

July 26, 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. E119, E143/SA-16-354

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 Todd-Wadena Electric Cooperative (TWEC) and Lake Region Electric Cooperative (LREC) for approval of a Memorandum of Understanding (MOU) regarding service territory.

The petition was filed on April 26, 2016 by:

Tyler Fisher
Todd-Wadena Electric Cooperative
550 Ash Avenue NE
Wadena, MN 56482

The Department recommends that the Minnesota Public Utilities Commission (Commission) approve the requested service territory transfer. The Commission's maps should be updated by MnGeo to reflect the service area designation as shown on the map in the Memorandum of Understanding filed by the petitioners. The Department is available to answer any questions the Commission may have.

Sincerely,

/s/ DALE V. LUSTI
Financial Analyst

DVL/lt
Attachment

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE
MINNESOTA DEPARTMENT OF COMMERCE
DIVISION OF ENERGY RESOURCES

DOCKET NO. E119, E143/SA-16-354

I. BACKGROUND

Todd-Wadena Electric Cooperative (TWEC) is an electric distribution cooperative formed pursuant to the provisions of Minn. Stat. Chapter 308A. Lake Region Electric Cooperative (LREC) is also an electric distribution cooperative formed pursuant to the provisions of Minn. Stat. Chapter 308A. TWEC and LREC have negotiated and executed a Memorandum of Understanding (MOU) to transfer a portion of the TWEC service territory to LREC.

II. SUMMARY OF PROPOSAL

On April 26, 2016, Todd-Wadena Electric Cooperative and Lake Region Electric Cooperative jointly filed a request (Petition) that the Minnesota Public Utilities Commission (Commission) approve their joint Memorandum of Understanding. The Parties agree in the MOU that the attached map (Appendix A) correctly delineates the official service territory lines for the two utilities.

III. DEPARTMENT ANALYSIS

A. ASSIGNED SERVICE AREA

Minnesota Statutes section 216B.39, subd. (3) states:

... 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.

According to the MOU, the parties request that the Minnesota Public Utilities Commission transfer from TWEC to LREC the service area described on the map in Appendix A as follows:

NW¹/₄ SE¹/₄ section 9 township 133 range 36 in Ottertail County.

The MOU notes that both TWEC and LREC have reviewed the map and made corrections and adjustments in order to effectively serve the utilities' members and plans for future growth.

The parties state that only one customer is affected by this transfer.

B. COMPENSATION

Through a telephone conversation with the Department, TWEC indicated that the parties agreed that no compensation is owed to TWEC by LREC for the transfer of utility service area from TWEC to LREC.

Thus, the Department agrees that the Parties' request is reasonable.

IV. RECOMMENDATION

The Department recommends that the Commission approve the requested service territory transfer such that LREC will provide retail electric service to an area previously designated TWEC. MnGeo should update the Commission's maps to reflect the service area transfer as stated in the MOU.

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