

Minnesota Public Utilities Commission
Staff Briefing Papers

Meeting Date: April 1, 2014**Agenda Item # 17

Company: All Electric Utilities

Docket No. **E-999/CI-12-957**

**In the Matter of Establishing Digital Service Area Maps Showing the
Boundaries of the Assigned Service Area of Each Electric Utility in
Minnesota**

Issue: Should the Commission adopt the digital electric utility service area map,
showing the assigned service area of each electric utility, without prejudice?

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Relevant Documents

Staff Briefing Papers.....November 8, 2012
Commission Notice..... February 1, 2013
Commission Notice..... April 11, 2013
Commission Order..... December 3, 2012
Commission Notice of Opportunity to Review Electronic Map..... February 18, 2014

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Statement of the issue

Should the Commission adopt the digital electric utility service area map, showing the assigned service area of each electric utility, without prejudice?

Statutory Authority

Minnesota Statutes sections 216B.39 through 216B.43 address assigned electric service areas. Minnesota Statutes §216B.39, subdivisions 1 and 2 required each electric utility to file a map or maps showing its service area to the Commission and directed the Commission to adopt a map or maps that clearly reflected those boundaries.

Minnesota Statutes section 216B.39, subd. 3 states in part that in addition to the service area contracts between utilities provided for in subdivision 4, 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 as provided for in sections 216B.17 and 216B.18.

Background

The Commission has been in the process of making the electric utility service area (EUSA) maps available in a digital format through an interactive website. The initiative started in 2004, when the Commission, Department of Commerce, and MnGeo (Minnesota Geospatial Information Office) began efforts to take medium scale paper maps housed at Commerce and upon which service area boundaries had been drawn and convert them to an electronic format that could be viewed multiple ways using GIS (geographic information systems) technology.

The current electronic map, at <http://www.mngeo.state.mn.us/eusa/>, allows utilities and the public to view service areas and other data layers that can be turned on or off, allows for dynamic panning and zooming, and allows for spatial queries and other functions not possible with paper maps.

Utilities were provided access to all data regarding EUSA boundaries in 2008 at which time they were asked to review their boundaries, correct positional inaccuracies inherent to the paper maps and identify boundary disagreements with adjacent companies. In 2009, MnGeo updated nearly 9,000 miles to reflect adjustments it received from the utilities. There are over 37,000 miles of service area boundaries in the state. In 2010 and 2011 additional corrections and updates were made by MnGeo based on utility input. Neither MnGeo nor the Commission made boundary changes without utility input. The digital EUSA map was made publicly available on September 14, 2012. On November 8, 2012, the matter was brought to the Commission. Because utilities appeared at the agenda meeting asking for more time to review the maps, in an Order dated December 3, 2012, the Commission stated its intent to declare the electronic map as the official map but granted utilities additional time to submit revisions until May 1, 2013.

Update from December 3, 2012 Order

Between the Commission's December 2012 Order and the deadline of May 1, 2013, MnGeo received approximately 1,650 updates from utilities. These updates were submitted informally; normally, changes to service area boundaries are made through filings assigned a docket number and approved by the Commission after a comment and reply comment period.

The agreed upon informal process triggered some unexpected complications. The December 2012 Order stated that "corrections and agreed-upon changes" could be submitted to MnGeo through this informal process, until May 1, 2013. Utilities, however, had differing interpretations of this language. Some utilities assumed that a verbal agreement with the neighboring utility on boundaries was sufficient to submit an "agreed-upon change" to MnGeo, while other utilities disagreed. At times, submissions were made to MnGeo that did not make clear if both utilities agreed to the change or correction. In addition, at times submissions did not include enough information about the boundary change to know where to move the boundary. To help alleviate confusion, staff issued Notices on February 1 and April 11, 2013 outlining what information was necessary in order for MnGeo to make a change to the map. Both MnGeo and Commission staff responded to numerous calls and e-mails from utilities regarding the project.

MnGeo and the Commission made outreach efforts to utilities regarding the May 1, 2013 deadline.¹ Some outreach efforts were:

- In person presentations at December 2012 and February 2013 MMUA (Minnesota Municipal Utility Association) meetings;
- February and April 2013 Commission Notices to all utilities of the May 1, 2013 deadline;
- Two Commission and MnGeo-hosted webinars in February 2013 to show utilities the EUSA map, its features, and answer questions;
- Posting of the PowerPoint slides from the webinar on the Commission's website, for those who could not attend the webinar;
- Posting on the EUSA website of boundary updates to the map on a regular basis.

Both the Commission and MnGeo received boxes of documents from the utilities outlining changes to the electronic service area map prior to the May 1, 2013 deadline.

Between May 1, 2013 and early 2014, MnGeo has been working on incorporating the large volume of changes submitted into the electronic map and notifying utilities of the updates to the map.

On February 18, 2014, Commission staff issued a Notice advising all utilities to review the electronic EUSA map and to notify Commission staff and MnGeo by March 3, 2014 if they saw

¹ One reason staff made additional outreach efforts is because unlike nearly any other Commission docket, all electric distribution utilities—IOWs, municipalities, and cooperatives—are involved in the filing of service boundary changes with the Commission. In addition, some distribution utilities go many years between service area changes and may not remember the Commission's filing process.

any errors compared to what they submitted through the informal process. Most utilities that contacted MnGeo and the Commission stated that the map was accurate. A few utilities notified Commission staff and MnGeo that they had submitted changes that were not reflected on the map; MnGeo was able to incorporate their information promptly. A handful of utilities notified the Commission that they had submitted changes not reflected on the map. MnGeo responded that those initial submissions did not contain all of the information needed to make all of the changes requested by those utilities.²

Staff Comment

Need for Commission Declaration on EUSA Map as Official Map

The Commission was very clear in its December 3, 2012 Order in this docket that once the May 1, 2013 deadline had passed and MnGeo had incorporated the updates into the electronic map, the Commission intended to declare the electronic map the official map (without prejudice).

