerns the transfer of an area located within the city limits of Elk River and within the electric service territory assigned to the Cooperative (identified as Area 2, the "Affected Area"), as further described below.

Legal Authorities

By statute, "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 . . ." Minn. Stat. § 216B.39, subd. 3. In addition, "no electric utility shall render

November 11, 2016

Page 2

or extend electric service at retail within the assigned service area of another electric utility unless the electric utility consents thereto in writing . . . " Minn. Stat. § 216B.40 (2014). In the present case, the Parties seek to adjust the service territory boundaries to transfer the Affected Area to the Municipal's assigned service territory. The Parties have agreed upon appropriate compensation. The Parties request that the Commission update its official records as to electric service territory boundaries.

Underlying Information

Attached as Exhibit A is a map that depicts the boundaries of the Affected Area. The Affected Area involves approximately 1,644 acres and 200 customers (60 residential, 140 commercial, and 0 industrial).

The Parties do not have a separate legal description prepared of the Affected Area, but are willing to provide whatever information is helpful and reasonably requested by MnGeo to facilitate the adjustment in the official maps. Specifically, the Parties have a Shape or CAD file of the map attached as Exhibit A.

Customer Notice

The Parties engaged in extensive technical discussions, spanning multiple years, to minimize any disruption to customers, to avoid unnecessary duplication of facilities, and to ensure a smooth transition of electric service.

The Parties mutually determined the optimal transition date of September 20, 2016 and arranged the transfer of service. The Parties are pleased to report that the transfer occurred smoothly and without incident. The Parties communicated extensively with the customers in the Affected Area throughout the transition process. A copy of the pertinent notices is attached as Exhibit B. In addition, the Municipal contacted all of the commercial customers by phone and spoke to or met with affected customers to assure understanding of rates and programs, and to answer any questions.

The Parties acknowledge that the Commission wishes to direct separate notice to customers as to the pending proceeding before the Commission. Attached as Exhibit C is a proposed notice to be sent to all customers in the Affected Area.

Contact Information

If there are any questions concerning this filing, you may contact the following representatives:

November 11, 2016
Page 3

Elk River Municipal Utilities:

Kaela Brennan
McGrann Shea Carnival
Straughn & Lamb, Chtd.
800 Nicollet Mall, Suite 2600
Minneapolis, MN 55402
Phone: 612-338-2525
kmb@mcgrannshea.com

Troy Adams, P.E.
General Manager
Elk River Municipal Utilities
13069 Orono Parkway, P.O. Box 430
Elk River, MN 55330-0430
Phone: 763-441-2020
tadams@elkriverutilities.com

Connexus Energy:

Sara McGrane
Felhaber Larson
220 South 6th Street
Suite 2200
Minneapolis, MN 55402-4504
Phone: 612-339-6321
Fax: 612-338-0535
smcgrane@felhaber.com

Greg Ridderbusch, President and CEO
Connexus Energy
14601 Ramsey Blvd
Ramsey, MN 55303
Phone: 763-323-2650
greg.ridderbusch@connexusenergy.com

Request

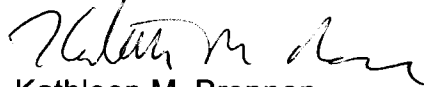
The Parties therefore petition the Commission to accept and file these documents and provide due acknowledgment thereof. The Parties further request that the Commission provide evidence of its acknowledgment of these changes of service territory boundaries, and the updating of the official service territory records.

Proposed Service List

A copy of this letter and the accompanying documents has been mailed or emailed to the persons on the enclosed proposed service list.

