

August 1, 2022

Will Seuffert
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. E286, E112/SA-22-388

Dear Mr. Seuffert:

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

The Joint Petition for Approval of a Permanent Service Territory Transfer Between the City of North Branch, North Branch Water and Light Commission, and East Central Energy.

Sara G. McGrane, with Felhaber Larson, filed the petition on July 8, 2022.

The Department's analysis finds the petition meets the statutory requirements regarding service area transfers as indicated on the attached Minnesota Public Utilities Commission (Commission) approved checklist. Therefore, the Department recommends the Commission **approve the requested permanent service area transfer** and is available to answer any questions the Commission may have.

Sincerely,

/s/ FELICIA CULLEN
Financial Analyst

FC/ja
Attachment



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. E286, E112/SA-22-388

CHECKLIST FOR PROCESSING AGREED UPON SERVICE AREA TRANSFERS AND EXCEPTIONS

- ☒ A cover letter with the submitter's full contact information, including where to provide electronic service.
- ☒ A joint letter explaining the change
- ☒ Contact information for both utilities: Name, title, phone number, work address, email address.
- ☒ Contact information, including email address, of the individuals who will update the electronic service territory map after Commission approval.
- ☒ Legal description of the property.
- ☒ Short explanation of why the agreement is consistent with Minn. Stat. § 216B.39 at page 2.

Filing is related to:

- ☒ A permanent boundary change, or
Service by exception. The parties agree the limited right to serve by exception does not convey permanent rights to serve the exception area.
- ☒ Settlement Agreement, if applicable.
If yes, signed by authorized representatives of both utilities. See Department Attachment 1.
- ☒ A digital (PDF) map with the proposed transfer or exception clearly outlined.
- ☒ Affected customers received written notice, including utility and Commission contact information.

See Department Attachment 1.

July 28, 2022

VIA EMAIL

Felicia Cullen
Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101
Utility.Discovery@state.mn.us
felicia.cullen@state.mn.us

**RE: In the Matter of the Joint Request of the City of North Branch, North Branch
Water and Light Commission and East Central Energy to Update Electric
Service Territory Records
Docket Number: E286, E112/SA-22-388
Our File No. 16585.002**

Dear Ms. Cullen:

This firm represents East Central Energy (“ECE”) in the above matter. Pursuant to your Request, enclosed please find a copy of the following:

REQUEST NUMBER 1:

Please provide the information listed below which requested by the Commission for approval of this agreement.

- Table with type and number of customers affected and notice date(s)
- A copy of written notice to affected customers, including utility and Commission contact information
- A Settlement Agreement, if applicable.
 - Settlement agreement is signed by authorized representatives of both utilities.
 - Note: The Department does not need all the details of the agreement – it can be heavily redacted.

RESPONSE:

- The requested information related to type and number of customers and notice dates is below.

220 South 6th Street
Suite 2200
Minneapolis, MN 55402-4504

Phone: 612.339.6321
Fax: 612.338.0535

felhaber.com

Residential	1816
Single Phase General Service	252
Three Phase General Service	37

- Attached as Exhibit A is a copy of written notices which were sent to affected customers. A “meet and greet” was hosted for affected customers could meet and ask questions of ECE. In January of 2022, the attached notice was inserted in all customers’ bills. In May of 2022, the second attached notice was again inserted in all customers’ bills.
- Attached as Exhibit B is a copy of the Asset Purchase Agreement, with confidential information redacted, executed by the parties.

If you have any further requests or questions, please do not hesitate to contact me at 612-373-8511.

Very truly yours,

/s/ Sara G. McGrane

Sara G. McGrane

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Enclosures

EXHIBIT A



Happy New Year!