Staff notes that this project has gained considerable attention from utilities and others. Staff would like to note that this project is simply a media change, from paper maps to electronic maps. *It should be emphasized that:*

- Declining to declare the electronic map as the official map keeps the paper maps the Commission's official maps, which are less up to date or positionally accurate as the electronic map;
- Declaring the electronic map as the official map does not in any way foreclose utilities from submitting additional changes to the map;
- The informal process, while quicker, was less transparent, because the changes were not first being filed in eDockets and publicly viewable;
- MnGeo was not able to make some changes submitted through the informal process because there was no official list of data that utilities had to submit to show they agreed upon a change;
- Utilities have regularly requested additional time throughout this six (6) year project to review the maps. Staff believes that because service boundaries are constantly changing, the map review is a never-ending process and should not hold up declaring the electronic map as the official map.

Staff also notes that the electronic maps contain "gaps and overlaps" (places where it is not clear which utility serves an area)³. This is not a phenomenon unique to the electronic service area maps and has existed while the paper maps have been the official maps. Some of the gaps and

² For example, a cooperative notified MnGeo on February 19th that some, but not all, of its requested changes had been incorporated. MnGeo investigated and found that the shape files submitted by the utility did not match the paper map submitted by the neighboring utility.

³ Staff notes that there are not really any "gaps" in service in Minnesota. In 1974, when the electric service area boundaries were established, it was ensured that every service area was served by an electric utility.

overlaps, to staff's knowledge, are due to circumstances such as boundaries being set by a natural or manmade feature that have shifted over time (a river or road) and verbal agreements among utilities that were never filed with the Commission.⁴

Staff recommends the Commission adopt the electronic map as the official map without prejudice, for three reasons. First, this is the action the Commission committed to do in its December Order. Second, the map has gained additional attention with the passage of the 2013 solar legislation; since the solar legislation only applies to Investor Owned Utilities (IOUs), there is commercial and public interest in knowing the service area boundaries of the IOUs. Third, this project was intended to simply be a media change—the transfer of paper maps into a more accurate and more accessible electronic map. As a courtesy and for practical reasons the Commission, Department, and MnGeo attempted to update the paper maps as much as possible, but the fact remains that the intent of the project was to be a media change.⁵

Adoption of EUSA Map as Official Map without Prejudice

For this reason, the Commission's December 3, 2012 Order indicated its intent to declare the electronic service area map as the official map, *without prejudice*. The addition of the term "without prejudice" would allow utilities to reach agreement with adjoining utilities on those "gaps and overlaps", seek mediation, or bring a dispute before the Commission, if necessary.

Clarifying Process Going Forward, and Education

Staff also suggests that the Commission clarify that it is returning to its normal process for service area boundary changes going forward: changes to the EUSA map should be initiated by the relevant utilities first filing service area boundary changes for Commission approval. Once they have been approved, those changes can be incorporated into the map. The informal process the Commission allowed from December 3, 2012 to May 1, 2013 was intended to provide an incentive to utilities to submit changes without going through the Commission's formal process. Staff believes the December 3, 2012 Order made it clear that these informal updates were only allowed until May 1, 2013, but for purposes of transparency staff recommends the process going forward could be outlined in the Commission's Order.⁶

⁴ Another reason for gaps and overlaps that MnGeo has encountered is when a utility provides multiple views of a boundary on different maps, sometimes with multiple submissions.

⁵ Staff notes this project is not unique among the electric industry; the telecommunications industry has been making a similar media change, but in a much shorter timeframe than the electric map project. See Dockets P-999/SA-13-381, and P-999/SA-14-22.

⁶ Staff has also been working with the Department and utilities on a service area "checklist" for filings docketed with the Commission. Staff believes the checklist has the potential to provide guidance to utilities on the standard information to provide in filings and may help streamline the Department's and Commission's review of these requests.

Finally, staff notes that educating utilities on the service area maps project, in particular the non-rate-regulated utilities, has been and will continue to be an ongoing process. If the Commission wishes, staff can send an annual Notice reminding utilities to review the electronic service area map and submit to the Commission any changes that need to be made.

Decision Options

A. Electronic Service Area Map

1. Declare the EUSA digital map developed by MnGeo for the Commission as the official map required under Minn. Stat. §216B.39 without prejudice to any utility.
2. Take other action.

B. Future Service Area Boundary Changes

1. Require that after the Commission determines the EUSA digital map is the official map under Minn. Stat. §216B.39, all electric utilities must file with the Commission for approval any future service territory boundary changes.
2. Take other action.

C. Future Outreach to Electric Utilities

1. Direct staff to issue an annual Notice to all distribution utilities in Minnesota reminding them to review the electronic service map and to submit any changes to the Commission for approval.
2. Take other action.

Staff Recommendation

Staff recommends options A.1 and B.1. Staff leaves C.1 to the Commission's discretion.