

March 12, 2018

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-18-151

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 Elk River Municipal Utilities and Connexus Energy for approval to Modify Electric Service Territory Boundaries.

The petition was filed February 12, 2018 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 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/ja
Attachment



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. E234, E101/SA-18-151

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 February 12, 2018, the Municipal and Cooperative, collectively the Parties, jointly filed a petition under Minn. Stat. 216B.39, asking the Minnesota Public Utilities Commission (Commission) to modify the Parties' service territory boundaries (Petition). Approval of the Parties' request would permanently transfer the Affected Area from the Cooperative to the Municipal.

III. DEPARTMENT ANALYSIS

A. *TRANSFER OF THE AFFECTED AREA FROM THE COOPERATIVE TO THE MUNICIPAL*

Exhibit A to the Petition is a map of Affected Area which involves approximately 1,317 acres and 469 customers (448 residential, 21 commercial and 0 industrial).

The Parties do not have a separate legal description of the Affected Area, but have agreed to provide MnGeo whatever information is needed to facilitate the adjustment in the official maps.

B. CUSTOMER NOTICE

Exhibit B of the Petition contains copies of notices sent to customers subject to the transfer. The Cooperative sent a letter on August 1, 2017 informing customers of the transfer; the Municipal sent welcome letters August 8, August 22, and September 6, 2017. In February of 2018, the Municipal sent a notice to its new customers of the pending Commission proceeding.

C. ANTICIPATED TRANSFER DATE

As stated in the Petition, the transfer on September 17, 2017 occurred smoothly and without incident.

D. 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.39.

IV. RECOMMENDATION

The Department recommends that the Commission approve the permanent service territory transfer from Connexus Energy to Elk River Municipal Utilities. MnGeo should update the Commission's maps to reflect the service area designations as shown on the map in the Petition.

/ja