

March 27, 2019

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

RE: **Corrected Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. E290, E142/SA-19-187

Dear Mr. Wolf:

Attached are the Corrected Comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) in the following matter:

The Joint Request of Owatonna Public Utilities and Steele-Waseca Cooperative Electric for approval of a Service Territory Transfer Agreement between the two utilities.

The petition was filed February 25, 2019, with revised Exhibits A and B filed on March 13, 2019 and a Customer Notice Affidavit provided on March 15, 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 permanent service territory transfer from Steele-Waseca Cooperative Electric to Owatonna Public 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. E290, E142/SA-19-187

I. BACKGROUND

Owatonna Public Utilities is an electric municipal utility organized and existing under the laws of the State of Minnesota. Steele-Waseca Cooperative Electric is an electric distribution cooperative organized and existing under the laws of the State of Minnesota.

On March 25, 2019, the Minnesota Department of Commerce, Division of Energy Resources (Department) filed Comments in this docket. It was later discovered that the legal description for the Transfer Area was described by the Department contained typographical errors. Thus, the Department's March 27, 2019 Corrected Comments replace its March 25, 2019 Comments in this proceeding.

II. SUMMARY OF PROPOSAL

On February 25, 2019, Owatonna Public Utilities (the Municipal) and Steele-Waseca Cooperative Electric (the Cooperative), collectively the Parties, jointly filed a petition under Minnesota Statutes Sections 216B.39 and 216B.40, asking the Minnesota Public Utilities Commission (Commission) to modify the Parties' service territory boundaries. This joint request concerns the permanent transfer of six areas as described below, within the city limits of the Municipal and within the assigned service territory of the Cooperative.

Approval of the Parties' request would permanently transfer the Affected Areas that involve approximately 552 acres¹ and 90 customers (6 residential, 77 commercial, and 7 industrial) from the Cooperative to the Municipal.

¹ The Petitioner's March 13, 2019 Update notes the total acreage of the Transfer Area is approximately 552 acres, rather than the 569.67 acres noted in its original Petition.

III. DEPARTMENT ANALYSIS

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

Revised Exhibit A to the Petition, as submitted on March 13, 2019, is a map that depicts the boundaries of the Transfer Areas. Revised Exhibit B to the Petition, as submitted on March 13, 2019, contains the legal description for the Transfer Areas as follows:

The six areas that comprise the Affected Areas are legally described as follows:

AREA 1

The E1/2 of the NW1/4 Section 32-T108N-R20W, Steele County, Minnesota;

AND

The NE1/4 of Section 32-T108N-R20W west of the C.S.A.H. 23, Steele County, Minnesota;

AND

All that part of the SW1/4 of Section 32-T108N-R20W, Steele County, Minnesota; described as follows:

Beginning at the northwest corner of said SW1/4; thence South 89°37'18" East a distance of 1547.72 feet, on an assumed bearing on the north line of said SW1/4;

thence South 49°53'31" West a distance of 1046.98 feet;

thence South 41°21'40" West a distance of 337.06 feet;

thence North 89°44'29" West a distance of 529.39 feet to the west line of said SW1/4;

thence North 00°19'05" East a distance of 935.33 feet, to the point of beginning;

AREA 2

STOCKWELL ADDITION, STEELE COUNTY, MINNESOTA, as the same is platted and recorded in the office of the Steele County Recorder, Steele County, Minnesota;

AND

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All that part of the NE1/4 of Section 7-T107N-R20W, Steele County, Minnesota; described as follows: Commencing at the northeast corner of the NE1/4 of NE1/4 of Section 7-T107N-R20W; thence South 89°45'30" West a distance of 528.00 feet, to the point of beginning; thence South 00°14'30" East a distance of 264.00 feet; thence South 89°45'30" West a distance of 165.00 feet; thence North 00°14'30" West a distance of 264.00 feet; thence North 89°45'30" East a distance of 165.00 feet, to the point of beginning;

AND

URCH ADDITION, as the same is platted and recorded in the office of the Steele County Recorder, Steele County, Minnesota;

AND

Parcel Numbers 220F, 220G, 220H, 220B, 220J, 220K, 220L, of Minnesota Department of Transportation Right of Way Plat No. 74-12;

AND

Lot 3, Block 2, and Lots 1, 2, 3, 4, 5, 6, 7, 8, Block 4, SANDERS ADDITION, STEELE COUNTY, MINNESOTA, as the same is platted and recorded in the office of the Steele County Recorder, Steele County, Minnesota, together platted right of way adjacent to said Lots;

AND

JANNINGS ADDITION, STEELE COUNTY, MINNESOTA, as the same is platted and recorded in the office of the Steele County Recorder, Steele County, Minnesota;

AND

MICHALETZ INDUSTRIAL ADDITION, as the same is platted and recorded in the office of the Steele County Recorder, Steele County, Minnesota;

AND

All that part of NE1/4 of Section 7-T107N-R20W, Steele County, Minnesota; described as follows: Beginning at the northeast corner of the S1/2 NE1/4 of Section 7-T107N-R20W; thence North 89°55'58" West a distance of 1150.00 feet, on an assumed bearing to the East line of said MICHALETZ INDUSTRIAL ADDITION; thence South 00°04'14" West a distance of 634.00 feet, thence south 89°55'58" East a distance of 1150.00 feet. To the east line of said S1/2; Thence North 00°04'14" East a distance of 634.00 feet, to the point of beginning;