You will see the new rates for water and sewer on your January, 2022 bill, which includes usage from Dec 20, 2021 to Jan 20, 2022. Your Water & Light Commission continues to look for other efficiencies and cost savings and will pass those on to you when possible. In other news:

- ✓ The installation of a new drop box at city hall has been delayed due to a supplier shortage. As soon as the new drop box arrives, it will be installed for customer use. In the meantime, feel free to continue using the payment drop box at the former Water & Light Offices.
- ✓ As part of the goal to achieve more efficient and accurate operations, the Water & Light Commission approved a contract to purchase and install 600 new water meters for those customers whose meters are non-functioning and/or require a manual read. The affected customers will receive a separate mailing from the utility with additional information and instructions to set up an appointment with representatives from Ferguson Water Works, who will be doing the installation work. If you have any questions about the process, feel free to call the Water & Light staff.
- ✓ As you may be aware, the Commission and City Council are in talks with East Central Electric regarding the sale of the power distribution assets. In case you were wondering, ECE is a member-owned electric cooperative. ECE currently serves about 2/3rds of North Branch's households and that number continues to rise as development occurs outside of the city core. Unlike a municipal utility, a cooperative is a business owned and controlled by the customers who use its services. Rather than excess income going to investors, it circles back to each member. As a co-op, ECE leads with heart and places special emphasis on supporting members through scholarships, local business grants, and energy-saving programs. Visit eastcentralenergy.com to learn more.

Water & Light Commission

Spring Hydrant Flushing Starts Late May – see map below for your area

Each spring and fall, the City flushes its water system to ensure the highest quality water for our customers. If you see crews in your neighborhood flushing hydrants, please use caution and try to avoid driving through the water. Regular flushing serves the following purposes:

- Enhances long-term water quality by removing sediments from inside the mainline and flushing the sediments out through the hydrant.
- Identifies malfunctions of the hydrant and related valve issues so they can be repaired and ensure they are in working order for fire protection.
- Helps determine weaknesses in the water distribution system.
- Identifies inadequate water volumes and pressures in the main water lines.

The same philosophy of preventive water line maintenance is one that you should conduct in your own home to ensure your home's water quality. Your home's water heater should be drained and flushed on a regular basis, according to manufacturers' recommendations, to keep it working effectively and efficiently.

What to Expect

During the actual flushing process, customers may experience some disturbance in their usual water service such as short-term decrease in water pressure or discolored water. This discoloration consists primarily of harmless sediment and air and does not affect the safety of the water. For this reason, it is a good idea to avoid doing laundry on the day the hydrants are flushed in your neighborhood. If you experience discoloration in your water after crews have been flushing in your neighborhood, clear the pipes in your home by running all water faucets, primarily outside hoses for a few minutes. Running the cold water for about 5 minutes should clear up the water. If the discolor continues for more than 24 hours contact us at 651-674-7100. More details can be found on our website: NBPUC.org.

