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(1938-2018)

February 11, 2019

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 Elk River Municipal Utilities and
Connexus Energy to Update Electric Service Territory Records
MPUC Docket: _____
Our File No.: 61739-0002

Dear Mr. Wolf:

I represent Elk River Municipal Utilities (the "Municipal"), which is authorized, on behalf of the Municipal and Connexus Energy (the "Cooperative") (collectively, the "Parties") to make this filing.

Summary of the Joint Request

This filing constitutes the Parties' joint request that the MPUC update the official service territory map to reflect an agreed-upon change in the Parties' electric service territory boundaries. This joint request concerns the permanent transfer of an area located within the city limits of Elk River and within the electric service territory assigned to the Cooperative (identified as the "Affected Area"), as further described below.

Legal Authorities

Under Minnesota Statutes, Section 216B.44(a), a municipal utility expands its assigned electric service territory, upon reaching agreement with the neighboring utility as to compensation: "Notwithstanding the provisions of sections 216B.38 to 216B.42, whenever a municipality which owns and operates an electric utility (1) extends its

corporate boundaries through annexation or consolidation, or (2) determines to extend its service territory within its existing corporate boundaries, the municipality shall thereafter furnish electric service to these areas unless the area is already receiving electric service from an electric utility, in which event, the municipality may purchase the facilities of the electric utility serving the area.” Minn. Stat. § 216B.44(a). 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 (2018).

In the present case, the transfer has been completed pursuant to Section 216B.44: the Affected Area lies within the city limits; the Parties have agreed upon appropriate compensation; and the parties have agreed to the Municipal providing service.

Minnesota Statutes, Section 216B.39, subd. 3 addresses changes to the assigned service territory map after 1975: “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” By its terms, Section 216B.44(a) excludes Section 216B.39. Minn. Stat. § 216B.44(a) (“notwithstanding the provisions of sections 216B.38 to 216B.42,”). Nonetheless, the Parties acknowledge the public policy in having an accurate and updated official service territory boundary map. Accordingly, the Parties request that the Commission update its official records as to electric service territory boundaries to reflect the Parties’ permanent change in the Affected Area.

Underlying Information

Attached as Exhibit A is a map that depicts the boundaries of the Affected Area. The Affected Area involves approximately 1,871 acres and 336 customers (321 residential, 15 commercial, and 0 industrial).

The Parties do not have a separate legal description prepared of the Affected Area, but are willing to provide whatever information is helpful and reasonably requested by MnGeo to facilitate the adjustment in the official maps. Specifically, the Parties have a Shape or CAD file of the map attached as Exhibit A.

Customer Notice

The Parties engaged in extensive technical discussions, spanning multiple years, to minimize any disruption to customers, to avoid unnecessary duplication of facilities, and to ensure a smooth transition of electric service.

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The Parties mutually determined the optimal transition dates of September 13 – 18, 2018 and arranged the transfer of service. The Parties are pleased to report that the transfer occurred efficiently and without technical difficulties. The Parties communicated extensively with the customers in the Affected Area throughout the transition process. A copy of the pertinent notices is attached as Exhibit B. In addition, the Municipal reached out to each affected commercial customer and met with customers as desired to assure understanding of rates and programs, and to answer any questions.

The Parties acknowledge that the Commission wishes to direct separate notice to customers as to the pending proceeding before the Commission. Attached as Exhibit C is a proposed notice to be sent to all customers in the Affected Area.

Contact Information

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

Elk River Municipal Utilities:

Troy Adams, P.E.
General Manager
Elk River Municipal Utilities
13069 Orono Parkway, P.O. Box 430
Elk River, MN 55330-0430
Phone: 763-441-2020
tadams@elkriverutilities.com

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

Connexus Energy:

Greg Ridderbusch, President and CEO
Connexus Energy
14601 Ramsey Blvd
Ramsey, MN 55303
Phone: 763-323-2650
greg.ridderbusch@connexusenergy.com

Sara McGrane
Felhaber Larson
220 South 6th Street
Suite 2200
Minneapolis, MN 55402-4504
Phone: 612-339-6321
Fax: 612-338-0535
smcgrane@felhaber.com

Request

The Parties therefore petition the Commission to accept and file these documents and provide due acknowledgment thereof. The Parties further request that

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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.

