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February 20, 2018

VIA ELECTRONIC FILING

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
350 Metro Square Building
121 Seventh Place East
St. Paul, MN 55101

Re: In the Matter of the Joint Request of the Detroit Lakes Public Utilities and
Otter Tail Power to Modify Electric Service Territory Boundaries
MPUC Docket: _____
Our File No.: 61623-0002

Dear Mr. Wolf:

I represent Detroit Lakes Public Utilities, a municipal utility duly organized and existing under the laws of the State of Minnesota (the "Municipal"), which is authorized, on behalf of itself and Otter Tail Power ("OTP") (collectively, the "Parties"), to make this filing.

Summary of the Joint Request

This filing constitutes the Parties' joint request under Minn. Stat. § 216B.39, subd. 3, that the MPUC modify the Parties' service territory boundaries. This joint request concerns the permanent transfer of two areas within the city limits of the City of Detroit Lakes and within the electric service territory assigned to OTP (the "Transfer Areas"), as further described below.

Legal Authorities

By statute, "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 . . . " Minn. Stat. § 216B.39, subd. 3. In addition, "no electric utility shall render or extend electric service at retail within the assigned service area of another electric utility unless the electric utility consents thereto in writing . . . " Minn. Stat. § 216B.40

(2016). In the present case, the Parties seek to adjust the service territory boundaries to permanently transfer the Transfer Areas to the Municipal's assigned service territory. The Parties have agreed upon appropriate compensation. The Parties request that the Commission update its official records as to electric service territory boundaries.

Underlying Information

1. Exhibits A and B: Transfer Areas. Attached as Exhibit A is a map that depicts the boundaries of the Transfer Areas. Exhibit B contains the two annexation orders (including legal descriptions) for the Transfer Areas. The Transfer Areas encompass a total of approximately 21.47 acres. The Parties have agreed to the terms and conditions for the transfer of the Transfer Areas, including compensation provisions, after arms-length negotiations.

The Transfer Areas are generally bare ground, but there is one customer (the County) that is in the process of construction. The Parties have agreed that the Municipal may provide interim service to this customer, to accommodate the customer's service needs. Accordingly, no customers will experience a change in providers.

The Parties acknowledge that the Commission wishes to direct separate notice to customers as to the pending proceeding before the Commission. The Parties will provide this notice to the applicable customer in the Transfer Areas, and they will update the Commission via separate filing.

Contact Information

If there are any questions concerning this filing, you may contact the following representatives:

Detroit Lakes Public Utilities:

Vernell Roberts
General Manager
Detroit Lakes Public Utilities
1025 Roosevelt Avenue
Detroit Lakes, MN 56501
(218) 847-7609
vroberts@cityofdetroitlakes.com

Counsel:

Kaela Brennan
McGrann Shea Carnival
Straughn & Lamb, Chtd.
800 Nicollet Mall, Suite 2600
Minneapolis, MN 55402
(612) 338-2525
kmb@mcgrannshea.com

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Otter Tail Power:
Leon Kremeier
Division Manager
Otter Tail Power Company
410 College Avenue
Crookston, MN 56716
lkremeier@otpc.com

Counsel:
Bruce Gerhardson
Vice President of Regulatory Affairs
Otter Tail Power Company
215 South Cascade Street
Fergus Falls, MN 56537
bgerhardson@otpc.com

Request

The Parties therefore petition the Commission to accept and file these documents and provide due acknowledgment thereof. The Parties further request that the Commission provide evidence of its acknowledgment of these changes of service territory boundaries, and the updating of the official service territory records.

Proposed Service List

A copy of this letter and the accompanying documents has been mailed or emailed to the persons on the enclosed proposed service list.

Please contact the representatives above if you have any questions. Thank you for your assistance.

