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November 18, 2016

VIA ELECTRONIC FILING

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
350 Metro Square Building
121 Seventh Place East
St. Paul, MN 55101

Re: In the Matter of the Joint Request of the City of Staples and Minnesota
Power to Modify Electric Service Territory Boundaries
MPUC Docket: _____
Our File No.: 13198-0016

Dear Mr. Wolf:

I represent the City of Staples, municipal corporation that operates a municipal utility under Minnesota law ("Staples"), which is authorized, on behalf of itself and Minnesota Power ("MP") (collectively, the "Parties"), to make this filing.

Summary of the Joint Request

This filing constitutes the Parties' joint request under Minn. Stat. § 216B.39, subd. 3, that the MPUC modify the Parties' service territory boundaries. This joint request concerns the permanent transfer of an area within the city limits of the City of Staples and within the electric service territory assigned to MP (the "Affected Area"), as further described below.

Legal Authorities

By statute, "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 . . ." Minn. Stat. § 216B.39, subd. 3. In addition, "no electric utility shall render or extend electric service at retail within the assigned service area of another electric

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utility unless the electric utility consents thereto in writing . . . " Minn. Stat. § 216B.40 (2014). In the present case, the Parties seek to adjust the service territory boundaries to permanently transfer the Affected Area to Staples' assigned service territory. The Parties have agreed upon appropriate compensation. The Parties request that the Commission update its official records as to electric service territory boundaries.

Underlying Information

1. Exhibit A: Affected Area. Attached as Exhibit A is a map and legal description that depict the boundaries of the Affected Area. The Affected Area involves approximately 60.67 acres. The Parties have agreed to the terms and conditions for the transfer of the Affected Area, including compensation provisions, after arms-length negotiations. The Affected Area currently contains three customers: one large commercial customer and two utility account customers.

The Parties mutually determined the optimal transition date of December 1, 2016 for technical ease and to minimize customer disruption. The Parties plan to complete the transfer of service providers on that date.

The Parties acknowledge that the Commission wishes to direct separate notice to customers as to the pending proceeding before the Commission. Attached as Exhibit B is a proposed notice to be sent to all customers in the Affected Area.

Contact Information

If there are any questions concerning this filing, you may contact the following representatives:

City of Staples:

Jerel Nelsen, City Administrator
Doug Bendorf, Public Works Director
City of Staples
122 6th Street NE
Staples, MN 56479
(218) 894-2550
jnelsen@ci.staples.mn.us
dbendorf@ci.staples.mn.us

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(612) 338-2525
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Minnesota Power:
David Moeller
Senior Attorney
Minnesota Power
30 West Superior Street
Duluth, MN 55802
(218) 723-3963
dmoeller@allete.com

Request

The Parties therefore petition the Commission to accept and file these documents and provide due acknowledgment thereof. The Parties further request that the Commission provide evidence of its acknowledgment of these changes of service territory boundaries, and the updating of the official service territory records.

Proposed Service List

A copy of this letter and the accompanying documents has been mailed or emailed to the persons on the enclosed proposed service list.

Please contact the representatives above if you have any questions. Thank you for your assistance.

Sincerely,



Kathleen M. Brennan

Enclosures

cc (w/encl.): Proposed Service List

EXHIBIT A – MAP AND LEGAL DESCRIPTION

Parcel I (Riggs)

That part of the Southeast Quarter of the Northwest Quarter, Section 8, Township 133, Range 32 West of the 5th Principal Meridian described as follows:

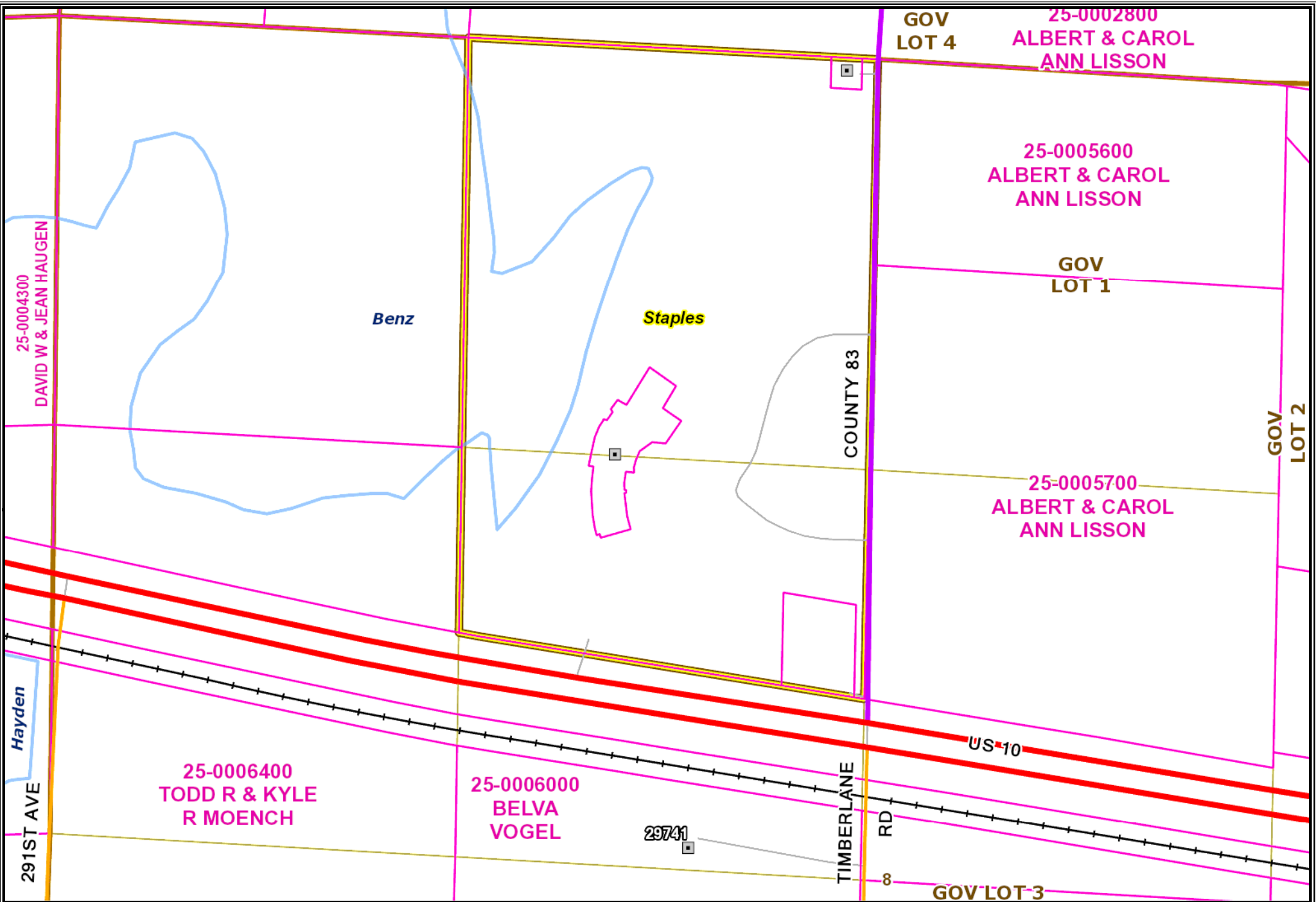
Beginning at the point on the Northerly right of way line for Trunk Highway Number 10 where a line 33 feet Westerly of and parallel with the North South Quarter line of said Section 8 intersects said right of way line (said highway right of way line being the line 75 feet Northeasterly of the center line described in the final certificate recorded in Book 9 of Miscellaneous, Page 272) thence North 303.5 feet along said line parallel with the North South Quarter line of Section 8, thence West 235 feet, thence South 300.0 feet, more or less to the Northerly line of said highway right of way (previously described), and thence Southeasterly along said highway right of way line to the place of beginning.