Sincerely,

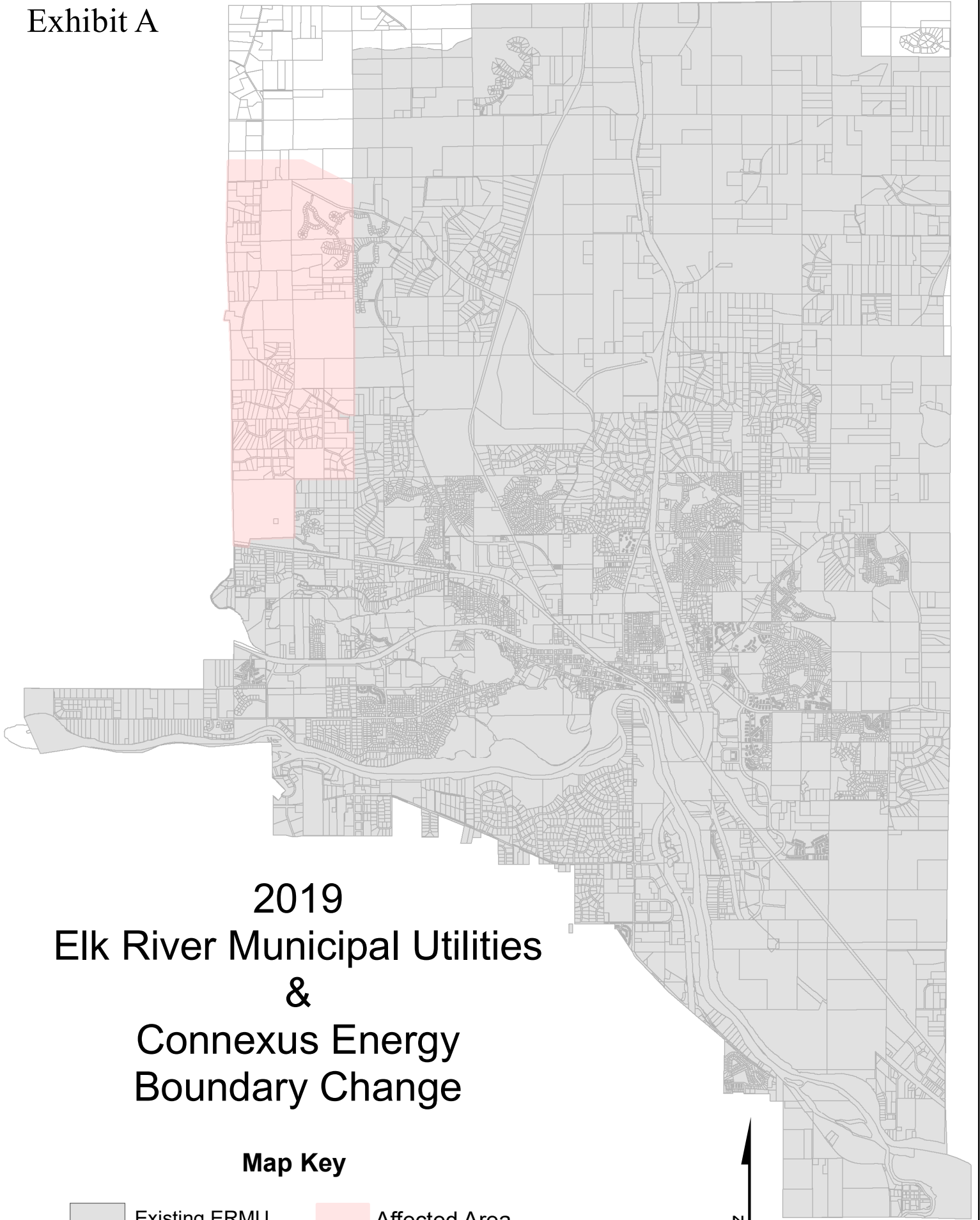


Kathleen M. Brennan

Enclosures

cc (w/encl.): Proposed Service List

Exhibit A



2019 Elk River Municipal Utilities & Connexus Energy Boundary Change

Map Key

-  Existing ERMU
-  Affected Area

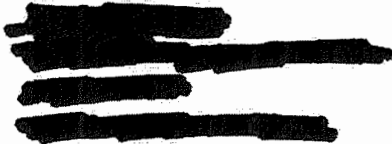
Exhibit B



14601 Ramsey Boulevard
Ramsey, Minnesota 55303
763.323.2600
Fax: 763.323.2603
www.connexusenergy.com
info@connexusenergy.com

your most powerful membership™

August 1, 2018



Important information about transition from Connexus Energy to Elk River Municipal Utilities Services

This is to inform you that Elk River Municipal Utilities (ERMU) will soon provide you with electrical service.