Sincerely,



Kathleen M. Brennan

Enclosures

cc (w/encl.): Proposed Service List

EXHIBIT A

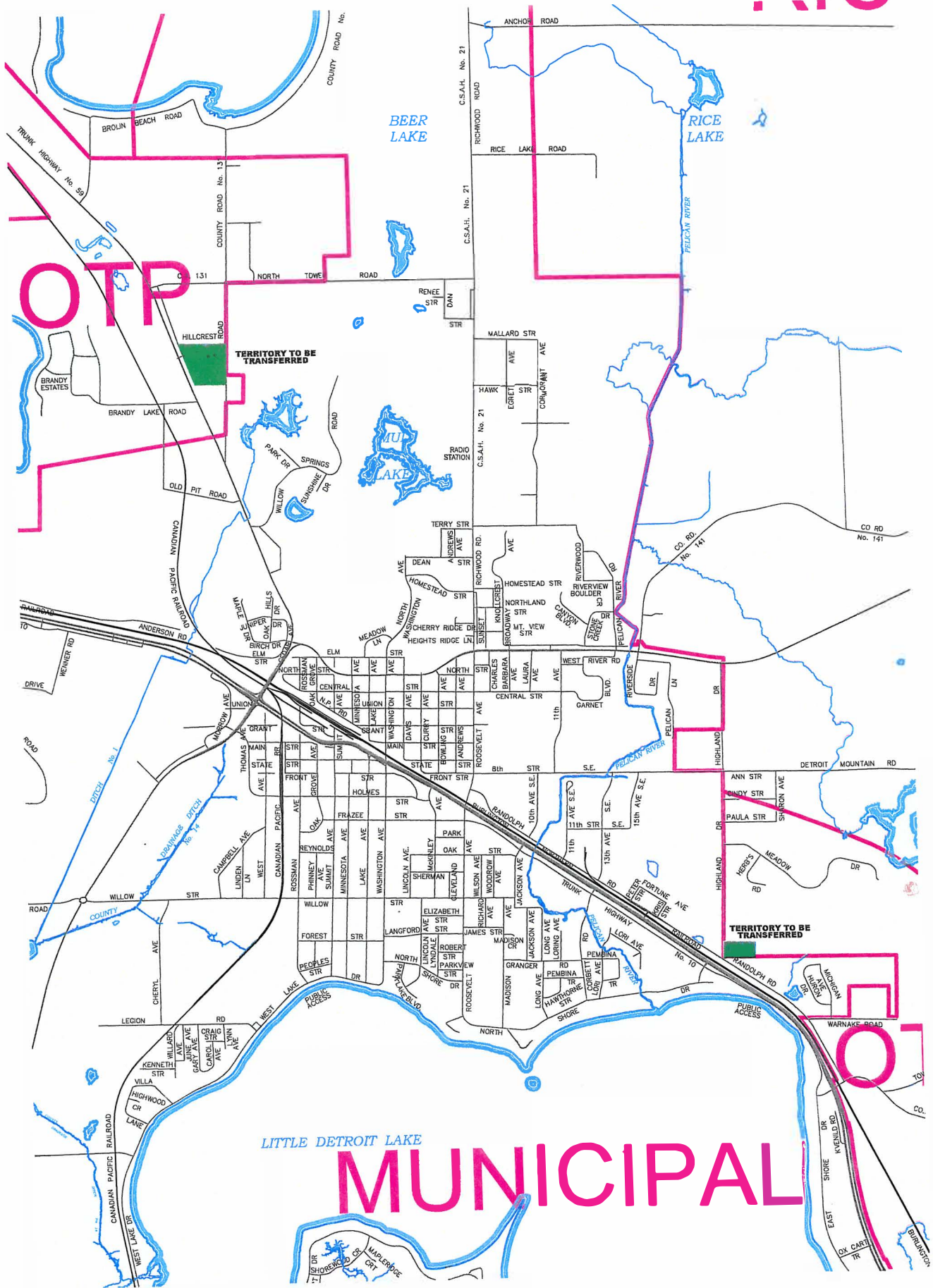


EXHIBIT B

ORDINANCE NO 392

**AN ORDINANCE EXTENDING THE CORPORATE LIMITS OF THE CITY OF DETROIT LAKES,
MINNESOTA TO INCLUDE CERTAIN UNINCORPORATED UNPLATTED
LAND ABUTTING UPON THE CITY LIMITS
(ROBERT AND JOYCE SPILMAN)**

WHEREAS, a certain petition dated March 25, 2015, requesting annexation of the territory hereinafter described was duly presented to the Council; and

WHEREAS, the petition was signed by all owners; and

WHEREAS, a Public Hearing was held and proper notices were sent to the adjoining property owners and the town board or the government body of any municipality whose boundaries abut upon the boundaries of the land to be annexed; and

WHEREAS, the land described in the petition abuts upon the City limits at the easterly boundary thereof;

NOW THEREFORE, the City Council of the City of Detroit Lakes, Minnesota, does hereby ordain:

Section 1. The City Council hereby determines: 1) that the territory described herein abuts upon the City limits and is urban or suburban in character; and 2) that none of the territory is now included within the limits of any city.