Except the Southeasterly 75 feet thereof which was taken by decree set out in final certificate dated November 14, 1967 and recorded as Instrument No. 242663 in the office of the Register of Deeds for Todd County.

Subject to the site corner as set aside for the highway right of way in the instrument as recorded in Book 9 of Miscellaneous, Page 272.

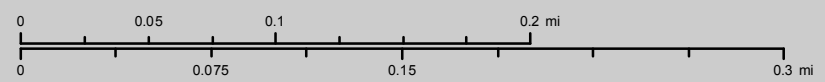
Parcel II (Logering)

All that part of the East Half of the Northwest Quarter (E 1/2 of NW 1/4) of Section 8, Township 133 N, Range 32 W lying northerly of the northerly right of way line of U.S. Highway No. 10 except the following described tract: Beginning at the point on the northerly right of way line for U.S. Highway No. 10 where a line 33 feet westerly of and parallel with the north-south quarter line of said Section 8 intersects said right of way line (said highway right of way line being the line 75 feet northeasterly of the centerline described in the final certificate recorded in Book 9 of Miscellaneous, Page 272); thence North 303.5 feet along said line parallel with the north-south quarter line of Section 8; thence West 235 feet; thence South 300 feet, more-or-less, to the northerly line of said highway right of way; thence southeasterly along said highway right of way line to the point of beginning, except the southeasterly 75 feet thereof taken by decree set forth in final certificate dated November 14, 1967 and recorded as Instrument No. 242663, and subject to site corner as set aside for highway right of way, and subject to cartway or roadway on east boundary line.



Todd County GIS
 215 1st Ave S, Ste 102
 Long Prairie, MN 56347
 (Office) 320-732-4248

Lakewood Health System Service Territory Map



The Todd County GIS & Land Services Department has made every effort to provide the most accurate and up-to-date information available in this publication and cannot be held responsible for any unforeseen errors or omissions. If the recipient wishes to locate parcel corners and property lines, employ the services of a Registered Land Surveyor.

Printed on:
 Tuesday, November 15, 2016

EXHIBIT B

November __, 2016

Re: Notice of Minnesota Public Utilities Commission Proceeding
MPUC Docket No: _____

Dear Customer:

As you know, your electric service is in the process of being transferred from Minnesota Power to the City of Staples. The utilities are in the process of formally updating the electric service maps on file with the Minnesota Public Utilities Commission (MPUC) to reflect Staples as the electric service provider. This letter provides information concerning that proceeding before the MPUC.

The MPUC is a state agency with jurisdiction over electric service territory boundaries. The MPUC requires that all customers located in an area involved in a change in the service territory maps be formally notified of the proceeding in which the service territory maps will be approved. This letter provides that formal notice.

If you wish to address the MPUC concerning this change in maps, you may contact the MPUC Consumer Affairs Office at: 121 Seventh Place E., Suite 350, Saint Paul, Minnesota 55101, consumer.puc@state.mn.us, or call 651-296-0406. You should reference MPUC Docket No. _____. It is completely optional and voluntary to contact the MPUC.

The City of Staples values your business and will continue to strive to provide the highest quality service. Please contact me if you have any questions.

Respectfully,

PROPOSED SERVICE LIST

Re: In the Matter of the Joint Request of the City of Staples and Minnesota Power to
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MPUC Docket: _____

Via Electronic Filing

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
350 Metro Square Building
121 Seventh Place East
St. Paul, MN 55101

Via Electronic Filing

Ms. Sharon Ferguson
MN Department of Commerce
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St. Paul, MN 55101-2198

Via Electronic Filing

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St. Paul, MN 55101-2134

Via Electronic Filing

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Office of the Attorney General-RUD
1400 BRM Tower
445 Minnesota Street
St. Paul, MN 55101-2130

Via Electronic Mail

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Via Electronic Mail

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(City of Staples)

Via Electronic Mail

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dbendorf@ci.staples.mn.us
(City of Staples)

Courtesy Copies

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& Lamb, Chartered
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(City of Staples)