ERMU and Connexus Energy (Connexus) have negotiated an agreement that will transfer Connexus customers, within the City of Elk River incorporated boundaries, to ERMU. *The transfer of your service to ERMU will take place in September.*

ERMU will assume all of the services Connexus has been providing such as billing, account management, and electric service concerns. Similar to other Elk River residents and businesses, your electric service will be billed along with your other city services such as water, wastewater, stormwater, franchise, and/or trash.

Frequently Asked Questions

Will my electric rate change?

Your electric rates will change, depending on the type of service you have and your usage patterns. Please contact ERMU if you have specific questions.

What will happen to the Cash Back earned by Connexus customers?

The Cash Back (formerly capital credits) you earned as a Connexus member will be paid out on a discounted basis, as a credit on your final bill. You will not earn any additional Cash Back once you become an ERMU customer.

Do I have any choice in which utility services me?

No. Minnesota State law grants cities the right to serve all customers within their city boundaries.

Will this changeover cost me any money?

No. ERMU will not charge any customer a connection fee related to the transition.

Will I have to read my own meter?

No. ERMU has a meter reader who will read your meter monthly. The meters will generally be read the second week of the month.

What do I do if my lights go out or if I have some other problem after the service is transferred to ERMU?

ERMU has a service technician on call at all hours. If you have a problem, please call 763.441.2020. This phone will be answered 24 hours a day, 7 days a week, by a live representative.

A follow-up notification will be sent out to you with more specific detail closer to the transfer date. ERMU will also be sending information on rates and conservation programs.

If you have any further questions please contact either: ERMU - Tom Sagstetter, Conservation and Key Accounts Manager at 763.635.1332; or Connexus Energy – Nick Loehlein, Manager of System Engineering, Design, & Operations at 763.323.4223.

Sincerely,



Greg Ridderbusch
Chief Executive Officer
Connexus Energy



Troy Adams
General Manager
Elk River Municipal Utilities



**Elk River
Municipal Utilities**

13069 Orono Parkway
PO Box 430 Elk River, MN 55330

Phone: 763.441.2020

Fax: 763.441.8099

August 9, 2018

«F15» «F16»
«F8» «F9» «F10»
«F12», «F13» «F14»

Dear «F15»,

You are receiving this letter because Elk River Municipal Utilities (ERMU) will be providing your electric service at «F8» «F9» starting in the fall of 2018. I would like to welcome you as a customer of ERMU and reassure you that our staff is working hard to make this transition as seamless as possible. ERMU is owned by the customers we serve and we look forward to the opportunity to serve you with electric utility service.

As an Elk River resident, you may already receive a monthly bill from ERMU for water service and/or city services. Once the transfer from Connexus Energy (Connexus) to ERMU is complete, the electric service will also be included on your monthly billing statement.

If you are currently participating in a budget program with Connexus, this will not transfer over to your account with ERMU. Please contact customer service at 763-441-2020 to be set up on a budget plan with ERMU. If you currently have your payment automatically deducted from an account to pay your Connexus bill, this will not transfer to your account with ERMU. If you have other services through ERMU that are paid by automatic bank draft, your electric service will automatically be added to bank draft. Contact ERMU customer service at 763-441-2020 with any questions or changes regarding automatic bank draft payments.

You can make phone payments by calling our automated system: 1-855-730-8706. You can also make one-time payments or set up recurring payments with a checking account or credit card online. There is **no fee** to pay via credit card. If you'd like to utilize that option, please visit www.elkriverutilities.com; click Residential, then Pay Bill or Manage Account. You may also sign up for automatic bank draft by completing a form and attaching a voided check.