Section 2. The population of the territory is (0).

Section 3. The territory to be annexed is 4.64 acres, more or less

Section 4. Upon annexation, the territory annexed will be zoned "R-A" Residential Agricultural District.

Section 5. Territory Annexed. The corporate limits of the City of Detroit Lakes are hereby extended to include the unplatted territory described as follows and the same hereby annexed to and included within the City as effectually as if it had been originally been a part thereof: That part of the Northwest Quarter of the Southwest Quarter in Section 36, Township 139 North, Range 41 West of the Fifth Principal Meridian in Becker County, Minnesota, described as follows:

Commencing at a found P.K. nail which designates the southwest corner of said Northwest Quarter of the Southwest Quarter; thence North 01 degree 35 minutes 34 seconds East 34.77 feet on an assumed bearing along the West line of said Section 36 to the point of beginning; thence continuing North 01 degree 35 minutes 34 seconds East 295.23 feet along the west line of said Section 36; thence South 88 degrees 24 minutes 26 seconds East 33.00 feet to an iron monument; thence continuing South 88 degrees 24 minutes 26 seconds East 297.00 feet to an iron monument; thence continuing South 88 degrees 24 minutes 26 seconds East 330.00 feet to an iron monument; thence South 01 degree 35 minutes 34 seconds West 252.14 feet to an iron monument; thence continuing South 01 degree 35 minutes 34 seconds West 48.30 feet; thence North 89 degrees 32 minutes 23 seconds West 631.64 feet to the northeasterly line of the BNSF Railway; thence North 56 degrees 32 minutes 44 seconds West 33.53 feet along the northeasterly line of said BNSF Railway to the point of beginning.

SUBJECT TO an easement for public road purposes for Lemmon Road and Highland Drive over, under and across that part of the above tract described as follows:

Beginning at the aforementioned point of beginning; thence North 01 degree 35 minutes 34 seconds East 295.35 feet along the West line of said Section 36, thence South 88 degrees 24 minutes 26 seconds East 33

feet to an iron monument; thence 01 degree 35 minutes 34 seconds West 260.37 feet; thence South 88 degrees 36 minutes 14 seconds East 627.00 feet; thence South 01 degree 35 minutes 34 seconds West 42.22 feet; thence North 89 degrees 32 minutes 23 seconds West 631.64 feet to the northeasterly line of the BNSF Railway; thence North 56 degrees 32 minutes 44 seconds West 33.53 feet along the northeasterly line of said BNSF Railway to the point of beginning of said public road easement, and including the entire road right-of-way of Lemmon Road abutting the above described property.

Contains 4.64 acres more or less.

Section 6. Municipal Boundary Adjustments

The City Administrator is directed to forward this ordinance to the Office of Administrative Hearings upon approval and passage.

Section 7. Reimbursement to Township

The City of Detroit Lakes will reimburse Detroit Township for property taxes as follows:

<u>Year</u>	<u>Percentage</u>	<u>Amount</u>
2016	100%	110.38
2017	100%	110.38
2018	100%	110.38
2019	100%	110.38
2020	100%	110.38

Reimbursement of property taxes to the town shall be based on the property taxes collected by the town in the last year it collected taxes on the annexed area.

Section 8. Filing. The City Clerk is hereby directed to file certified copies of this Ordinance with, the Office of Administrative Hearings, the Secretary of State, the Town Clerk, and the County Auditor.

Section 9. Effective Date of Annexation. This Ordinance takes effect upon passage and publication and the filing of certified copies as directed in Section 8, and approval as required by State Law.

Passed and adopted by the City Council of the City of Detroit Lakes, Minnesota, this 10th day of November, 2015.