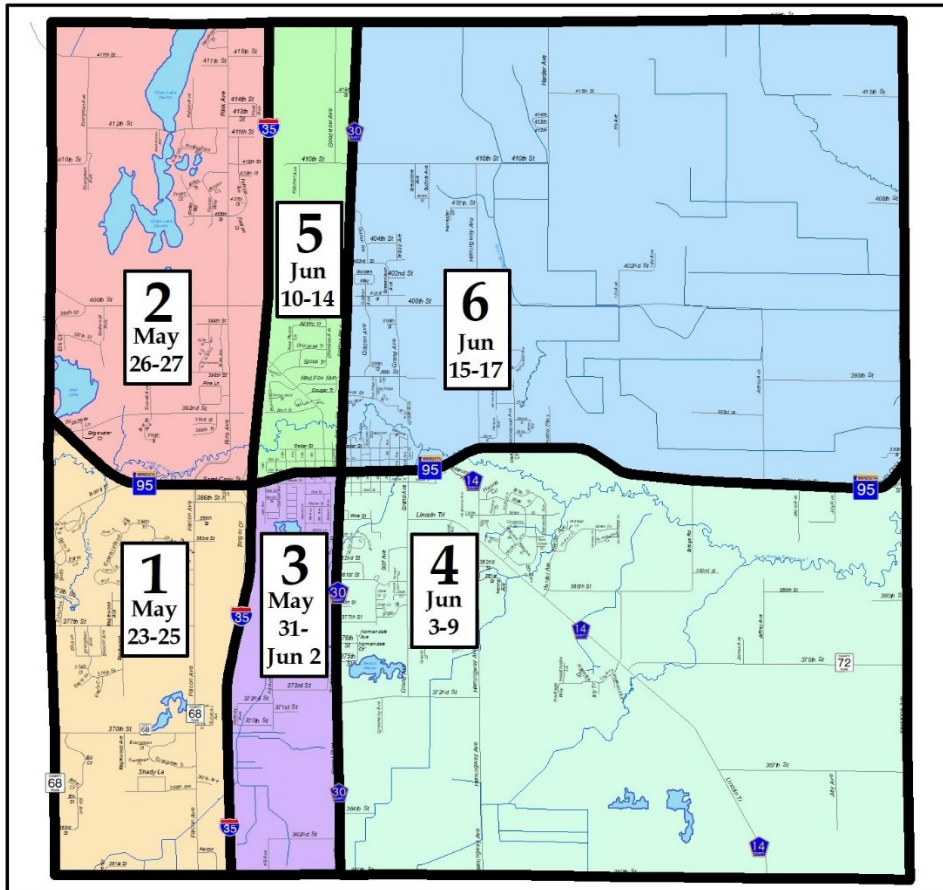


EXHIBIT B

ASSET PURCHASE AGREEMENT

By and Between

**THE CITY OF NORTH BRANCH AND
THE NORTH BRANCH MUNICIPAL WATER & LIGHT COMMISSION,**

SELLER,

and

**EAST CENTRAL ENERGY,
a Minnesota cooperative,**

BUYER.

Dated: June 23, 2022

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "Agreement") is entered into and made effective this 23 day of June, 2022 (the "Effective Date"), by and between the City of North Branch (the "City"), a Minnesota municipal corporation, the North Branch Municipal Water & Light Commission (the "Commission"), a Minnesota municipal utility (collectively the City and the Commission are referred to hereinafter as the "Seller"); and East Central Energy, a Minnesota cooperative (the "Buyer"); (collectively Seller and Buyer are jointly referred to hereinafter as the "Parties").

WHEREAS, the Commission owns and operates certain electricity distribution assets as part of a municipal utility, which includes both electric and water utility services (collectively the "Municipal Utility"); and

WHEREAS, pursuant to Minnesota Statutes, Section 412.321, subd. 4 and Minnesota Statutes, Section 412.361, subdivision 5, the Seller desires to jointly enter into this Agreement for the sale to Buyer of the electricity distribution assets portion of the Municipal Utility (the "Municipal Electric Service"), but not including either the five electric generators owned and operated by the Commission or any water utility assets of the Municipal Utility; and

WHEREAS, the Parties mutually desire that Seller sell to Buyer and Buyer buy from Seller, upon the terms and subject to the conditions set forth in this Agreement, all of Seller's right, title and interest in and to the Municipal Electric Service.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations and warranties set forth in this Agreement, it is agreed as follows:

ARTICLE ONE

Assets

1.1 Assets to be Purchased. Upon and subject to the terms and conditions of this Agreement, Seller agrees to sell, assign, transfer, and convey to Buyer, and Buyer agrees to purchase and acquire from Seller on the Closing Date specified herein, all of Seller's right, title, and interest in and to the following Municipal Electric Service assets (the "Purchased Assets"):

1.1.1 All of Seller's right, title and interest in and to the Seller's electricity distribution infrastructure and operating assets, , all as used in the Municipal Electric Service and listed on Exhibit A, which is attached hereto and incorporated herein by reference (the "Equipment"). The Equipment includes installed fixtures and accessories to the listed Equipment even if such fixtures and accessories are not specifically listed in Exhibit A.

