

September 11, 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. E286, E112/SA-19-526

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 North Branch Water and Light Commission of the City of North Branch and East Central Energy for approval to Update Electric Service Territory Boundaries.

The petition was filed August 16, 2019 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 East Central Energy to the North Branch Water and Light Commission, and is available to answer any questions the Commission may have.

Sincerely,

/s/ DALE V. LUSTI  
Financial Analyst

DVL/ar  
Attachment



## Before the Minnesota Public Utilities Commission

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### Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. E286, E112/SA-19-526

#### I. BACKGROUND

North Branch Water and Light Commission of the City of North Branch (the Municipal) is an electric municipal utility organized and existing under the laws of the State of Minnesota. East Central Energy (the Cooperative) is an electric distribution cooperative organized and existing under the laws of the State of Minnesota.

#### II. SUMMARY OF PROPOSAL

On August 16, 2019, the Municipal and Cooperative, collectively the Parties, jointly filed a petition under Minn. Stat. § 216B.44, 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 located within the City limits of North Branch and within the electric service territory assigned to the Cooperative, from the Cooperative to the Municipal.

#### III. DEPARTMENT ANALYSIS

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

The petition's Exhibit A is a map of the Affected Area, which involves approximately 3.02 acres and no current customers.

Exhibit B to the Petition contains the Legal Description of the Affected Area, which is as follows:

North Branch Meadows, Block 1, Lots 1 and 2, City of North Branch, Chisago County.

Per the Petition, the proposed transfer would be a permanent transfer of service territory. Further, the transfer of service territory would not impact any existing customers, since there are zero customers in the transfer area.

##### *B. INTERIM SERVICE*

The Parties agreed in writing that, if a customer requests service before the Commission has considered the joint Petition, the City may provide interim service to the affected area, subject to certain conditions.

*C. CUSTOMER NOTICE*

The Parties also stated that, if a customer requests service before the Commission has considered the joint Petition, the Parties will provide notice to any customer about this proceeding and file the notice with the Commission.

*D. COMPENSATION*

The Department notes that the Parties agreed in writing on appropriate compensation regarding the proposed 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.44.

**IV. RECOMMENDATION**

The Department recommends that the Commission approve the permanent service territory transfer from East Central Energy to the North Branch Water and Light Commission. MnGeo should update the Commission's maps to reflect the service area designations as shown on the map in the Petition. Please note that James Bunning is the primary MnGeo Contact for the Commission's service area map updates.

/ar