

October 13, 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. E281, E124/SA-16-753

Dear Mr. Wolf:

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

The Joint Request of the New Prague Utilities Commission and Minnesota Valley Electric Cooperative, collectively the Parties, to Modify Electric Service Territory Boundaries.

The petition was filed on September 13, 2016 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 requested service territory boundary transfer from Minnesota Valley Electric Cooperative to New Prague Utilities Commission, and is available to answer any questions the Commission may have. MnGeo should also make the requested changes to the service territory maps.

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. E281, E124/SA-16-753**

**I. SUMMARY OF PROPOSAL**

On September 13, 2016, the New Prague Utilities Commission (the Municipal) and Minnesota Valley Electric Cooperative (the Cooperative), collectively the Parties, jointly filed a petition under Minn. Stat. Section 216B.39, subd.3, asking the Minnesota Public Utilities Commission (Commission) to modify the Parties' service territory boundaries.

**II. DEPARTMENT ANALYSIS**

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

Minnesota Statutes section 216B.44, subd. (a) states:

... 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 servicing the area.

Exhibit A to the Petition is a map and legal description that depicts the boundaries of the Affected Area as follows:

The North 25 rods of the Southeast Quarter of Section 33, Township 113, Range 23, Scott County, Minnesota; except that part platted as NEW PRAGUE BUSINESS PARK 10<sup>th</sup> ADDITION, Scott County, Minnesota.

According to the Parties, the Affected Area involves approximately 9 lots, with no existing customers.

Exhibit B to the Petition is a copy of the annexation documents.

**B. COMPENSATION**

Minnesota Statutes Section 216B.44, subd. (b) states:

The municipality acquiring the facilities shall pay to the electric utility formerly serving the area the appropriate value of its properties within the area .... In the event the municipality and the electric utility involved are unable to agree as to terms of the payment or exchange, the municipality or the electric utility may file an application with the commission requesting that the commission determine the appropriate terms for the exchange or sale.

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 Municipal's service area is consistent with Minn. Stat. 216B.44, subd. (a) and (b).

**III. RECOMMENDATION**

The Department recommends that the Commission approve the requested service territory boundary transfer from Minnesota Valley Electric Cooperative to the New Prague Utilities Commission. MnGeo should make the requested changes to the service territory maps.

/ja