Glori French, City Clerk



Matt Brenk, Mayor

First Reading: October 13, 2015

Second Reading: November 10, 2015

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS

In the Matter of the Annexation of
Certain Real Property to the City of
Detroit Lakes from Detroit Township
(MBAU Docket A-7972)

**ORDER APPROVING
ANNEXATION ORDINANCE**

On November 10, 2015, the city of Detroit Lakes (City) adopted Ordinance Number 392 (Ordinance) annexing certain real property (Property) owned by Robert and Joyce Spilman legally described as follows:

That part of the Northwest Quarter of the Southwest Quarter in Section 36, Township 139 North, Range 41 West of the Fifth Principal Meridian in Becker County, Minnesota, described as follows:

Commencing at a found P.K. nail which designates the southwest concern of said Northwest Quarter of the Southwest Quarter; thence North 01 degree 35 minutes 34 seconds East 34.77 feet on an assumed bearing along the West line of said Section 36 to the point of beginning; thence continuing North 01 degree 35 minutes 34 seconds East 295.23 feet along the west line of said Section 36; thence South 88 degrees 24 minutes 26 seconds East 33.00 feet to an iron monument; thence continuing South 88 degrees 24 minutes 26 seconds East 297.00 feet to an iron monument; thence continuing South 88 degrees 24 minutes 26 seconds East 330.00 feet to an iron monument; thence South 01 degree 35 minutes 34 seconds West 252.14 feet to an iron monument; thence South 01 degree 35 minutes 34 seconds West 252.14 feet to an iron monument; thence continuing South 01 degree 35 minutes 34 seconds West 48.30 feet; thence North 89 degrees 32 minutes 23 seconds West 631.64 feet to the northeasterly line of the BNSF Railway; thence North 56 degrees 32 minutes 44 seconds West 33.53 feet along the northeasterly line of said BNSF Railway to the point of beginning.

SUBJECT TO an easement for public road purposes for Lemmon Road and Highland Drive over, under and across that part of the above tract described as follows:

Beginning at the aforementioned point of beginning; thence North 01 degree 35 minutes 34 seconds East 295.35 feet along the West line of said Section 36, thence South 88 degrees 24 minutes 26 seconds East 33 feet to an iron monument; thence 01 degree 35 minutes 34 seconds West 260.37 feet; thence South 88 degrees 36 minutes 14 seconds East 627.00 feet; thence South 01 degree 35 minutes 34 seconds West 42.22 feet; thence North 89 degrees 32 minutes 23 seconds West 631.64 feet to the northeasterly line of the BNSF

Railway; thence North 56 degrees 32 minutes 44 seconds West 33.53 feet along the northeasterly line of said BNSF Railway to the point of beginning of said public road easement, and including the entire road right-of-way of Lemmon Road abutting the above described property.

Contains 4.64 acres more or less.

Based upon a review of the Ordinance, the Chief Administrative Law Judge makes the following:

ORDER

1. Pursuant to Minn. Stat. § 414.033 (2014), the Ordinance is deemed adequate in all legal respects and properly supports this Order.

2. Pursuant to the terms of the Ordinance and this Order, the Property is **ANNEXED** to the City.

3. Pursuant to Minn. Stat. § 414.036 (2014), the City will reimburse Detroit Township (Township) \$110.38 each year for five years as stated in the Ordinance.

Dated: January 7, 2016



TAMMY L. PUST
Chief Administrative Law Judge

NOTICE

This Order is the final administrative order in this case under Minn. Stat. §§ 414.033, .07, .09, .12 (2014). Pursuant to Minn. Stat. § 414.07, subd. 2, any person aggrieved by this Order may appeal to Becker County District Court by filing an Application for Review with the Court Administrator within 30 days of this Order. An appeal does not stay the effect of this Order.

Any party may submit a written request for an amendment of this Order within seven days from the date of the mailing of the Order pursuant to Minn. R. 6000.3100 (2015). However, no request for amendment shall extend the time of appeal from this Order.

For questions concerning this Order, please contact Star Holman at the Office of Administrative Hearings at star.holman@state.mn.us or 651-361-7909.