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AND

The N1/2 of the SE1/4 Section 7-T107N-R20W, South of the Canadian Pacific Railroad;

AND

VIRACON CURVLITE ADDITION, as the same is platted and recorded in the office of the Steele County Recorder, Steele County, Minnesota;

AREA 3

All that part of the NW1/4 of Section 17-T-107N-R20W and part of the NE1/4 of Section 18-T107N-R20W, Steele County, Minnesota; described as follows:

Beginning at the northwest corner of the said NW1/4; thence North 89°25'31" East a distance of 1537.99 feet, on an assumed bearing on the north line of said NW1/4;

thence South 00°09'56" West a distance of 1339.21 feet;

thence South 89°21'15" West a distance of 1537.98 feet, to the southwest corner of the NW1/4 NW1/4;

thence North 00°09'50" East a distance of 1176.12 feet, on the west line of said NW1/4;

thence North 89°39'24" West a distance of 162.00 feet;

thence North 00°09'50" East a distance of 165.00 feet, to the north line of said NE1/4;

thence South 89°39'24" East a distance of 162.00 feet, to the point of the beginning;

AREA 4

RICK FRETAM ADDITION, STEELE COUNTY, MINNESOTA, according to the plat of record in the office of the County Recorder, Steele County, Minnesota;

AND

QUARRY RIDGE ADDITION, according to the plat of record in the office of the County Recorder, Steele County, Minnesota.

AREA 5

FRERICHS ADDITION, STEELE COUNTY, MINNESOTA, according to the plat of record in the office of the County Recorder, Steele County, Minnesota;

AND

All that part of the NW1/4 of Section 8-T107N-R20W, Steele County, Minnesota; described as follows:

Commencing at the northwest corner of said NW1/4; thence North 89°00'30" East a distance of 1135.60 feet, on an assumed bearing on the north line of said NW1/4, to the point of beginning;

thence North 89°00'30" East a distance of 151.00 feet;

thence South 00°59'30" East a distance of 180.00 feet;

thence South 89°00'30" West a distance of 151.00 feet;

thence North 00°59'30" West a distance of 180.00 feet, to the point of beginning.

AREA 6

All that part of SW1/4 of the SW1/4 of Section 28, Township 108 North, Range 20 West, Steele County, Minnesota, described by:

Beginning at the southwest corner of said Section 28; thence North 00° 39' 08" West, assumed bearing, 337.87 feet along the west line of said SW1/4 of SW1/4;

thence North 89°52'09" East 664.62 feet along a line parallel with the south line of said SW1/4 of SW1/4;

thence South 00°39'08" East 337.87 feet to the south line of said SW1/4 of SW1/4;

thence South 89°52'09" West 664.62 feet to the beginning.

B. CUSTOMER NOTICE

Attached as Exhibit A to the Parties March 15, 2019 AFFIDAVIT, is a one-page Customer Notice Letter relating to the transfer of electric service territory from Steele-Waseca Cooperative Electric to Owatonna Public Utilities that was provided to customers in the Affected Area. The

Customer Notice identifies the pending proceeding before the Commission regarding the process of formally updating the service area maps to reflect the Municipal as the service provider to the Affected Area.

C. ANTICIPATED TRANSFER DATE

The Department notes that the Parties have agreed to transfer electric service on a mutually agreed upon date, anticipated to be in Summer 2019, per the March 13, 2019 Customer Notice Letter.

D. COMPENSATION

The Department notes that the Parties have agreed on appropriate compensation.

Thus, the Department agrees that the Parties' request to establish the Affected Areas as part of the Municipal's service area is consistent with Minnesota Statutes 216B.39 and 216B.40.

IV. RECOMMENDATION

The Department recommends that the Commission approve the requested service territory transfer from Steele-Waseca Cooperative Electric to Owatonna Public Utilities. MnGeo should update the Commission's maps to reflect the service area designations as shown on the revised map in the March 13, 2019 update. Please note that Shana Neumann is the primary MnGeo contact for the Commission's service area map updates.

/ja

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce
Corrected Comments**

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Dated this 27th day of March 2019

/s/Sharon Ferguson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Kathleen M.	Brennan	kmb@mcgrannshea.com	McGrann Shea Carnival, Straughn & Lamb, Chartered	800 Nicollet Mall Ste 2600 Minneapolis, MN 554027035	Electronic Service	No	OFF_SL_19-187_SA-19-187
Sydney R.	Briggs	sbriggs@swce.coop	Steele-Waseca Cooperative Electric	2411 W. Bridge St PO Box 485 Owatonna, MN 55060-0485	Electronic Service	No	OFF_SL_19-187_SA-19-187
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_19-187_SA-19-187
Ian	Dobson	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_19-187_SA-19-187
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_19-187_SA-19-187
Sara G	McGrane	smcgrane@felhaber.com	Felhaber Larson	220 S 6th St Ste 2200 Minneapolis, MN 55420	Electronic Service	No	OFF_SL_19-187_SA-19-187
Roger	Warehime	warehimer@owatonnautilities.com	Owatonna Public Utilities	208 South Walnut PO Box 800 Owatonna, MN 55060	Electronic Service	No	OFF_SL_19-187_SA-19-187
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_19-187_SA-19-187