

June 4, 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. E120, E241/SA-19-331

Dear Mr. Wolf:

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

The Revised Joint Request of the City of Glencoe (the Municipal) and McLeod Cooperative Power Association (the Cooperative) for approval to Update Electric Service Territory Records.

The revised joint petition was filed on May 22, 2019¹ by:

Kathleen M. Brennan
McGrann Shea Carnival Straughn & Lamb, Chartered
800 Nicollet Mall, Suite 2600
Minneapolis, MN 55402

The Department recommends that the Minnesota Public Utilities Commission (Commission) approve the permanent service territory transfer of the two Transfer Areas from the McLeod Cooperative Power Association to the Glencoe Power and Light Commission, and is available to answer any questions the Commission may have. Please note, the two service by exception agreements do not require specific attention by the Commission.

Sincerely,

/s/ DALE V. LUSTI
Financial Analyst

DVL/ar
Attachment

¹ According to the cover letter of the joint petition, the May 22, 2019 joint petition is meant to replace the three initial filings dated May 10, 2019 and May 13, 2019 (and received on May 14, 2019).



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. E120, E241/SA-19-331

I. BACKGROUND

McLeod Cooperative Power Association (the Cooperative) is an electric distribution cooperative formed pursuant to the provisions of Minn. Stat. Chapter 308A. Glencoe Light and Power Commission (the Municipal) operates a municipal utility pursuant to the provisions of Minn. Stat. Sections 412.321 - .391.

II. SUMMARY OF INITIAL PETITION RECEIVED ON MAY 14, 2019

On May 14, 2019, the Parties jointly filed the following three documents:

- Document ID 20195-152912-01 - For approval of a Service by Exception to allow the Cooperative to extend electric lines for electric service to its own utility property and facilities which will be constructed within the designated service territory assigned to the Municipal.
- Document ID 20195-152912-02 - For approval to update the official service territory map to reflect an agreed-upon change in the Parties electric service territory boundaries. This joint request concerns areas that have been annexed and are to be served by the Municipal.
- Document ID 20195-152912-03 - For approval of a Service by Exception to allow the Municipal to extend electric lines for electric service to its own utility property and facilities which are located within the designated service territory assigned to the Municipal.

III. SUMMARY OF REVISED PETITION RECEIVED ON MAY 22, 2019

To replace the joint filing the Parties dated May 10, 2019 and May 13, 2019 (though received on May 14, 2019), the Parties on May 22, 2019 jointly filed the following document:

- Document ID 20195-153087-01 - For approval to update the official service territory map to reflect an agreed-upon change in the Parties electric service territory boundaries. This joint request concerns two areas that have been annexed in the city

limits and are to be permanently transferred to the Municipal's assigned service territory (the Affected Areas).

IV. DEPARTMENT ANALYSIS OF DOCUMENT ID – 20195-153087-01

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

Exhibit A to the Revised Petition contains the maps and legal descriptions that identify the boundaries of the two Affected Areas.

i. The legal description of the first Affected Area is as follows:

The West 314.80 feet of Outlot A, PANTHER HEIGHTS SECOND ADDITION, according to the recorded plat thereof, McLeod County Minnesota

AND

That part of 16th street, as dedicated by PANTHER HEIGHTS FIRST ADDITION, according to the recorded plat thereof, McLeod County, Minnesota, lying west of the northerly prolongation of the east line of the West 314.80 feet of said Outlot A, PANTHER HEIGHTS SECOND ADDITION, and lying east of a line parallel with and distant 87 feet east of the northwest corner of Lot 1, Block 2, of said PANTHER HEIGHTS SECOND ADDITION.

Per a May 28, 2019 e-mail with the Petitioner, the Parties confirmed the first Affected Area contains approximately 3.38 acres.

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

Per the Petition, it should be noted that the transfer of service territory will not impact any existing customers, since there are no existing customers in the transfer area.

ii. The legal description of the second Affected Area is as follows:

That part of the Northeast Quarter of Section 18, Township 115 North, Range 27 West, McLeod County, Minnesota, described as follows:

Beginning at the northeast corner of Lot 2, Block 2, GLENCOE INDUSTRIAL PARK SECOND ADDITION, according to the recorded

plat thereof; thence South 00 degrees 36 minutes 50 seconds East along the east line of said Lot 2, a distance of 751.32 feet to the southeast corner of said Lot 2, thence South 89 degrees 22 minutes 50 seconds East along the easterly extension of the south line of said Lot 2, a distance of 35.63 feet to the west line of the East 990.00 feet of said Northeast Quarter as measured along the north line of said Northeast Quarter from the northeast corner of said Section 18 and as measured along the south line of said Northeast Quarter from the east quarter corner of said Section 18; thence North 00 degrees 36 minutes 50 seconds West along said west line of the east 990.00 feet 754.13 feet to the southerly right-of-way line of the Twin Cities and Western Railroad; thence South 86 degrees 06 minutes 26 seconds West along said southerly railroad right-of-way line 35.68 feet to the point of beginning. Subject to any and all easements of record.

