

November 30, 2016

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. E234, E101/SA-16-922

Dear Mr. Wolf:

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

The Joint Request of Elk River Municipal Utilities (the Municipal) and Connexus Energy (the Cooperative) to Modify Electric Service Territory Boundaries.

The petition was filed on November 14, 2016 by:

Kathleen M. 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 service territory transfer from Connexus Energy to Elk River Municipal Utilities, and is available to answer any questions the Commission may have.

Sincerely,

/s/ DALE V. LUSTI
Financial Analyst

DVL/lt
Attachment

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

**COMMENTS OF THE
MINNESOTA DEPARTMENT OF COMMERCE
DIVISION OF ENERGY RESOURCES**

DOCKET No. E234, E101/SA-16-922

I. BACKGROUND

Elk River Municipal Utilities (the Municipal) is an electric municipal utility organized and existing under the laws of the State of Minnesota. Connexus Energy (the Cooperative) is an electric distribution cooperative organized and existing under the laws of the State of Minnesota.

II. SUMMARY OF PROPOSAL

On November 14, 2016, the Municipal and the Cooperative, collectively the Parties, jointly filed a petition under Minn. Stat. 216B.39, subd.3, asking the Minnesota Public Utilities Commission (Commission) to modify the Parties' service territory boundaries. Approval of the Parties' request would transfer the Affected Area from the Cooperative to the Municipal.

III. DEPARTMENT ANALYSIS

A. TRANSFER OF THE AFFECTED AREA FROM COOPERATIVE TO MUNICIPAL

Exhibit A to the Petition is a map that depicts the boundary of the Affected Area. According to the Petition, the Affected Area involves approximately 1,644 acres with 60 residential customers, 140 commercial customers and zero industrial customers.

Although the Parties do not have a separate legal description prepared of the Affected Area,

they will provide whatever information MNGeo requests to facilitate the adjustment in the official maps. According to the Parties, they do have a Shape or CAD file of the map depicted in Exhibit A.

Per conversation with the Parties' representative, it should be noted the proposed transfer is a permanent transfer of service territory.

B. CUSTOMER NOTICE

Exhibit B to the Petition is an eight-page set of informational documents relating to the transfer of electric service from the Cooperative to the Municipal, that was provided to all customers in the Affected Area.

Exhibit C to the Petition is a Proposed Notice to be provided to all customers in the Affected Area. The notice identifies the pending proceeding before the Commission regarding the process of formally updating the service area maps to reflect Elk River Municipal Utilities as the service provider to the Affected Area.

C. TRANSFER DATE

As stated in the Petition, the Parties transferred the services on September 20, 2016.

D. COMPENSATION

The Department notes that the Parties have agreed upon appropriate compensation.

Thus, the Department agrees that the Parties' request to establish the Affected Area as part of Elk River Municipal Utilities' service area is consistent with Minn. Stat. 216B.39.

IV. RECOMMENDATION

The Department recommends that the Commission approve the requested service territory transfer from Connexus Energy to Elk River Municipal Utilities.

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