Enclosed for your convenience you will find a Residential Information Sheet, Automatic Bill Payment form, Acquisition FAQ Sheet, Appliance Rebate Form, Electric Vehicle Rebate, and LED coupons.

You will soon be receiving a letter containing the date and time your service will transfer from Connexus to ERMU. If you currently participate in a load management program, you will also be receiving a letter detailing the program you will join with ERMU.



Please do not hesitate to contact Tom Sagstetter, Conservation and Key Accounts Manager at 763-635-1332 or Customer Service at 763-441-2020 with any questions or concerns you may have regarding this transition. We look forward to serving you.

Sincerely,

A handwritten signature in black ink, appearing to read "Troy Adams", with a long horizontal flourish extending to the right.

Troy Adams, P.E.
General Manager
Elk River Municipal Utilities



**Elk River
Municipal Utilities**

13069 Orono Parkway
PO Box 430 Elk River, MN 55330

Phone: 763.441.2020
Fax: 763.441.8099

August 27, 2018

«Name» «Name_2»
«Service_Address» «Service_Address_2»
«City», «State» «Zip»

Dear «Name»:

You are receiving this letter because you will soon be receiving your electric service from Elk River Municipal Utilities (ERMU) at «Service_Address» «Service_Address_2» and you currently participate in a whole house unmetered water storage program through Connexus Energy. ERMU does not offer a similar program. Your account will be setup with the Residential Electric rate.

We are here to assist you through this transition and are available to help you with any questions or concerns you may have. You can call our office at 763-441-2020 or my direct line at 763-635-1332.

Sincerely,



Tom Sagstetter
Conservation and Key Accounts Manager





**Elk River
Municipal Utilities**

13069 Orono Parkway
PO Box 430 Elk River, MN 55330

Phone: 763.441.2020
Fax: 763.441.8099

August 27, 2018

«Name» «Name_2»
«Service_Address» «Service_Address_2»
«City», «State» «Zip»

Dear «Name»:

You are receiving this letter because you will soon be receiving your electric service from Elk River Municipal Utilities (ERMU) at «Service_Address» «Service_Address_2» and you currently participate in a cycled air conditioning program through Connexus Energy. ERMU does not offer a similar program. During the transition, your air conditioning controller will be disconnected and your unit will no longer be controlled. If you have a WiFi thermostat that was being controlled, that will no longer occur as well.

We are here to assist you through this transition and are available to help you with any questions or concerns you may have. You can call our office at 763-441-2020 or my direct line at 763-635-1332.

Sincerely,



Tom Sagstetter
Conservation and Key Accounts Manager



**Elk River
Municipal Utilities**

13069 Orono Parkway
PO Box 430 Elk River, MN 55330

Phone: 763.441.2020
Fax: 763.441.8099

August 31, 2018

«F10» «F11»
«F4» «F5»
«F6», «F7» «F8»

Dear «F10»,

You are receiving this letter because you will soon be receiving your electric service from Elk River Municipal Utilities (ERMU) at «F4» «F5» and you currently participate in a load management program through Connexus Energy (Connexus). We have analyzed your Connexus account and determined the similar ERMU load management program(s). Based on this analysis, your account will automatically be assigned to the following ERMU program: «F16». Please note, beginning January 1, 2024; these programs will sunset and will no longer be available.

We want to ensure that you will be billed correctly, and our determination of your rate is based solely on reviewing data about your current account with Connexus. In some cases, depending on the load management program, ERMU will have to work to update your electric services to fit into our program's specifications. This will be completed by a licensed contractor at no cost to you. If this is the case, we will contact you to discuss and coordinate the work to be done. If you would like to discontinue your participation in load management programs please contact our office at 763-441-2020 or me at my direct extension, 763-635-1332, and we will work with you to make the changes on your account.

We are here to assist you through this transition and are available to help you with any questions or concerns you may have regarding changes in your energy program(s).

