

December 27, 2019

Daniel P. Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
St. Paul, Minnesota 55101-2147

**RE: Corrected Comments of the Minnesota Department of Commerce, Division of Energy Resources**  
Docket No. E145, E304/SA-19-698

Dear Mr. Wolf:

Attached are the *Corrected Comments* of the Minnesota Department of Commerce, Division of Energy Resources (Department) in the following matter:

The Joint Request of MiEnergy and the City of St. Charles, Minnesota for approval to Update Electric Service Territory Boundaries.

The petition was filed November 5, 2019 by:

Daniel E. Berndt  
Dunlap & Seeger  
30 3<sup>rd</sup> Street SE, Suite 400  
Rochester, MN 55904

These Corrected Comments eliminate one unintended sentence on page 3 of the Department's December 5, 2019 comments. The sentence has been redlined.

The Department recommends that the Minnesota Public Utilities Commission (Commission) approve the requested permanent service territory transfer from MiEnergy to the City of St. Charles, Minnesota, and is available to answer any questions the Commission may have.

Sincerely,

/s/ DALE V. LUSTI  
Financial Analyst

DVL/ar  
Attachment

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## Before the Minnesota Public Utilities Commission

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### Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. E145, E304/SA-19-698

#### I. BACKGROUND

The St. Charles Public Utility on behalf of the City of St. Charles (the Municipal) is an electric municipal utility organized and existing under the laws of the State of Minnesota. MiEnergy Cooperative (MiEnergy) is an electric utility Minn. Stat. § 216B.38, subd. 5 and provides electric service to customers located within its assigned electric service area.

#### II. SUMMARY OF PROPOSAL

On November 5, 2019, the Municipal and MiEnergy, collectively the Parties, jointly filed a petition under Minn. Stat. § 216B.40, 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 located within the City limits of the Municipal and within the electric service territory assigned to MiEnergy, from MiEnergy to the Municipal.

#### III. DEPARTMENT ANALYSIS

##### A. *TRANSFER OF THE AFFECTED AREA FROM MIENERGY TO THE MUNICIPAL*

The petition's Schedule A, Exhibit A is a map of that depicts the boundaries of the Affected Areas.

The legal description for Parcel 1 as detailed by the Parties on Schedule A to the Petition is as follows:

The South Half of the Northwest Quarter of the Southeast Quarter of Section 17, Township 106 North, Range 10 West, Winona County, Minnesota.

Parcel 1 involves approximately 20 acres with zero Customers.

The legal description for Parcel 2 as detailed by the Parties on Schedule A to the Petition is as follows:

The South Half of the Northwest Quarter of the Southwest Quarter and the Southwest Quarter of the Southwest Quarter of Section 16, Township 106 North, Range 10 West, Winona County, Minnesota.

Parcel 2 involves approximately 60 acres with zero customers.

The legal description for Parcel 3 as detailed by the Parties on Schedule A to the Petition is as follows:

That part of the Southwest Quarter of the Northeast Quarter and that part of the West Half of the Southeast Quarter of Section 20, Township 106 North, Range 10 West, Winona County, Minnesota described as follows:

Beginning at the southwest corner of said West Half of the Southeast Quarter; thence northerly, along the west line of said West Half of the Southeast Quarter and the west line of said Southwest Quarter of the Northeast Quarter, to the northerly right of way line of Trunk Highway No. 14; thence easterly, along said right of way line, to the east line of said Southwest Quarter of the Northeast Quarter; thence southwesterly to the point of beginning.

Excepting therefrom all that part of the above described parcel which lies south of the northerly right of way of the Dakota Minnesota and Eastern Railroad.

Parcel 3 involves approximately 15 acres with zero customers.

The legal description for Parcel 4 as detailed by the Parties on Schedule A to the Petition is as follows:

That part of the Northwest Quarter of the Southwest Quarter of Section 28, Township 106 North, Range 10 West, Winona County, Minnesota lying westerly of the following described line:

Commencing at the northwest corner of said Northwest Quarter of the Southwest Quarter; thence South 01 degree 34 minutes 13 seconds East, assumed bearing, along the west line of said Northwest Quarter of the Southwest Quarter, 756.96 feet for the point of beginning of the line to be described; thence North 26 degrees 43 minutes 29 seconds East, 856.38 feet to the north line of said Northwest Quarter of the Southwest Quarter and there terminating.

Parcel 4 involves approximately 3.53 acres with zero customers.

The legal description for Parcel 5 as detailed by the Parties on Schedule A to the Petition is as follows:

That part of the Southeast Quarter of the Northwest Quarter of Section 21, Township 106 North, Range 10 West, Winona County, Minnesota described as follows:

Commencing at southeast corner of said Southeast Quarter of the Northwest Quarter, thence on an assumed bearing of South 89 degrees 08 minutes 51 seconds West along the south line of said Southeast Quarter of the Northwest Quarter, 490.10 feet, thence North 02 degrees 01 minutes 10 seconds West, parallel with the east line of said Southeast Quarter of the Northwest Quarter, 348.29 feet to the centerline of Trunk Highway No. 14; thence North 84 degrees 24 minutes 27 seconds West, along said centerline, 466.32 feet to the point of beginning of the parcel to be described; thence South 02 degrees 01 minutes 27 seconds East, parallel to the east line of said Southeast Quarter of the Northwest Quarter, 357.00 feet; thence South 89 degrees 08 minutes 51 seconds West, parallel with the south line of said Southeast Quarter of the Northwest Quarter, 188.00 feet; thence North 02 degrees 01 minutes 27 seconds West, parallel with the east line of said Southeast Quarter of the Northwest Quarter, 375 feet to the centerline of said Trunk Highway No. 14; thence easterly along said centerline to the point of beginning.

Parcel 5 involves approximately 1.6 acres with zero customers.

The legal description for Parcel 6 as detailed by the Parties on Schedule A to the Petition is as follows:

The Northwest Quarter and the North Half of the Southwest Quarter and the West Half of the Northeast Quarter and the West Half of the East Half of the Northeast Quarter of Section 18, Township 106 North, Range 10 West, Winona County, Minnesota.

~~The legal description for Area 2 is detailed by the Parties on pages B-2 and B-3 of Exhibit B to the Petition.~~

Parcel 6 involves approximately 150 acres with 10 residential customers and 1 commercial customer.

#### *B. CUSTOMER NOTICE*

Schedule B to the Petition is the Parties proposed notice to the affected customers, regarding the Municipal providing electric service to those previously served by MiEnergy. On November 20, 2019 the Parties filed with the Commission the notice it provided to all affected customers about this proceeding.

*C. COMPENSATION*

The Department notes that the Parties agreed in writing on appropriate compensation regarding the proposed 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 MiEnergy to the City of St. Charles, Minnesota and request that MnGeo update the Commission's maps to reflect the service area designations as shown on the map in the Petition. Please note that James Bunning is the primary MnGeo Contact for the Commission's service area map updates.

/ar