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May 9, 2014

**VIA E-FILING**

Dr. Burl Haar  
Executive Secretary  
Minnesota Public Utilities Commission  
121 Seventh Place East, Suite 350  
St. Paul, MN 55101

Re: In the Matter of a Request for the Approval of the Asset Purchase and Sale Agreement between Interstate Power and Light Company (IPL) and Southern Minnesota Energy Cooperative (SMEC)  
MPUC Docket: E-001, E-115, E-140, E-105, E-139, E-124, E-126,  
E-145, E-132, E-114, E-6521, E-142, E-135/PA-14-322  
Our File No.: 12538-0038

Dear Dr. Haar:

On behalf of Minnesota Municipal Utilities Association ("MMUA"), I am pleased to respond to the Minnesota Public Utilities Commission's (the "Commission's") request for procedural and scoping comments in this matter. As you know, MMUA provides services and assistance to 125 municipal utilities in Minnesota. MMUA wishes to assist in developing a complete record in this matter and to preserve an opportunity to participate. To be clear, MMUA has not taken any position on the merits; its procedural comments should not be construed as an effort to oppose the transaction.

The transaction proposed in this docket is truly historic. MMUA is not aware of any past electric service territory matter of this scope – involving over 42,000 retail customers, 84 communities, unspecified miles of distribution facilities, and over 16,000 street lights. For purposes of context, the vast majority of municipal utilities are smaller utilities that serve fewer than 2,500 customers. Given the scope of this transaction, the Commission should fully develop the record and provide a meaningful opportunity for public input and comment.

In terms of the specific topics raised by the Commission, MMUA notes that the IPL and SMEC petition correctly framed the legal issues to be addressed. The

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Commission ultimately determines whether the transaction is consistent with the public interest. Under this public interest standard, the Commission may consider a variety of factors. Because only the parties to the transaction have provided information to date, it is difficult to assess whether any material facts are in dispute. It may be that the Department of Commerce, Office of Attorney General, the affected communities and ratepayers, or other stakeholders will present disputed issues of fact or otherwise raise issues that affect the public interest. MMUA encourages the Commission to fully develop the record in this regard.

Although there are multiple avenues to obtain public input, the Commission should select the method that fully develops the record and maximizes the opportunity to provide information and answer questions. Cities and smaller communities are already burdened in meeting their duties, and should not somehow be charged with being a primary source of information for this transaction. Meaningful public participation would assist the Commission in determining whether disputed issues of material fact exist, as well as providing a sound foundation from which to determine the public interest. Public input should be allowed either as a precursor to determining whether to open a contested case proceeding or as the initial phase of a contested case proceeding. A summary of any comments received or public hearings would be helpful in developing the record. The schedule should provide the full development of the record before requiring any comments or briefing.

Finally, the Commission asked whether there were any issues or concerns that were not sufficiently developed in the petition in this matter. Given the Commission's past inquiry as to IPL reliability issues, it would be helpful to further address reliability and any anticipated operations or infrastructure plans going forward. In terms of franchises that IPL currently holds with Minnesota cities, will they be assigned, if permitted under the terms of the franchise, or will new franchises be required?

In closing, MMUA sincerely appreciates the opportunity of the Commission to provide input as to the procedure and scope of this matter. Please feel free to contact me if you have any questions.

Sincerely,



Kaela Brennan

cc: Service List