

March 7, 2019

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. E126, E201/SA-19-159

Dear Mr. Wolf:

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

The Joint Request of Adrian Public Utilities, City of Adrian, MN (APU) and Nobles Cooperative Electric (NCE) for approval to Modify Electric Service Territory Boundaries.

The petition was filed February 19, 2019 by:

William J. Weterling
Hedeen Hughes & Weterling Law Firm
1206 Oxford Street
Worthington, MN 56187

The Department recommends that the Minnesota Public Utilities Commission (Commission) **approve the requested permanent service territory transfer** from Nobles Cooperative Electric to Adrian Public Utilities, City of Adrian, MN; 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. E126, E201/SA-19-159

I. BACKGROUND

Adrian Public Utilities, City of Adrian (APU) is an electric municipal utility organized and existing under the laws of the State of Minnesota. Nobles Cooperative Electric (NCE) is an electric distribution cooperative organized and existing under the laws of the State of Minnesota.

II. SUMMARY OF PROPOSAL

On February 12, 2019, the Municipal and the Cooperative, collectively the Parties, jointly filed a petition under Minn. Stat. 216B.44, asking the Minnesota Public Utilities Commission (Commission) to modify the Parties' service territory boundaries. Approval of the Parties' request would permanently transfer the Affected Area from NCE to ADU.

III. DEPARTMENT ANALYSIS

A. TRANSFER OF THE AFFECTED AREA FROM NCE TO ADU

The petition's Exhibit A includes the following three maps of the Affected Area:

- Current Boundaries;
- Proposed Boundaries; and
- Proposed Boundaries With Descriptions.

The first map labeled "Current Boundaries" identifies both the corporate boundary of the municipality of Adrian, Minnesota; and the currently "Assigned Service Territory" boundary of NCE.

The second map labeled "Proposed Boundaries" identifies the proposed service territory boundary between APU and NCE.

The third map labeled “Proposed Boundaries With Descriptions,” first identifies the proposed service territory boundary between APU and NCE, and then it identifies the two “Affected Areas” of the proposal. The first area referred to as the “Annexed Area” is an undeveloped recently annexed area that is an extension of the City of Adrian’s corporate boundary that has no existing customers. Thus, no existing customers will be affected by the proposed transfer of the recently Annexed Area. The second area referred to as the “Existing Municipal Services Area,” is an area where APU had been previously providing electric service in the assigned service territory of NCE, since APU’s existence. Customers in this second area will not be affected by the proposed transfer of service area since there will be no change in the electric service provider.

In addition to the map provided in the petition, the Parties will e-mail a GIS file to MnGeo upon approval of the petition, and will provide whatever information is needed to facilitate the adjustment in the official maps.

B. CUSTOMER NOTICE

No customer notice has been provided since no customers will be affected by the change in service provider.

C. ANTICIPATED TRANSFER DATE

Since no customers will be affected by the change in service provider in this proceeding, there was no need for the Parties to establish a transfer date

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 APU’s service area is consistent with Minn. Stat. 216B.44.

IV. RECOMMENDATION

The Department recommends that the Commission approve the permanent service territory transfer from Nobles Cooperative Electric to Adrian Public Utilities, City of Adrian, MN. MnGeo should update the Commission’s maps to reflect the service area designations as shown on the map in the Petition. Please note that Shana Neumann is the primary MnGeo contact for the Commission’s service area map updates.

/jl