

October 29, 2018

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: **Revised Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. E281, E124/SA-18-609

Dear Mr. Wolf:

Attached are the *Revised Comments* of the Minnesota Department of Commerce, Division of Energy Resources (Department) in the following matter:

The Joint Request of the New Prague Utilities Commission (the Municipal) and Minnesota Valley Electric Cooperative (the Cooperative) for approval to Modify Electric Service Territory Boundaries.

The petition was filed September 25, 2018 by:

Kathleen M. Brennan
McGrann Shea Carnival Straughn & Lamb, Chtd.
800 Nicollet Mall, Suite 2600
Minneapolis, MN 55402

These *Revised Comments* acknowledge that an AFFIDAVIT OF SERVICE was filed indicating that a Customer Notice was provided to all affected customers.

The Department recommends that the Minnesota Public Utilities Commission (Commission) **approve the requested permanent service territory transfer** from Minnesota Valley Electric Cooperative to the New Prague Utilities Commission, and is available to answer any questions the Commission may have.

Sincerely,

/s/ DALE V. LUSTI
Financial Analyst

DVL/jl
Attachment



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. E281, E124/SA-18-609

I. BACKGROUND

New Prague Public Utilities Commission (the Municipal) is an electric municipal utility organized and existing under the laws of the State of Minnesota. Minnesota Valley Electric Cooperative (the Cooperative) is an electric distribution cooperative organized and existing under the laws of the State of Minnesota.

The Department filed Comments in this proceeding on October 17, 2018.

On October 23, 2018, the Department became aware that on October 10, 2018, the Municipal submitted an AFFIDAVIT OF SERVICE noting that on September 29, 2018 it had provided Customer Notice to all affected customers.

II. SUMMARY OF PROPOSAL

On September 25, 2018, the Municipal and Cooperative, collectively the Parties, jointly filed a petition under Minn. Stat. § 216B.39, asking the Minnesota Public Utilities Commission (Commission) to modify the Parties' service territory boundaries. The request is to transfer service area from the Cooperative to the Municipal. Approval of the Parties' request would permanently transfer the Affected Area, which is located within the city limits and within the electric service territory of the Cooperative, from the Cooperative to the Municipal.

III. DEPARTMENT ANALYSIS

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

Exhibit A of the petition is a map that depicts the boundaries of the Affected Areas which involve approximately 700 acres and 750 customers (711 residential and 39 commercial). As noted in the Petition, the Parties do not have a separate legal description of the Affected Areas, but have agreed to provide MnGeo whatever information is needed to facilitate the adjustment in the official maps. The Parties do have a Shape file of the map attached as Exhibit A.

By written agreement of the Parties, the municipal provided construction service to one senior living development within the Affected Areas and is currently serving that customer.

B. CUSTOMER NOTICE

Exhibit B to the petition contains a sample of the Parties' pertinent correspondence with the customers in the Affected Areas. The Parties noted that multiple updates were provided in newsletters and a dedicated public meeting was held to answer questions and to assure understanding of rates and programs.

In the petition, the Parties acknowledged that the Commission directs that separate notice to customers is given as to the pending proceeding before the Commission, and noted that the Parties will provide this notice to affected customers and arrange separate filing with the Commission. Attached as Exhibit C to the petition is the proposed customer notice. Exhibit B to the October 10, 2018 AFFIDAVIT OF SERVICE is a copy of the Customer Notice provided on September 29, 2018.

C. ANTICIPATED TRANSFER DATE

As stated in the petition, the Transfer Date is expected to be in late October or early November of 2018.

D. COMPENSATION

The Department notes that the Parties have agreed upon appropriate compensation regarding the permanent transfer of service rights in the Affected Areas.

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

IV. RECOMMENDATION

The Department recommends that the Commission approve the permanent service territory transfer from Minnesota Valley Electric Cooperative to the New Prague Utilities Commission. MnGeo should update the Commission's maps to reflect the service area designations as shown on the map in the Petition.

/jl