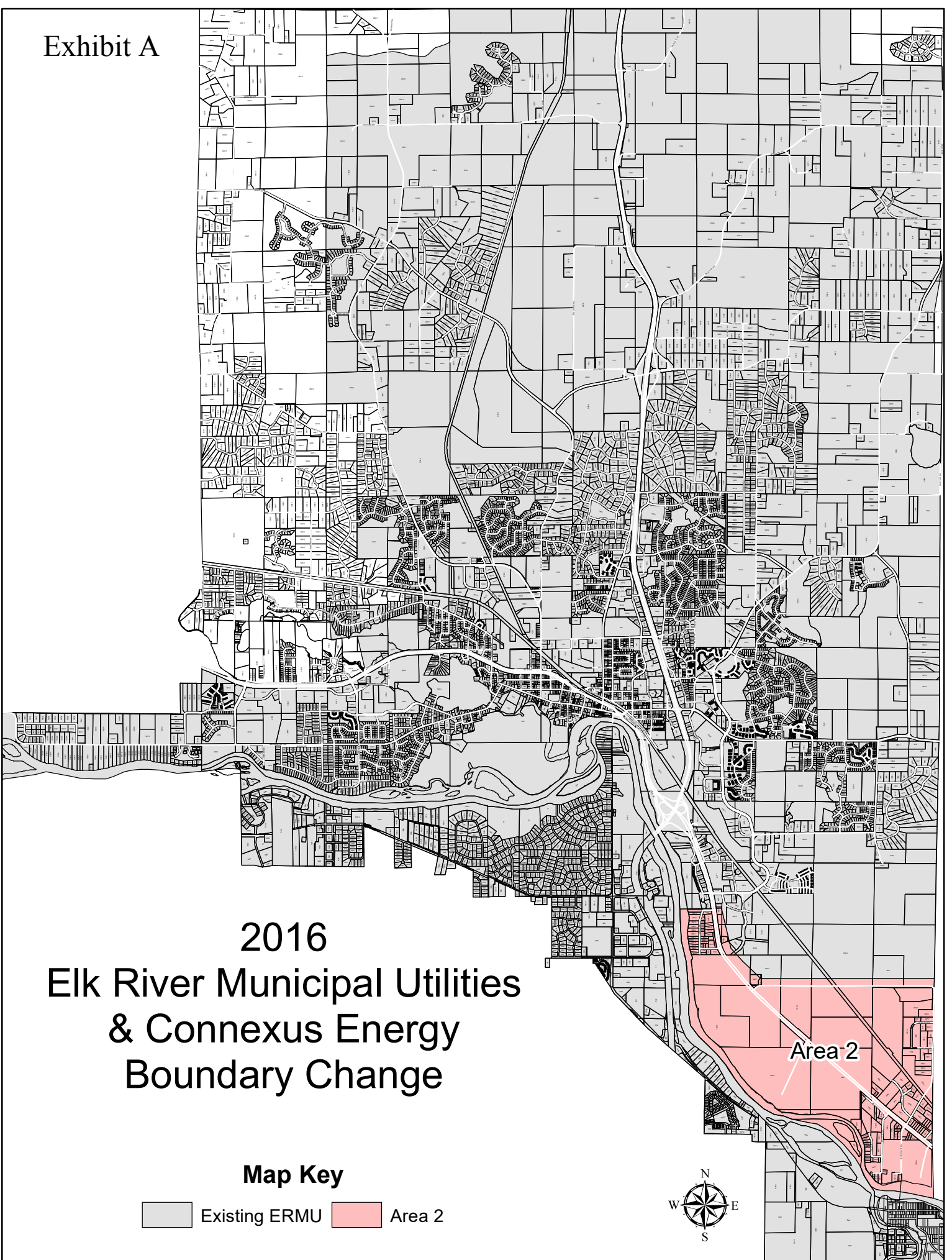
Please contact the representatives above if you have any questions.

Sincerely,


Kathleen M. Brennan

Enclosures

cc (w/encl.): Proposed Service List



2016 Elk River Municipal Utilities & Connexus Energy Boundary Change

Map Key

- Existing ERMU
- Area 2



August 3, 2016



RE: Account Number: [REDACTED]
Service Location: [REDACTED]

Important information about transition from Connexus Energy to Elk River Municipal Utilities Services

This is to inform you that Elk River Municipal Utilities (ERMU) will soon provide you with electrical service.

ERMU and Connexus Energy (Connexus) have negotiated an agreement that will transfer Connexus customers, within the City of Elk River incorporated boundaries, to ERMU. *The transfer of your service to ERMU will take place in the fall of 2016.*

ERMU will assume all of the services Connexus has been providing such as billing, account management, and electric service concerns. Similar to other Elk River residents and businesses, your electric service will be billed along with your other city services such as water, wastewater, stormwater, franchise, and/or trash.

Frequently Asked Questions

Will my electric rate change?

Your electric rates will change, depending on the type of service you have and your usage patterns. Please contact ERMU if you have specific questions.

What will happen to the Cash Back earned by Connexus customers?

The Cash Back (formerly capital credits) you earned as a Connexus customer do not go away. Connexus' Board of Directors determines the Cash Back payment. When the Board declares Cash Back payable, you will receive your proportional share. You will not earn any additional Cash Back once you become an ERMU customer.

Do I have any choice in which utility services me?

No. Minnesota State law grants cities the right to serve all customers within their city boundaries.

