

December 1, 2016

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. E015, E315/SA-16-948

Dear Mr. Wolf:

Attached are the comments of the Minnesota Department of Commerce, Division of Energy Resources (Department or DOC) in the following matter:

The Joint Request of the City of Staples and Minnesota Power to Modify Electric Service Territory Boundaries.

The petition was filed on November 18, 2016 by:

Kathleen M. 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 service territory transfer from Minnesota Power to the City of Staples, 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. E015, E315/SA-16-948

I. BACKGROUND

The City of Staples, a municipal corporation operates a municipal utility organized under the laws of the State of Minnesota. Minnesota Power is a Minnesota Corporation and a public utility under Minn. 216B.02, subd. 4.

II. SUMMARY OF PROPOSAL

On November 18, 2016, the City of Staples and Minnesota Power, collectively the Parties, jointly filed a petition under Minn. Stat. 216B.39, subd.3, asking the Minnesota Public Utilities Commission (Commission) to modify the Parties' service territory boundaries. Approval of the Parties' request would transfer the Affected Area from Minnesota Power to the City of Staples. The Affected Area is as follows:

Parcel I (Riggs)

That part of the Southeast Quarter of the Northwest Quarter, Section 8, Township 133, Range 32 West of the 5th Principal Meridian described as follows:

Beginning at the point on the Northerly right of way line for Trunk Highway Number 10 where a line 33 feet Westerly of and parallel with the North South Quarter line of said Section 8 intersects said right of way (said highway right of way line being the line 75 feet Northeasterly of the center line described in the final certificate recorded in Book 9 of Miscellaneous, Page 272) thence North 303.5 feet along said line parallel with the North South Quarter line of section 8, thence West 235 feet, thence South 300.0 feet, more or less to the Northerly line of said highway right of way (previously described), and thence Southeasterly along said highway right of way line to the place of beginning.

Except the Southeasterly 75 feet thereof which was taken by decree set out in final certificate dated November 14, 1967 and recorded as Instrument No. 242663 in the office of the Register of Deeds for Todd County.

Subject to the site corner as set aside for the highway right of way in the instrument as recorded in Book 9 of Miscellaneous, Page 272.

Parcel 2 (Logering)

All that part of the East Half of the Northwest Quarter (E ½ of NW ¼) of Section 8, Township 133 N, Range 32 W lying northerly of the northerly right of way line of U.S. Highway No. 10 except the following described tract: Beginning at the point on the northerly right of way line for U.S. Highway No. 10 where a line 33 feet westerly of and parallel with the north-south quarter line of said Section 8 intersects said right of way line (said highway right of way line being the 75 feet northeasterly of the centerline described in the final certificate recorded in Book 9 of Miscellaneous, Page 272); thence North 303.5 feet along said line parallel with the north-south quarter line of Section 8; thence West 235 feet; thence South 300 feet, more-or-less, to the northerly line of said highway right of way; thence southeasterly along said highway right of way line to the point of beginning, except the southeasterly 75 feet thereof taken by decree set forth in final certificate dated November 14, 1967 and recorded as Instrument No. 242663, and subject to site corner as set aside for highway right of way, and subject to cartway or roadway on east boundary line.

III. DEPARTMENT ANALYSIS

A. *TRANSFER OF THE AFFECTED AREA FROM MINNESOTA POWER TO THE CITY OF STAPLES*

Exhibit A to the Petition is a legal description and map that depicts the boundary of the Affected Area. According to the Petition, the Affected Area involves approximated 60.67 acres with one large commercial customer, and two utility account customers.

Per conversation with the Parties' representative on November 29, 2016, the Department received a copy of the map referenced above, that has been modified to identify specifically where Parcels I and II are located within the Affected Area.¹

¹ Attachment A is an e-mail received on November 29, 2016. The second page of the attachment identifies that Parcel I is located in the southeast corner of the Affected Area. The remainder of the Affected Area is Parcel II. The entire Affected Area is bordered in a thick yellow line on the map.

As stated in the Petition, the proposed transfer is a permanent transfer of service territory.

B. CUSTOMER NOTICE

Exhibit B to the Petition is a DRAFT notice to be provided to all customers in the Affected Area. The notice identifies the pending proceeding before the Commission regarding the process of formally updating the service area maps to reflect the City of Staples as the service provider to the Affected Area. On November 28, 2016, the City of Staples filed in this docket a Certificate of Service indicating they indeed on November 22, 2016, distributed a letter (similar to the DRAFT notice identified above) to each customer affected by the boundary change.

C. ANTICIPATED TRANSFER DATE

As stated in the Petition, the Parties plan to transfer the services on December 1, 2016.

D. COMPENSATION

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

Thus, the Department agrees that the Parties' request to establish the Affected Area as part of the City of Staples service area is consistent with Minn. Stat. 216B.39.

IV. RECOMMENDATION

The Department recommends that the Commission approve the requested service territory transfer from Minnesota Power to the City of Staples.