ORDINANCE NO. 403

AN ORDINANCE EXTENDING THE CORPORATE LIMITS OF THE CITY OF DETROIT
LAKES, MINNESOTA TO INCLUDE CERTAIN UNINCORPORATED UNPLATTED
LAND ABUTTING UPON THE CITY LIMITS
(BECKER COUNTY HIGHWAY 59 NORTH)

WHEREAS, a certain petition dated August 9, 2016 requesting annexation of the territory hereinafter described was duly presented to the Council; and

WHEREAS, the petition was signed by all owners; and

WHEREAS, a Public Hearing was held and proper notices were sent to the adjoining property owners and the town board or the government body of any municipality whose boundaries abut upon the boundaries of the land to be annexed; and

WHEREAS, the land described in the petition abuts upon the City limits at the easterly boundary thereof;

NOW THEREFORE, the City Council of the City of Detroit Lakes, Minnesota, does hereby ordain:

- Section 1. The City Council hereby determines: 1) that the territory described herein abuts upon the City limits and is urban or suburban in character; and 2) that none of the territory is now included within the limits of any city.
- Section 2. The population of the territory is zero (0)
- Section 3. The territory to be annexed is 16.83 acres, more or less
- Section 4. Upon annexation, the territory annexed will be zoned "I-1" Light Industrial
- Section 5. Territory Annexed. The corporate limits of the City of Detroit Lakes are hereby extended to include the unplatted territory described as follows and the same hereby annexed to and included within the City as effectually as if it had been originally been a part thereof:

That part of SE ¼ of the NE ¼ of Section 21-139-41 (Detroit Township), Becker County, Minnesota described as follows:

Commencing at the southeast corner of said Southeast Quarter of the Northeast Quarter; thence North 02 degrees 37 minutes 09 seconds East, assumed bearing along the east line of said Section 21, a distance of 400.00 feet to the point of beginning; thence continue North 02 degrees 37 minutes 09 seconds East along said east line, a distance of 868.61 feet to the northeast corner of said Southeast Quarter of the Northeast Quarter; thence North 88 degrees 06 minutes 20 seconds West, along the north line of said Southeast Quarter of the Northeast Quarter, a distance of 1019.95 feet to the easterly right of way line of a Township Road; thence South 19 degrees 46 minutes 45 seconds East, along said easterly right of way line, a distance of 403.79 feet to the boundary corner on the east line of State Trunk Highway No. 59; thence South 19 degrees 46 minutes 45 seconds East, along said easterly right of way line of Trunk Highway No 59; a distance of 537.05 feet; thence South 88 degrees 35 minutes 23 seconds

East, parallel with the south line of said Southeast Quarter of the Northeast Quarter, a distance of 661.52 feet to the point of beginning; Containing 16.83 acres, more or less.

Subject to an easement of public road along the easterly 33 feet of the above described tract.
ALSO subject to utility easements of record.

Section 6. Municipal Boundary Adjustments

The City Administrator is directed to forward this ordinance to the Office of Administrative Hearings upon approval and passage.

Section 7. Reimbursement to Township

The City of Detroit Lakes will reimburse Detroit Township for property taxes as follows:

<u>Year</u>	<u>Percentage</u>	<u>Amount</u>
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NOT APPLICABLE AS THIS IS TAX EXEMPT PROPERTY

Reimbursement of property taxes to the town shall be based on the property taxes collected by the town in the last year it collected taxes on the annexed area.

Section 8. Filing. The City Clerk is hereby directed to file certified copies of this Ordinance with, the Office of Administrative Hearings, the Secretary of State, the Town Clerk, and the County Auditor.

Section 9. Effective Date of Annexation. This Ordinance takes effect upon passage and publication and the filing of certified copies as directed in Section 8, and approval as required by State Law.

BE IT ORDAINED BY THE CITY OF DETROIT LAKES.

Passed and adopted by this 11th day of October, 2016.



