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October 10, 2018

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OF COUNSEL

VIA E-FILING
Mr. Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

RE: In the Matter of a Petition for Approval of a Service Territory Agreement between
Federated Rural Electric Association and Lakefield Public Utilities, City of Lakefield
Docket No. _____

Dear Mr. Wolf:

Enclosed for filing please find the Joint Petition between Federated Rural Electric Association
("FREA") and Lakefield Public Utilities, City of Lakefield ("LPU"). Hereinafter referenced
collectively as the "Parties".

Summary of Joint Request

Pursuant to Minn. Statute 216B.39, subd. 3, FREA and LPU petition the Minnesota Public
Utilities Commission ("Commission") for approval to modify the Parties' service territory
boundaries. This joint request concerns the transfer of areas (Affected Area) located within the
city limits of Lakefield, Minnesota, and within the designated service territory assigned to FREA
as further described below.

Legal Authority

Pursuant to Minn. Statute 216B.44, LPU may acquire the right to serve any area within its corporate boundaries so long as the municipality pays an agreed upon compensation to the displaced utility currently designated the service territory. Also, in Minn. Statute 216B.39 subd. 3, “the commission may on its own or at the request of an electric utility make changes in the boundaries of the assigned service areas, but only after notice and hearing...” Additionally in Minn. Statute 216B.40, “no electric utility shall render or extend service at retail within the assigned service area of another electric utility unless the electric utility consents thereto in writing...” In this docket, the Parties seek to adjust the service boundaries to permanently transfer the Affected Area to LPU’s assigned service territory and provide a “service by exception” for a single location for FREA’s assigned service territory. The Parties have agreed upon appropriate compensation and request the Commission update its official records as to electric service territory boundaries.

Description of Affected Area

A map, Exhibit A, is attached that shows the boundaries of the Affected Area and the single location that is to be service area by exemption. The Affected Area is separated into two parts. The first area referred to as the “Annexed Area” is a recent extension of the City of Lakefield’s corporate boundary. This area is currently undeveloped properties that have been agreed upon by the Parties to become a permanent part of LPU’s assigned service territory. No existing customers are affected.

The second area, referred to as the “Existing Municipal Services Area,” is an area which has been served by LPU since its existence but is identified as the assigned service territory of FREA. The Parties have agreed this area will also become a permanent part of the LPU’s assigned service territory. Customers in the area will not be affected as there will be no change in the electric service provider.

The single location that is to be a “service by exception” is a three-phase account currently served by FREA within the assigned service territory of LPU. The Parties agree this single location will become a “service by exception” for FREA’s assigned service territory. The customer at this location will not be affected as there will be no change in the electric service provider.

In addition to the map in Exhibit A, a GIS file will be emailed to MNGeo upon Commission Approval of this petition.

Parties Contact Information

For additional requested information or question the Parties’ contact information is as follows:

Lakefield Public Utilities, City of Lakefield

Christophe A. Butzon

Costello, Carson, Butzon & Schmit, LLP

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Federated Rural Electric Association

Bradley Anderson

The Bradley W. Anderson Law Offices

(507) 847-2052

PO Box 225

Jackson, MN 56143

bradleyanderson@qwestoffice.com

Please contact me at the number above if you have any questions regarding the matter.

Sincerely,

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

Christophe A. Butzon

Encl.