1.1.2 All transferable permits, licenses, approvals and notifications, governmental or otherwise, related to the Municipal Electric Service (the "Licenses and Permits");

- 1.1.3 Electric distribution service equipment identified on Exhibit A that exists on the Date of Closing shall be consistent with the operation of the Municipal Electric Service in the ordinary and reasonable course of business on the date of execution of this Agreement; and
- 1.1.4 All records, including customer records and files, customer lists, work in progress, and other related books and records used by Seller in the Municipal Electric Service (the "Books and Records").
- 1.2 Excluded Assets. The Purchased Assets exclude any assets of the Municipal Utility not expressly identified and listed in Exhibit A or otherwise designated herein, and the same shall remain under the ownership of the Seller. The excluded assets shall include, but are not limited to the following: (i) all cash on hand and on deposit (other than customer deposits referenced in Section 6.6 hereof) as of the Closing Date, (ii) Seller's accounts receivable, (iii) Seller's five (5) electric generators, (iv) Seller's Municipal Utility water service assets, (v) Seller's real property, and (vi) any of Seller's assets not specifically referred to in Section 1.1 above (collectively the "Excluded Assets").
- 1.3 No Liabilities and Obligations Assumed. Except for any obligations accruing from and after the Closing Date with respect to the Purchased Assets, Seller hereby does not and shall not assign, transfer and convey to Buyer, and Buyer hereby does not and shall not assume from Seller, any liabilities and obligations of Seller.
- 1.4 Personnel. On or before the Closing Date, Buyer shall offer employment to the two (2) line workers employed by Seller. If either of the line workers accepts Buyer's offer of employment, Seller's employment of such line worker accepting employment with Buyer shall terminate effective on the Closing Date, or any such other date in advance of the Closing Date that corresponds to the effective date of such line worker's employment with Buyer.
- 1.5 Warranties. Seller hereby assigns to Buyer as of the Closing Date, to the extent possible, any and all warranties covering the Purchased Assets.

ARTICLE TWO

Purchase Price

- 2.1 Purchase Price. The purchase price payable by Buyer to Seller for the Purchased Assets shall be [REDACTED]. Buyer and Seller have determined that the Purchase Price represents fair consideration for the Purchased Assets and hereby acknowledge that neither Party has relied on any representation by the other in connection with such determination.
- 2.2 Additional Assets and Price. Although not contemplated on the date of this Agreement, the Seller may sell to Buyer assets other than those listed on Exhibit A, such as inventory, supplies, tools and vehicles (the "Additional Assets") that are not included in the Purchased Assets and Purchase Price. In such event, a price shall be negotiated separately between the Seller and Buyer for the Additional Assets and the same may be

- 4.3 Binding Obligation. This Agreement constitutes the legal, valid, and binding obligation of Buyer enforceable against Buyer in accordance with the terms hereof. Buyer has all requisite power and authority to execute, perform, carry out the provisions of and consummate the transactions contemplated in this Agreement.
- 4.4 Rate Freeze. Buyer will provide the then-existing residential customers of Seller commencing on the Closing Date with a three-year (2023-25) rate freeze on the following basis:
- 4.4.1 Cost of basic service - \$[REDACTED]/month;
 - 4.4.2 Energy Rate \$[REDACTED]/kWh;
 - 4.4.3 Outdoor Light \$[REDACTED]/month;
 - 4.4.4 All other customers of Seller will be moved to Buyer's applicable Energy Rate;
 - 4.4.5 Any new connects (new services or account transfers) and fees incurred after the Closing Date will be set at Buyer's Energy Rates; and
 - 4.4.6 Buyer will not take or assume any of Seller's bad debts.
- 4.5 Completeness of Disclosure. Except as limited above, no representation in this Article contains any untrue statement of a material fact or omits to state any material fact the omission of which would be misleading.

ARTICLE FIVE

Brokers

Seller and Buyer represent and warrant to each other that each did not directly or indirectly engage any other individual or entity to bring about the consummation of the transaction contemplated herein, and thus, no individual or entity is entitled to a broker's commission, finder's fee or any similar compensation upon the consummation of the transactions contemplated herein. If this representation and warranty is breached by either Seller or Buyer, the breaching party shall indemnify and hold harmless the other party from any and all claims, demands, liabilities and obligations (and any and all expenses and costs incurred in connection with or defending against the same), which may arise due to any individual's or entity's claim as a broker or finder.