/ja

Lusti, Dale (COMM)

From: Kathleen M. Brennan <KMB@mcgrannshea.com>
Sent: Tuesday, November 29, 2016 4:12 PM
To: Lusti, Dale (COMM)
Cc: David Moeller (ALLETE)
Subject: Staples/Minnesota Power - Map
Attachments: City of Staples_20161129_150811.pdf

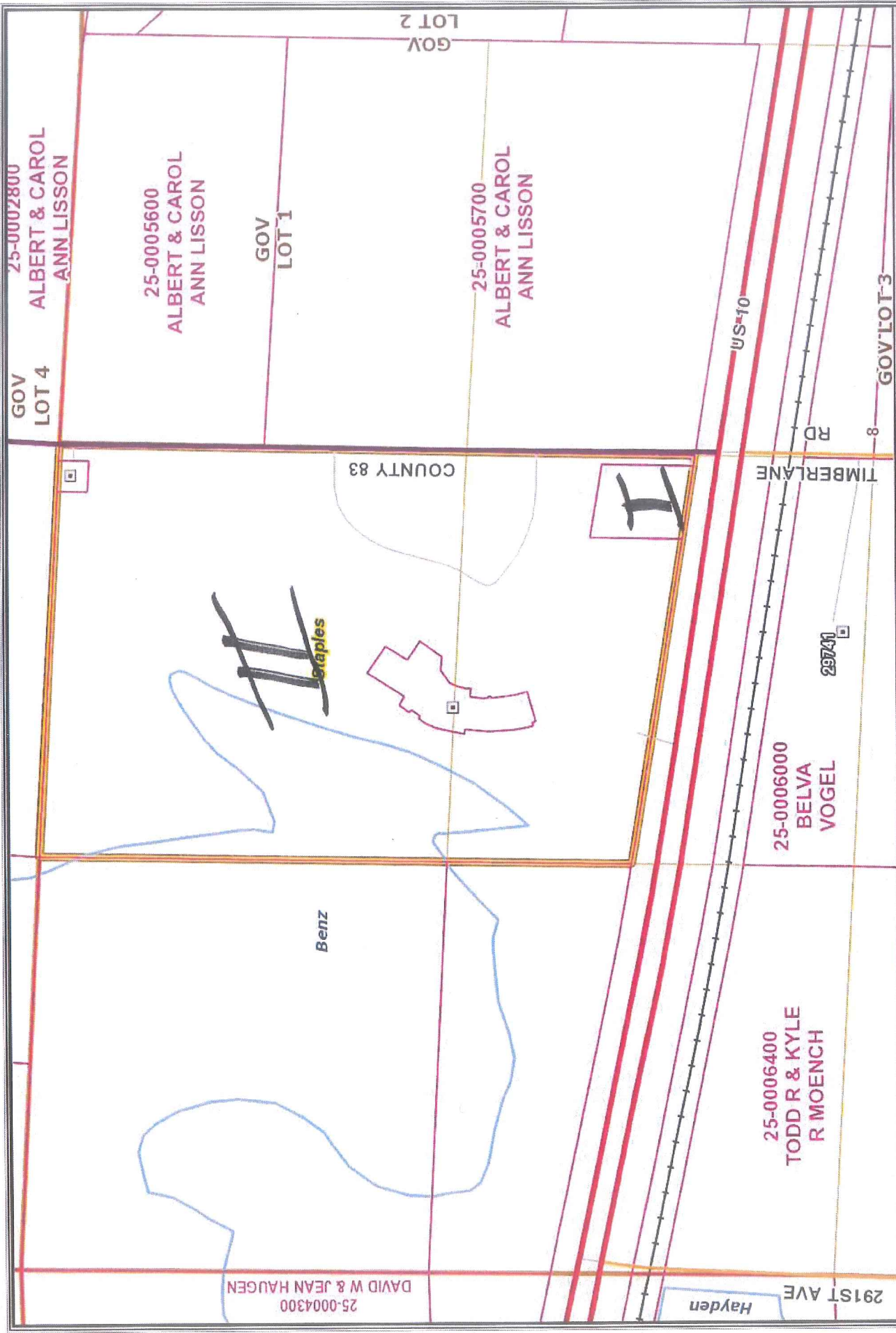
Dale,

Thanks for the call. The attached map details parcel I and II of the legal description. Please let me know if you have any further questions.

Thank you,
Kaela

Kaela Brennan
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McGrann Shea Carnival
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The Todd County GIS & Land Services Department has made every effort to provide the most accurate information available in this publication and cannot be held responsible for any untraceable errors or omissions. If the recipient wishes to locate parcel corners and property lines employ the services of a Registered Land Surveyor.

Lakewood Health System Service Territory Map

0 0.05 0.1 0.075 0.15 0.2 0.3 mi

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Todd County
MAKING THE
COUNTRY
THE PRIDE
EST. 1885

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