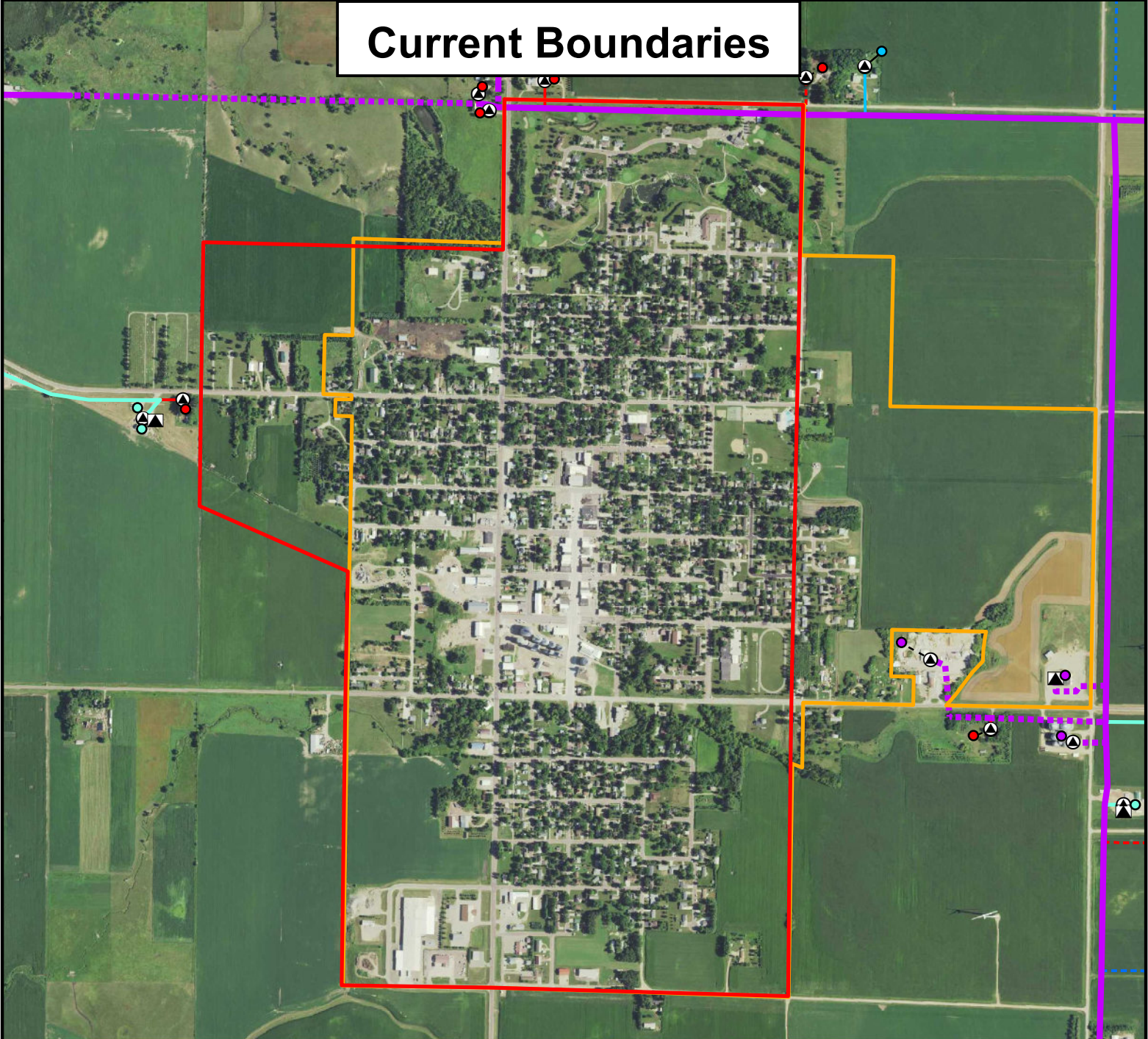
Exhibit A

- **Current Service Territory Boundaries**
- **Proposed Service Territory Boundaries**
- **Proposed Service Territory Boundaries with Descriptions of Modifications**

Federated Rural Electric/City of Lakefield

Service Territory Transfer Agreement

Current Boundaries



This map was produced for reference only by STAR Energy Services LLC using the most current information available at the time of production. Federated Rural Electric, Lakefield Public Utilities and STAR Energy Services LLC, cannot be held liable for errors. Produced 8/8/2018

Location

County: Jackson
 Township: Heron Lake/Hunter
 Twp/Rng: T103N R36W/T102N R36W
 Section: 32, 33,4,5
 Quad: 4617 Lakefield