Matt Brenk, Mayor



Glori French, City Clerk

First Reading: September 13, 2016
Second Reading: October 11, 2016

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS

In the Matter of the Annexation of
Certain Real Property to the City of
Detroit Lakes from Detroit Township
(MBAU Docket A-8026)

**ORDER APPROVING
ANNEXATION ORDINANCE**

On October 11, 2016, the City of Detroit Lakes (City) adopted Ordinance Number 403 (Ordinance) annexing certain real property (Property) owned by Becker County from Detroit Township (Township) legally described as follows:

That part of SE¼ of the NE¼ of Section 21-139-41 (Detroit Township), Becker County, Minnesota described as follows:

Commencing at the southeast corner of said Southeast Quarter of the Northeast Quarter; thence North 02 degrees 37 minutes 09 seconds East, assumed bearing along the east line of said Section 21, a distance of 400.00 feet to the point of beginning; thence continue North 02 degrees 37 minutes 09 seconds East along said east line, a distance of 868.61 feet to the northeast corner of said Southeast Quarter of the Northeast Quarter; thence North 88 degrees 06 minutes 20 seconds West, along the north line of said Southeast Quarter of the Northeast Quarter, a distance of 1019.95 feet to the easterly right of way line of a Township Road; thence South 19 degrees 46 minutes 45 seconds East, along said easterly right of way line, a distance of 403.79 feet to the boundary corner on the east line of State Trunk Highway No. 59; thence south 19 degrees 46 minutes 45 seconds East, along said easterly right of way line of Trunk Highway No 59; a distance of 537.05 feet; thence South 88 degrees 35 minutes 23 seconds East, parallel with the south line of said Southeast Quarter of the Northeast Quarter, a distance of 661.52 feet to the point of beginning; containing 16.83 acres. Subject to an easement of public road along the easterly 33 feet of the above described tract. Also subject to utility easements of record.

Based upon a review of the Ordinance, the Chief Administrative Law Judge makes the following:

ORDER

1. Pursuant to Minn. Stat. § 414.033 (2016), the Ordinance is deemed adequate in all legal respects and properly supports this Order.
2. Pursuant to the terms of the Ordinance and this Order, the Property is **ANNEXED** to the City.

3. As there is no taxable property within the Property, the provisions of Minn. Stat. § 414.036 (2016) are not applicable.

Dated: November 9, 2016



TAMMY L. PUST
Chief Administrative Law Judge

NOTICE

This Order is the final administrative order in this case under Minn. Stat. §§ 414.033, .07, .09, .12 (2016). Minn. Stat. § 414.033, subd. 7, requires that a copy of the annexation ordinance be filed with the township, the appropriate county auditor(s), and the Secretary of State.

Pursuant to Minn. Stat. § 414.07, subd. 2, any person aggrieved by this Order may appeal to Becker County District Court by filing an Application for Review with the Court Administrator within 30 days of this Order. An appeal does not stay the effect of this Order.

Any party may submit a written request for an amendment of this Order within seven days from the date of the mailing of the Order pursuant to Minn. R. 6000.3100 (2015). However, no request for amendment shall extend the time of appeal from this Order.

PROPOSED SERVICE LIST

Re: In the Matter of the Joint Request of the Detroit Lakes Public Utilities and Otter Tail Power to Modify Electric Service Territory Boundaries
MPUC Docket: _____

Via Electronic Filing

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
350 Metro Square Building
121 Seventh Place East
St. Paul, MN 55101

Via Electronic Filing

Ms. Sharon Ferguson
MN Department of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101-2198

Via Electronic Filing

Julia Anderson
Office of the Attorney General-DOC
1800 BRM Tower
445 Minnesota Street
St. Paul, MN 55101-2134

Via Electronic Filing

John Lindell
Office of the Attorney General-RUD
1400 BRM Tower
445 Minnesota Street
St. Paul, MN 55101-2130

Via Electronic Mail

Leon Kremeier
Division Manager
Otter Tail Power Company
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Crookston, MN 56716
lkremeier@otpc.com
(Otter Tail Power Co)

Via Electronic Mail

Bruce Gerhardson
Vice President of Regulatory Affairs
Otter Tail Power Co
215 S Cascade St
Fergus Falls, MN 56538-0496
bgerhardson@otpc.com
(Otter Tail Power Co)

Via Electronic Mail

Vernell Roberts
General Manager
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vroberts@cityofdetroitlakes.com
(Detroit Lakes Public Utilities)

Courtesy Copies

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& Lamb, Chartered
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kmb@mcgrannshea.com
(Detroit Lakes Public Utilities)