Sincerely,



Tom Sagstetter
Conservation and Key Accounts Manager
763-635-1332



**Elk River
Municipal Utilities**

13069 Orono Parkway
PO Box 430 Elk River, MN 55330

Phone: 763.441.2020

Fax: 763.441.8099

September 7, 2018

ELK RIVER, MINNESOTA 55330

Dear

Your property at _____ will officially be transitioned to Elk River Municipal Utilities (ERMU) for your electric service throughout the days of September 13 – 17th. A more specific timeframe will (or has already) be communicated to you verbally by our field staff or via a door hanger. You will have a brief interruption in electric service during the actual transition of your property. This interruption is necessary to safely implement the transfer from the Connexus Energy (Connexus) distribution system to the ERMU system. ERMU and Connexus crews will work hard to ensure the outage is as brief as possible. *The date could be subject to change depending on weather conditions and other factors.*

Once the system transfer is complete our meter technicians will be working to change out your existing meter for an automated meter. This technology will save time, reduce the risk for reading errors and will allow ERMU to read your meter from the road. At the time your meter gets changed, there is a possibility of a momentary interruption of service as well. Around the time of the meter upgrade a reusable bag with an LED bulb will be left by your door as a welcome gift from ERMU.

It is important to note that you will receive two partial bills for your September electric usage. One bill will come from Connexus for the billing period up to September 18, 2018. The other bill will come from ERMU for usage from September 18, 2018 to the routine monthly meter reading in October.

We look forward to providing you with electric utility service. If you have any questions or concerns regarding this transition, please contact our office at 763-441-2020.

Best Regards,



Troy Adams, P.E.
General Manager
Elk River Municipal Utilities





13069 Orono Parkway • P.O. Box 430
Elk River, MN 55330-0430

Phone: 763.441.2020
www.elkriverutilities.com

Dear Sir or Madam:

I would like to welcome you as a customer of Elk River Municipal Utilities!

Along with providing electric, there are many other incentives we provide that could save you money and conserve energy. Please contact our office at 763-441-2020 or check out our website at www.elkriverutilities.com to find brochures and forms regarding any of the following programs that we offer (not all may apply to your service area).

- **Energy Star Appliance Rebates**
- **LED Lightbulb Coupons**
- **Clean Energy Choice Program**
- **How To Pay Your Bill**

Please do not hesitate to contact our office at 763-441-2020 if you have any questions about Elk River Municipal Utilities or any of the services we provide.

Best Regards,

Troy Adams, P.E.
General Manager
Elk River Municipal Utilities



Exhibit C



Phone: 763.441.2020
www.elkrivertilities.com

February 12, 2019

Re: Notice of Minnesota Public Utilities Commission Proceeding
MPUC Docket No: _____

Dear Customer:

As you know, Elk River Municipal Utilities (ERMU) recently began providing your electric service. Before this transition, Connexus Energy served the area where you are located. The utilities are in the process of formally updating the electric service maps on file with the Minnesota Public Utilities Commission (MPUC) to reflect that ERMU is the electric service provider. This letter provides information concerning that proceeding before the MPUC.

The MPUC is a state agency with jurisdiction over electric service territory boundaries. The MPUC requires that all customers located in an area involved in a change in the service territory maps be formally notified of the proceeding in which the service territory maps will be approved. This letter provides that formal notice.

If you wish to address the MPUC concerning this change in maps, you may contact the MPUC Consumer Affairs Office at: 121 Seventh Place E., Suite 350, Saint Paul, Minnesota 55101, consumer.puc@state.mn.us, or call 651-296-0406. You should reference MPUC Docket No. _____. It is completely optional and voluntary to contact the MPUC.

ERMU values you and will continue to strive to provide the highest quality service. Please contact me if you have any questions.

Respectfully,

Troy Adams, P.E.
General Manager

PROPOSED SERVICE LIST

RE: In the matter of the Joint Request of Elk River Municipal Utilities and Connexus Energy to Update Electric Service Territory Records

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 Mail

Greg Ridderbusch
President and CEO
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Ramsey, MN 55303
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(Connexus Energy)

Via Electronic Filing

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St. Paul, MN 55101-2198

Via Electronic Mail

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smcgrane@felhaber.com
(Connexus Energy)

Via Electronic Filing

Commerce Attorneys
Office of the Attorney General – DOC
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St. Paul, MN 55101-2134

Via Electronic Mail

Tom Sagstetter
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tsagstetter@elkriverutilities.com
(Elk River Municipal Utilities)

Via Electronic Filing

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Via Electronic Mail

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(Elk River Municipal Utilities)

Courtesy Copies

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(Elk River Municipal Utilities)