Will this changeover cost me any money?

No. ERMU will not charge any customer a connection fee related to the transition.

Will I have to read my own meter?

No. ERMU has a meter reader who will read your meter monthly. The meters will generally be read the first week of the month.

What do I do if my lights go out or if I have some other problem after the service is transferred to ERMU?

ERMU has a service technician on call at all hours. If you have a problem, please call 763.441.2020. This phone will be answered 24 hours a day, 7 days a week, by a live representative.

A follow-up notification will be sent out to you with more specific detail closer to the transfer date. ERMU will also be sending information on rates and conservation programs.

If you have any further questions please contact either: ERMU - Tom Sagstetter, Conservation and Key Accounts Manager at 763.635.1332; or Connexus Energy – Nick Loehlein, Manager of System Engineering, Design, & Operations at 763.323.4223.

Sincerely,



Greg Ridderbusch
Chief Executive Officer
Connexus Energy



Troy Adams
General Manager
Elk River Municipal Utilities



13069 Orono Parkway
PO Box 430 Elk River, MN 55330

Phone: 763.441.2020
Fax: 763.441.8099

August 18, 2016

[Name]
[Address]
[Address]

Dear [Name],

You are receiving this letter because Elk River Municipal Utilities (ERMU) will be providing your electric service at [Address] starting in the fall of 2016. I would like to welcome you as a customer of ERMU and reassure you that our staff is working hard to make this transition as seamless as possible. ERMU is owned by the customers we serve and we look forward to the opportunity to serve you with electric utility service.

As an Elk River resident, you may already receive a monthly bill from ERMU for water service and/or city services. Once the transfer from Connexus Energy (Connexus) to ERMU is complete, the electric service will also be included on your monthly billing statement. Bills typically get mailed the 3rd or 4th week of the month and are always due the 15th of the following month.

If you are currently participating in a budget program with Connexus, this will not transfer over to your account with ERMU. Please contact customer service at 763-441-2020 to be set up on a budget plan with ERMU. If you currently have your payment automatically deducted from an account to pay your Connexus bill, this will not transfer to your account with ERMU. If you have other services through ERMU that are paid by automatic bank draft, your electric service will automatically be added to bank draft. Contact ERMU customer service at 763-441-2020 with any questions or changes regarding automatic bank draft payments.

You can make phone payments by calling our automated system: 1-855-730-8706. You can also make one-time payments or set up recurring payments with a checking account or credit card online. Visit www.elkriverutilities.com; click Residential, then Pay Bill or Manage Account. You may also sign up for automatic bank draft by completing a form and attaching a voided check.



Enclosed for your convenience you will find a Residential Information Sheet, Automatic Bill Payment form, Acquisition FAQ Sheet, Appliance Rebate Form, and LED and CFL coupons.

You will soon be receiving a letter containing the date and time your service will transfer from Connexus to ERMU. If you currently participate in a load management program, you will also be receiving a letter detailing the program you will join with ERMU.

Please do not hesitate to contact Tom Sagstetter, Conservation and Key Accounts Manager at 763-635-1332 or Customer Service at 763-441-2020 with any questions or concerns you may have regarding this transition. We look forward to serving you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Troy Adams".

Troy Adams, P.E.
General Manager
Elk River Municipal Utilities



13069 Orono Parkway
PO Box 430 Elk River, MN 55330

Phone: 763.441.2020
Fax: 763.441.8099

8/18/2016

[Name]
[Address]
[Address]

Dear Sir or Madam:

You are receiving this letter because Elk River Municipal Utilities (ERMU) will be providing your electric service at [Address] starting in the fall of 2016. I would like to welcome your company as a customer of ERMU, and reassure you that our staff is working hard to make this transition as seamless as possible. ERMU is owned by the customers we serve, and we look forward to the opportunity to serve you with electric utility service.

Key Facts about ERMU:

1. We are a publicly owned, not for profit electric and water utility company. We are owned by the communities (customers) we serve.
2. We are ranked in the top 10% of all public power utilities in the United States based on proficiency in four key areas; electric reliability, safety, workforce development, and system improvements.
3. Electric reliability is critical for business customers. ERMU has an average service availability index of 99.994%. That is equivalent to a loss of service once every five years.
4. ERMU is a major part of "Energy City" and works with local businesses to implement environmentally sustainable practices that focus on preserving natural resources while minimizing the impacts to the bottom line.