Aerial

2018 ESRI - World Imagery

Date: 8/8/2018

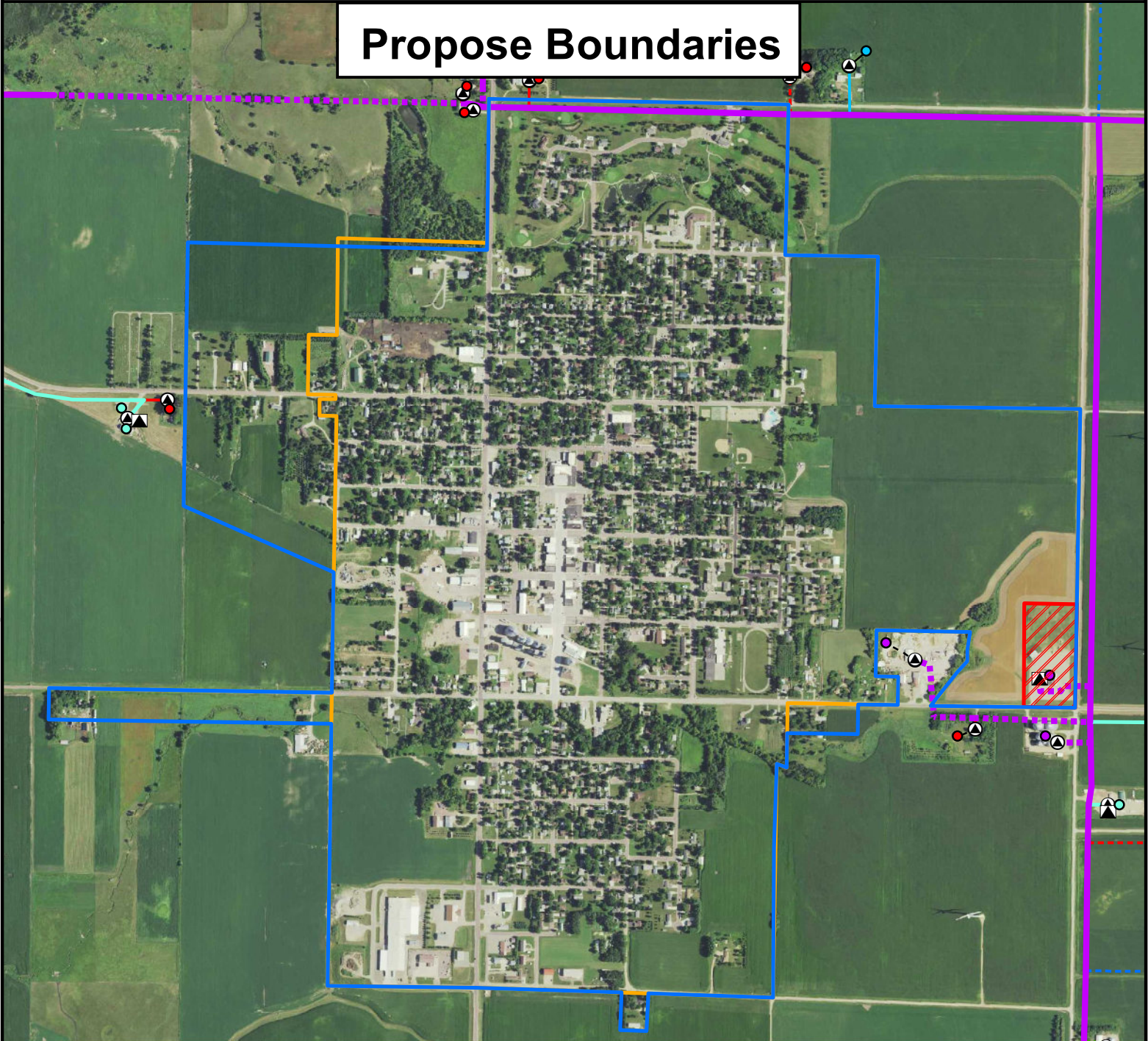
- Federated REA Boundary
- City of Lakefield Boundary



Federated Rural Electric/City of Lakefield

Service Territory Transfer Agreement

Propose Boundaries



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Location

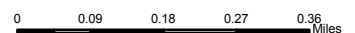
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 Section: 32, 33,4,5
 Quad: 4617 Lakefield

Aerial

2018 ESRI - World Imagery

Date: 9/10/2018

- New Service Territory
- City of Lakefield Boundary
- Exception-Area Served By FRE