ARTICLE SIX

Closing and Post Closing Obligations

- 6.1 Closing. The closing of the transactions contemplated by this Agreement ("Closing") shall take place after the date Buyer receives written approval from the Minnesota Public Utilities Commission. Such date of Closing is referred to herein as the "Closing Date." If such written approval from the Minnesota Public Utilities Commission is not received by December 31, 2022, either Seller or Buyer may terminate this Agreement by written notice to the other.

- 8.1.5 All additional transition services provided by Seller, if any, after the initial three-month transition period following the Closing Date, which may include temporary meter-reading assistance by Seller's public works employees, will be provided on an as-needed basis. Buyer is responsible for all costs associated with the additional transition services during that time. Seller shall invoice Buyer such additional transition services costs incurred for Buyer's benefit, which shall include employee time and expenses incurred, with payment made by Buyer to Seller for such services rendered by Seller within thirty (30) days of the date of applicable invoicing. The additional transition services period shall not exceed twenty-four months (24) following the Closing Date, except pursuant to a service agreement separate from this Agreement negotiated and approved by the Buyer and City.
- 8.1.6 The Parties recognize that they will need to continue working together beyond the initial transition period, and it is their intent to work collaboratively on any ongoing maintenance or other issue for the mutual aid and benefit of the members and customers of electricity in the territory.
- 8.1.7 Buyer shall commence and be solely responsible for providing electric service to all prior customers of Seller on the Closing Date immediately following Closing. Buyer will be solely responsible for the operation and management of the Municipal Electric Service following Closing and for all billing and collection of same from customers or otherwise after the Closing, except that Seller will cooperate with the transition
- 8.2 Tendered Payments. Any customer payments tendered to Seller after the Closing Date for electric services provided by Buyer shall be paid to Buyer within thirty (30) days of receipt by Seller. Any customer payments tendered to Seller after the Closing Date that are unable to be declined and/or remitted shall be paid to Buyer from Seller within thirty (30) days of receipt by Seller. All collections on accounts receivable for services completed prior to the Closing Date are the property of the Seller. Buyer, to the extent any such accounts receivable are received and/or collected by Buyer, shall pay over the same to the Seller without any deductions or off-sets of any kind or for any reason within thirty (30) days of receipt by Buyer. All pre-paid accounts for services to be performed after the Closing Date shall be the property of the Buyer and a final adjustment of any such accounts shall be made at the Closing.

ARTICLE NINE

Miscellaneous

- 9.1 Voluntary and Knowing Action. The Parties, by executing this Agreement, state that they have carefully read this Agreement and understand fully the contents thereof; that in executing this Agreement they voluntarily accept all terms described in this Agreement without duress, coercion, undue influence, or otherwise, and that they intend to be legally bound thereby.

without the written approval of the other party, except that the approval of this Agreement and all related transaction documentation are subject to transaction approvals of the Commission and City Council as part of a publicly noticed meeting at which time such documentation shall be public.

- 9.9 Waiver, Discharge, Etc. This Agreement may not be released, discharged, abandoned, changed or modified in any manner, except by an instrument in writing signed on behalf of each of the Parties to this Agreement. The failure of either Party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision, nor in any way to affect the validity of this Agreement or any part of it or the right of either Party after any such failure to enforce each and every of such provisions. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach hereof.
- 9.10 Assignment; Successors and Assigns. This Agreement may not be assigned by Buyer or Seller without the prior written consent of the other. This Agreement shall be binding upon and inure to the benefit of the Parties to this Agreement and their heirs, representatives, successors and assigns.
- 9.11 Notices. All notices, requests, demands, claims and other communication hereunder shall be in writing and shall be deemed to be duly given if it is sent by US Mail postage prepaid and addressed to the intended recipient at their respective address, or at such other place as the parties may designate in writing.

