



Minnesota Municipal Utilities Association

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July 21, 2017

Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

RE: In the Matter of a Commission Inquiry into the Creation of a Commission Subcommittee under Minn. Stat. §216A.03, subd. 8; Docket No. E-999/CI-17-284

Dear Commissioners:

Minnesota Municipal Utilities Association (MMUA) submits the following Supplemental Comments in response to the July 2, 2017 Notice of Supplemental Comment Period in the above-referenced docket.

MMUA represents the interests of its member municipal electric, gas, and water utilities. Our mission is to unify, support and serve as a common voice for these utilities.

This proceeding and the recent evolution of laws relating to it underscore the importance of certain factors that are foundational to Minnesota's electric regulatory framework. That framework maintains the local guidance and regulation authority of publicly-owned municipal utilities that has existed since the beginning of the electric industry. A brief explanation may shed light on MMUA's position toward the current DG subcommittee proposal, given recent law changes.

The city councils and public utility commissions that govern municipal utilities have a duty not only to the state and its policies and not only to the public interest generally but to the interest of the past, present and future residents of their cities. Those city councilors and commissioners have an extremely important duty that was established by the pioneers who electrified their towns. Now it is the responsibility of the current councilors and commissioners not only to provide reliable power, but to keep their cities vibrant.

And while the energy needs and policies of Minnesota change with the times, these public officials also bear the duty of preserving and enhancing their city's electric utility as a public asset, providing value for this generation and generations to come. Accountability for that fiscal and moral responsibility remains firmly lodged with them through twice-monthly meetings that are open to the public. Through these public servants, Minnesota's state energy policies are implemented as are other state policies affecting municipal utilities, including employment law, public accounting, government data practices, etc. They are properly entrusted to administer state policies to ensure the benefits and protections they provide in the communities they serve.

A community's changing character, environment and public desires are best addressed close to the source. And accountability for the best use of a public asset is best located where its owners

have the best access to those responsible for it. It is with these factors in mind that MMUA looks at the change in state law that was pending when we filed our initial comments. That change *has*, in fact, occurred in the time since then.

On May 30, 2017, Governor Mark Dayton signed into law Minnesota Session Laws - 2017, Regular Session, Chapter 94. Chapter 94, Article 10, sections 6 and 7, which became effective the following day, limit the statute's prescriptive dispute resolution provision so that it is no longer an option for the PUC to supplant issue determinations by municipal utility governing bodies that have in place rules implementing Minnesota Statutes §216B.164. Before signing the law, the Governor's representatives negotiated, in exchange for his support, to preserve the petition right only for customers with distributed generation facilities greater than 20 megawatts in size. The outcome then was acceptable not only to members of both parties in the Legislature but, ultimately, to the Governor.

Given the state's re-evaluation of the previous PUC-centered dispute resolution process and its confirmation of local decision-making as demonstrated by this 2017 law change, it is clear that the Commission is not intended to resolve disputes between municipal utilities and their customers, even in relation to distributed generation issues. This is the correct result – right for municipal utilities, their customers, the PUC and the state.

The 2017 law change affirms MMUA's confidence – and the state's confidence – in the local governing bodies of Minnesota's municipal utilities. Supported by that law change, MMUA believes the DG subcommittee proposal in this docket is unsupportable with regard to issues involving municipal utilities. The proper action for the Commission's Consumer Affairs Office when receiving a complaint from a municipal utility customer would be to refer that customer to their utility or its governing body.

Thank you for the opportunity to provide these comments.

Sincerely,

/s/ Bill Black

Bill Black
Government Relations Director