

February 5, 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. E217, E109/SA-18-32

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 Water and Light Department d/b/a Brainerd Public Utilities and Crow Wing Power for approval to Modify Electric Service Territory Boundaries.

The petition was filed January 4, 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 Crow Wing Power to Brainerd Public 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. E217, E109/SA-18-32

I. BACKGROUND

Brainerd Public Utilities (the Municipal) is an electric municipal utility organized and existing under the laws of the State of Minnesota. Crow Wing Power (the Cooperative) is an electric distribution cooperative organized and existing under the laws of the State of Minnesota.

II. SUMMARY OF PROPOSAL

On January 4, 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. Approval of the Parties' request would permanently transfer the Affected Area from the Cooperative to the Municipal. The Parties agreed that the Cooperative will continue to serve the current customers in the Transfer Area until the Parties have mutually agreed upon a transfer date, which is expected to occur in the Spring of 2018.

III. DEPARTMENT ANALYSIS

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

Exhibit A of the petition is a map of Transfer Area A which involves approximately 300 acres and no customers.

Exhibit B of the petition is a map of Transfer Area B which involves approximately 4800 acres and 18 customers (17 residential and one commercial customer).

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

B. CUSTOMER NOTICE

In the petition, the Parties acknowledged that the Commission directs that separate notice to customers is given as to the pending proceeding before the Commission, and noted that the Parties will provide this notice to affected customers and arrange separate filing with the Commission. On January 31, 2018, the Parties did provide as Exhibit A to the filing, the requested customer notice.

C. ANTICIPATED TRANSFER DATE

As stated in the Petition, the Transfer Date is expected to be in the Spring of 2018.

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 Crow Wing Power Company to Brainerd Public Utilities. MnGeo should update the Commission's maps to reflect the service area designations as shown on the map in the Petition.

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