AND

That part of the Northeast Quarter of Section 18, Township 115 North, Range 27 West, McLeod County, Minnesota, described as follows:

Commencing at the northeast corner Lot 2, Block 2, GLENCOE INDUSTRIAL PARK SECOND ADDITION, according to the recorded plat thereof; thence South 00 degrees 36 minutes 50 seconds East along the east line of said Lot 2, a distance of 751.32 feet to the southeast corner of said Lot 2, thence South 89 degrees 22 minutes 50 seconds East along the easterly extension of the south line of said Lot 2, a distance of 35.63 feet to the point of beginning; said point lying on the west line of the East 990.00 feet of said Northeast Quarter as measured along the north line of said Northeast Quarter from the northeast corner of said Section 18 and as measured along the south line of said Northeast Quarter from the east quarter of said Section; thence continue South 89 degrees 22 minutes 50 seconds East along said easterly extension of the south line of said Lot 2, a distance of 158.42 feet; thence North 00 degrees 36 minutes 50 seconds West parallel to the east line of said Lot 2, a distance of 766.61 feet to the southerly right-of-way line of the Twin Cities and Western Railroad; thence South 86 degrees 06 minutes 26 seconds West along said southerly railroad right-of-way line 158.64 feet to said west line of the east 990.00 feet as previously described herein; thence South 00 degrees 36 minutes

50 seconds East along said line 754.13 feet to the point of beginning. Subject to any and all easements of record.

Per a May 28, 2019 e-mail with the Petitioner, the Parties confirmed the second Affected Area contains approximately 5 acres.

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

Per the Petition, it should be noted that the transfer of service territory will not impact any existing customers, since there are no existing customers in the transfer area.

B. CUSTOMER NOTICE

The Minnesota Department of Commerce, Division of Energy Resources (Department) notes the Parties did not provide a customer notice since there are no existing customers in the transfer area.

C. COMPENSATION

The Department notes the Parties have agreed to appropriate compensation for the permanent transfer of service territory as set forth in its Petition, pursuant to the April 27, 2010 Electric Service Territory Agreement (Agreement), that had not previously been filed with the Commission. The Agreement was filed as Exhibit B to the Petition.

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.39 and 216B.44.

V. SERVICE BY EXCEPTION AGREEMENTS

A. SERVICE BY EXCEPTION AGREEMENT 1

On May 14, 2019, the parties jointly filed a petition under Minn. Stat. § 216B.42, asking the Commission for approval of a Service by Exception to allow the Cooperative to extend electric lines for electric service to its own utility property and facilities (Cooperative Headquarters) which will be constructed within the designated service territory assigned to the Municipal.

The legal description of this service by exception is as follows:

The West 314.80 feet of Outlot A, PANTHER HEIGHTS SECOND ADDITION, according to the recorded plat thereof, McLeod County Minnesota

AND

That part of 16th street, as dedicated by PANTHER HEIGHTS FIRST ADDITION, according to the recorded plat thereof, McLeod County, Minnesota, lying west of the northerly prolongation of the east line of the West 314.80 feet of said Outlot A, PANTHER HEIGHTS SECOND ADDITION, and lying east of a line parallel with and distant 87 feet east of the northwest corner of Lot 1, Block 2, of said PANTHER HEIGHTS SECOND ADDITION.

B. SERVICE BY EXCEPTION AGREEMENT 2

On May 14, 2019, the parties jointly filed a petition under Minn. Stat. § 216B.42, asking the Commission for approval of a Service by Exception to allow the Municipal to extend electric lines for electric service to its own utility property and facilities (Municipal Substation) which are located within the designated service territory assigned to the Cooperative.

Exhibit A to the May 14, 2019 Petition is a map and legal description that identifies the boundaries of the Service By Exception located at 10975 Diamond Avenue, Glencoe, Minnesota within the Cooperative's assigned service territory, which includes approximately 2 acres and zero customers. The legal description is as follows:

Sect-17 Twp-115 Range-027
2.00 AC
N'LY 295' E'LY 295' OF
McLeod County, Minnesota

C. COMPENSATION

The Department notes the Parties agree no compensation is owed for the limited right to serve the specific exceptions. In Exception Agreement 1, the Cooperative will not serve any additional properties not specifically permitted in Agreement 1. Similarly, in Exception Agreement 2, the Municipal will not serve any additional properties not specifically permitted in Agreement 2.

Minnesota Statutes section 216B.42 allows for the requested service by exception changes without specific action by the Commission.

VI. RECOMMENDATION

The Department recommends that the Commission approve the permanent service territory transfer of the two Affected Areas identified above from McLeod Cooperative Power Association to the Glencoe Light and Power Commission. MnGeo should update the Commission's maps to reflect the service area designation as shown on the map in the Petition. Please note, the Department has been advised that Shana Neumann is now the primary MnGeo contact for PUC map updates. Shana Neumann may be contacted at shana.neumann@state.mn.us.

As noted above, the two service by exception agreements do not require specific attention by the Commission, but should be noted on the official maps.

/ar