The ERMU mission is to provide our customers with safe, reliable, cost effective and quality long term electric and water utility service. ERMU has created many opportunities for you to learn about energy and water conservation.



Key Resources that ERMU offers:

1. ERMU offers rebates for high efficient electrical equipment (lighting, HVAC equipment, energy management systems) Rebates provide the opportunity for cash back and energy cost savings.
2. Free monthly online newsletter that focuses on how to control energy costs.
3. Free walk-through audits by ERMU staff; or rebates for professional whole building systems audits.
4. Resources for re-commissioning existing buildings and design/build rebates for new structures.
5. Our website is a great resource for information about energy savings and rebates: www.elkriverutilities.com

As your business is located in Elk River, you may already receive a monthly bill from ERMU for water service and city sewer service. Once the transfer from Connexus Energy (Connexus) is complete, the electric service will also be included on your monthly billing statement. If you currently have your payment automatically deducted from an account to pay your Connexus bill, this will not transfer to your account with ERMU. If your other services through ERMU are paid by automatic bank draft, your electric service will be automatically added to bank draft. Contact ERMU with any questions or changes regarding automatic bank draft payments.

You can make phone payments by calling our automated system: 1-855-730-8706. You can also make one-time payments or set up recurring payments with a checking account or credit card online. Visit www.elkriverutilities.com; click Commercial, How to Pay Your Bill, then Pay Bill or Manage Account.

Enclosed for your convenience you will find a Commercial Rate Sheet, Commercial Rebate & Grant Programs brochure and Acquisition FAQ Sheet.

Someone from our office will be contacting you to coordinate the transfer of service from Connexus to ERMU. There will be a short outage for the switch over and we want to work with you to minimize the impact to your business.

Please do not hesitate to contact Tom Sagstetter, Conservation and Key Accounts Manager or Jolene Fenn-Jansen, Key Accounts Specialist at 763-441-2020 with any questions or concerns you may have regarding this transition. We look forward to serving you.

Sincerely,



Troy Adams, P.E.
General Manager
Elk River Municipal Utilities



13069 Orono Parkway
PO Box 430 Elk River, MN 55330

Phone: 763.441.2020
Fax: 763.441.8099

August 29, 2016

V
.
.

V

You are receiving this letter because you will soon be receiving your electric service located at]Cf ftguu_ from Elk River Municipal Utilities (ERMU) and you currently participate in a load management program through Connexus Energy (Connexus). We have analyzed your account and determined the load management program(s) you will be placed into with ERMU is/are: [Program]

We want to ensure that you will be billed correctly, and our determination of your rate is based solely on reviewing data about your current account provided from Connexus. In some cases, depending on the load management program, ERMU will have to work to update your electric services to fit into our program's specifications. This will be completed by a licensed contractor at no cost to you. If this is the case, we will contact you to discuss and coordinate the work to be done.

ERMU and Connexus have similar load management programs but there are some differences. We will work hard to put you in the most comparable rate/program that provides the best fit for your needs. The following is a brief description of each residential load management program that ERMU currently offers. Please refer to the ERMU rate sheet for specific rates.

1. Cycled Air Conditioning: This program is available to ERMU customers who have a qualifying central air conditioning unit, ASHP, or GSHP of at least 2 tons capable of being interrupted with a 5 amp relay. Customers receive a \$9 per month credit for 5 summer months. This program does not require a separate meter. Except for extreme emergencies, duration of controlled usage will not exceed 6 hours per day and more than 200 hours total per cooling season. Systems are not controlled on weekends or holidays.
2. Dual Fuel Space Heating: This program is available to residential customers who have a dual fuel space heating system consisting of a primary electric heating system and a secondary non-electric space heating system such as propane or natural gas, both capable of heating the entire living space at design conditions. Interruptions of the primary system will usually occur for up to 12 hours daily on peak winter days and a maximum of 400 hours per heating season. All electric energy consumed by the primary electric heating system will be billed at Dual Fuel rate. Systems are not controlled on weekends or holidays.