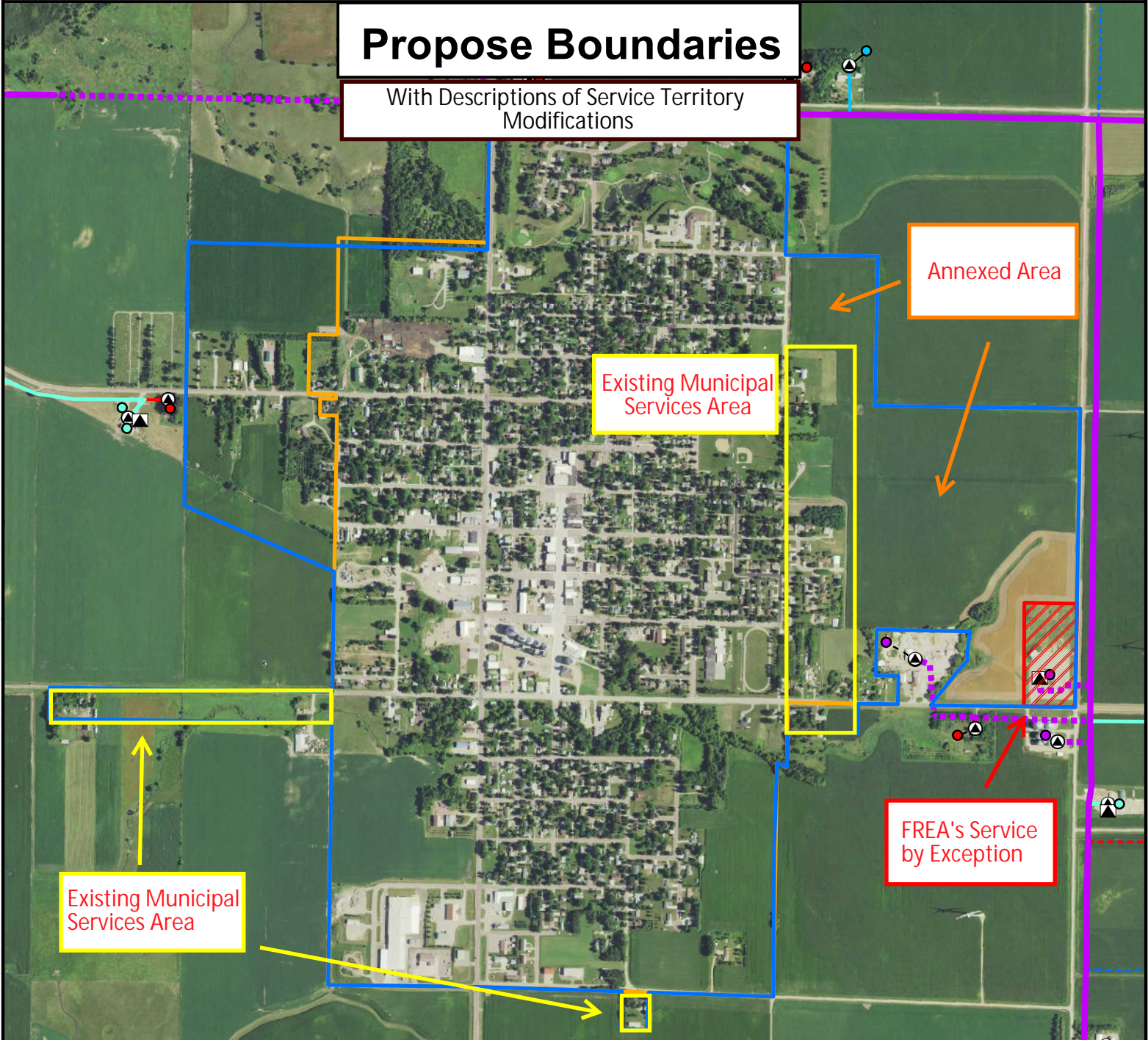


Federated Rural Electric/City of Lakefield

Service Territory Transfer Agreement

Propose Boundaries

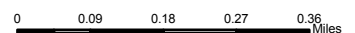
With Descriptions of Service Territory Modifications



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Location
County: Jackson Township: Heron Lake/Hunter Twp/Rng: T103N R36W/T102N R36W Section: 32, 33,4,5 Quad: 4617 Lakefield
Aerial
2018 ESRI - World Imagery

- New Service Territory
- City of Lakefield Boundary
- Exception-Area Served By FRE



Date: 9/10/2018