

December 13, 2017

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. E203, E017/SA-17-804

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 the Alexandria Board of Public Works d/b/a ALP Utilities and Otter Tail Power Company for approval to Modify Electric Service Territory Boundaries.

The petition was filed November 15, 2017 by:

Kaela Brennan
McGrann Shea Carnival Straughn & Lamb, Chtd.
800 Nicollet Mall, Suite 2600
Minneapolis, MN 55402

and

Leon Kremeier
Division Manager
Otter Tail Power Company
410 College Avenue
Crookston, MN 56716

On December 4, 2017 the petitioners submitted a Customer Notification Letter.

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The Department recommends that the Minnesota Public Utilities Commission (Commission) **approve the requested service-by-exception agreement, and the permanent service territory transfer** from Otter Tail Power Company to ALP 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. E203, E017/SA-17-804

I. BACKGROUND

Alexandria Board of Public Works d/b/a ALP Utilities (the Municipal) is an electric municipal utility organized and existing under the laws of the State of Minnesota. Otter Tail Power Company (OTP) is a Minnesota corporation and a public utility under Minn. Stat. 216B.02, Subd. 4.

II. SUMMARY OF PROPOSAL

On November 15, 2017, the Municipal and OTP, 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. Approval of the Parties' request would permanently transfer the Affected Area from OTP to the Municipal. The Parties agreed that OTP will continue to serve the current customers in the Transfer Area on a service-by-exception basis until the Parties have arranged the transfer of electric service for each affected customer

III. DEPARTMENT ANALYSIS

A. TRANSFER OF THE AFFECTED AREA FROM OTP TO THE MUNICIPAL

Exhibit A includes a map of the Petition includes a map showing the area to be transferred from OTP to the Municipal.

The legal description of the transfer area as included in Exhibit B to the Petition is as follows:

The West Half of Section 2 (318.76 Acres), the East Half of the Southeast Quarter of Section 3 (80 Acres), all of Government Lot 1 Section 10 (35.83 Acres), all of Government Lot 1, Section 11 (12.84 Acres) and Lot 1, Block 1, Zavadił's First Douglas County Addition

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(19.96 Acres), all in Township 127 North, Range 38 West, City of Alexandria, Douglas County, Minnesota. Also, in Douglas County, Lake Mary TWP, Section 2 Township 127:R38 NE 4 EX SE4NE4 & N 306.13' OF E 50' OF NE4NE4 AC (120.73 Acres).

Per the petition, the total transfer area includes 588.12 acres, and currently contains four farm customers (one of which is currently not receiving electric service).

B. CUSTOMER NOTICE

On December 4, 2017, the Parties filed a one-page informational Customer Notice Letter relating to the transfer of electric service territory from OTP to the Municipal that was 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 ALP Utilities as the service provider to the Affected Area.

C. ANTICIPATED TRANSFER DATE

As stated in the Customer Notice Letter received on December 4, 2017, the Parties plan to transfer the services during the 2018 construction season.

D. COMPENSATION

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

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

IV. RECOMMENDATION

The Department recommends that the Commission approve both the requested service-by-exception agreement and the permanent service territory transfer from Otter Tail power Company to ALP Utilities. MnGeo should update the Commission's maps to reflect the service area designations as shown on the map in the Petition.

/ja