3. Electric Thermal Storage (ETS) Space Heating: This program is available to customers who have an ETS space heating system that stores heat produced by electricity generated during eight off-peak hours (weekdays 11 PM – 7 AM) for use in heating during the remaining on-peak hours daily. This heating system may be a central storage furnace, room storage heater, or slab (deep heat) system that must be capable of interruption by a single 5 amp rated relay. All electric energy consumed by this ETS system will be billed at the Energy Storage rate. Systems are not controlled on weekends or holidays.
4. Electric Thermal Storage (ETS) Water Heating: This program is available to customers who have an ETS water heater with an energy factor of .91 or more and a minimum of 80 gallons of storage capacity. An ETS water heater is designed with extra storage capacity to provide total domestic hot water needs from electricity consumed only during eight off-peak hours daily (weekdays 11 PM – 7 AM). System must be capable of direct interruption by a single 30 amp rated relay. All electric energy consumed by this ETS water heater will be billed at the Energy Storage rate. Systems are not controlled on weekends or holidays.
5. Ground Source Heat Pump: This Program is available to residential and commercial customers. A ground source heat pump (GSHP) is a central heating and/or cooling system for residential living spaces or commercial work spaces. Structures that are classified as Utility and Miscellaneous Group U by the International Code Council are not eligible for this rate. This program is available to residential or commercial customers with a GSHP as their sole heat source. GSHPs that qualify for this program will not be interrupted. A GSHP paired with another heating source such as natural gas, fuel oil, or propane may qualify for the Dual Fuel program (see program description above).

For more detailed rate and program information, please refer to the ERMU tariff sheets on our website: <http://www.elkriverutilities.com/pages/tariff-sheets>

We are here to assist you through this transition and are available to help you with any questions or concerns you may have regarding changes in your energy program(s).

Sincerely,



Tom Sagstetter
Conservation and Key Accounts Manager
763-635-1332



Jolene Fenn Jansen
Key Accounts Specialist
763-635-1337



13069 Orono Parkway • P.O. Box 430
Elk River, MN 55330-0430

Exhibit C

Phone: 763.441.2020
www.elkriverutilities.com

October __, 2016

Re: Notice of Minnesota Public Utilities Commission Proceeding
MPUC Docket No: _____

Dear Customer:

As you know, Elk River Municipal Utilities (ERMU) recently began providing your electric service. Before this transition, Connexus Energy served the area where you are located. The utilities are in the process of formally updating the electric service maps on file with the Minnesota Public Utilities Commission (MPUC) to reflect that ERMU is the electric service provider. This letter provides information concerning that proceeding before the MPUC.

The MPUC is a state agency with jurisdiction over electric service territory boundaries. The MPUC requires that all customers located in an area involved in a change in the service territory maps be formally notified of the proceeding in which the service territory maps will be approved. This letter provides that formal notice.

If you wish to address the MPUC concerning this change in maps, you may contact the MPUC Consumer Affairs Office at: 121 Seventh Place E., Suite 350, Saint Paul, Minnesota 55101, consumer.puc@state.mn.us, or call 651-296-0406. You should reference MPUC Docket No. _____. It is completely optional and voluntary to contact the MPUC.

ERMU values your business and will continue to strive to provide the highest quality service. Please contact me if you have any questions.

Respectfully,

Troy Adams, P.E.
General Manager



PROPOSED SERVICE LIST

Re: In the Matter of the Joint Request of Elk River Municipal Utilities and Connexus Energy to Update Electric Service Territory Records
MPUC Docket: _____

Via Electronic Filing

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
350 Metro Square Building
121 Seventh Place East
St. Paul, MN 55101

Via Electronic Filing

Ms. Sharon Ferguson
MN Department of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101-2198

Via Electronic Filing

Julia Anderson
Office of the Attorney General-DOC
1800 BRM Tower
445 Minnesota Street
St. Paul, MN 55101-2134

Via Electronic Filing

John Lindell
Office of the Attorney General-RUD
1400 BRM Tower
445 Minnesota Street
St. Paul, MN 55101-2130

Via Electronic Mail

Greg Ridderbusch, President and CEO
Connexus Energy
14601 Ramsey Blvd.
Ramsey, MN 55303
greg.ridderbusch@connexusenergy.com
(Connexus Energy)

Via Electronic Mail

Sara McGrane
Felhaber Larson
220 South 6th Street
Suite 220
Minneapolis, MN 55402-4504
smcgrane@felhaber.com
(Connexus Energy)

Via Electronic Mail

Troy Adams, P.E.
Elk River Municipal Utilities
1306 Orono Parkway
P.O. Box 430
Elk River, MN 55330-0430
tadams@elkriverutilities.com
(Elk River Municipal Utilities)

Courtesy Copies

Ms. Kathleen M. Brennan
McGrann Shea Carnival Straughn
& Lamb, Chartered
800 Nicollet Mall
Suite 2600
Minneapolis, MN 55402-7035
kmb@mcgrannshea.com
(Elk River Municipal Utilities)