

May 9, 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. E299, E132/SA-19-267

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 Rochester Public Utilities and People's Energy Cooperative for approval to Update Electric Service Territory Boundaries.

The petition was filed April 10, 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 People's Energy Cooperative to Rochester Public Utilities, and is available to answer any questions the Commission may have.

Sincerely,

/s/ DALE V. LUSTI
Financial Analyst

DVL/ar
Attachment



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. E299, E132/SA-19-267

I. BACKGROUND

Rochester Public Utilities (the Municipal) is an electric municipal utility organized and existing under the laws of the State of Minnesota. People's Energy Cooperative (the Cooperative) is an electric distribution cooperative organized and existing under the laws of the State of Minnesota.

II. SUMMARY OF PROPOSAL

On April 10, 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 21 areas located within the city limits of Rochester and within the electric service territory assigned to the Cooperative, and identified as the Affected Areas, from the Cooperative to the Municipal.

III. DEPARTMENT ANALYSIS

A. TRANSFER OF THE AFFECTED AREAS FROM THE COOPERATIVE TO THE MUNICIPAL

The Petition's Exhibit A is a map of the Affected Areas which involve approximately 634.67 acres and 322 customers (322 residential, 0 commercial and 0 industrial).

Exhibit B to the Petition, contains the 16-page legal description of the Affected Areas.

The Minnesota Department of Commerce, Division of Energy Resources (Department) was notified by the Parties on April 24, 2019 that a typographical error resulted in the omission of a sentence from the bottom of page 14 of the Petition, regarding the legal description of Docket No. A-8171 (Ordinance No. 4349). The new sentence should read as follows: Containing 0.9 acres, more or less.

Per the Petition, it should be noted that the proposed transfer is a permanent transfer of service territory.

B. INTERIM SERVICE

Per the Petition, when appropriate to avoid the unnecessary duplication of facilities, the Parties have agreed that the Municipal would provide interim service.

C. CUSTOMER NOTICE

In the 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 of the pending Commission proceeding that the Parties expected to provide to all customers in the Affected Areas.

On May 8, 2019, the parties provided an AFFIDAVIT OF SERVICE that on May 3, 2019, a notice letter¹ was mailed to each customer affected by the boundary change proceeding.

D. ANTICIPATED TRANSFER DATE

Per conversation with the Parties, the physical transfer of service is anticipated to be complete by the end of December, 2019.

E. COMPENSATION

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

Thus, the Department agrees that the Parties' request to establish the Affected Areas 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 People's Energy Cooperative to Rochester Public 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.

/ar

¹ Exhibit A to the May 8, 2019 AFFIDAVIT OF SERVICE.