If to Seller: City of North Branch
North Branch Municipal Water & Light Commission
Attn: Renae Fry, City Administrator
6408 Elm Street
North Branch, MN 55056

With a copy to: Flaherty & Hood, P.A.
Attn: Christopher M. Hood, Esq.
525 Park Street, Suite 470
St. Paul, MN 55103

If to Buyer: East Central Energy
Attn: Justin Jahnz
412 North Main Avenue
Braham, MN 55006

With a copy to: Felhaber Larson
Attn: Sara M. McGrane, Esq.
220 S. 6 Street, Suite 2200
Minneapolis, MN 55402

- 9.12 Severability. Any term or provision of this Agreement that is found to be invalid or unenforceable in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions of this Agreement. If the final judgment of a court of

competent jurisdiction declares that any term or provision of this Agreement is invalid or unenforceable, the Parties agree that such term or provision shall be deemed to be amended in such a way that, as closely as possible, expresses the original intent of the parties, and such amended provision shall be binding upon the Parties.

- 9.13 Modification/Amendment. Any alterations, variations, modifications, amendments or waivers of the provisions of this Agreement shall only be valid when they have been reduced to writing, and signed by authorized representative of the Buyer and Seller.
- 9.14 Dispute Resolution. Buyer and Seller agree to negotiate all disputes between them in good faith for a period of 30 days from the date of notice of dispute prior to proceeding to formal dispute resolution or exercising their rights under law.
- 9.15 Force Majeure. The Parties shall each be excused from performance under this Agreement while and to the extent that either of them are unable to perform, for any cause beyond its reasonable control. Such causes shall include, but not be restricted to pandemic, fire, storm, flood, earthquake, explosion, war, COVID-19 pandemic, total or partial failure of transportation or delivery facilities, raw materials or supplies, interruption of utilities or power, and any act of government or military authority. In the event either party is rendered unable wholly or in part by force majeure to carry out its obligations under this Agreement then the party affected by force majeure shall give written notice with explanation to the other party immediately.
- 9.16 Heading and Captions. Headings and captions contained in this Agreement are for convenience only and are not intended to alter any of the provisions of this Agreement and shall not be used for the interpretation of the validity of the agreement or any provision hereof.
- 9.17 Recitals and Exhibits. The recitals hereto and exhibits attached to this Agreement are considered an integral part of it as if fully set forth within it.
- 9.18 Time of the Essence. Time is of the essence of this Agreement.
- 9.19 Survival. All representations, warranties and agreements contained herein shall not be discharged or dissolved upon Closing, but shall survive same.
- 9.20 Specific Performance. The Parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with its terms and that the injured Party shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which such party is entitled under law or in equity.
- 9.21 Counterparts; Facsimile; E-mail Copies. This Agreement may be executed in one (1) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The delivery of an executed copy of this Agreement by facsimile or e-mail shall be legal and binding and shall have the same full force and effect as if an original executed copy of this Agreement had been delivered.

- 9.22 Further Assurances. Each Party will from time to time, at the request of any other Party, and without further cost to the requesting Party, execute and deliver to the requesting Party such other instruments of conveyance and transfer and take such other action as the requesting Party may reasonably request so as to more effectively consummate the transactions contemplated by this Agreement.
- 9.23 Costs. The Parties agree to pay their own costs and expenses, including attorney's fees, in connection with this Agreement

[Remainder of page left intentionally blank]

[Signature Page Follows]

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed in a manner appropriate for each, as of the day and year first above written.

SELLER:

CITY OF NORTH BRANCH

By: [Signature]
Name: Jim Swenson
Title: Mayor

By: [Signature]
Name: Kenae Fry
Title: City Administrator

**NORTH BRANCH MUNICIPAL WATER &
LIGHT COMMISSION**

By: [Signature]
Name: Nathan Kreech
Title: Chair

By: [Signature]
Name: Pete Schlappe
Title: 1st Chair

BUYER:

**EAST CENTRAL ENERGY,
a Minnesota Cooperative**

By: [Signature]
Name: Justin Sabnz
Title: President/CEO

[Signature Page to Asset Purchase Agreement]

EXHIBIT A

PURCHASED ASSETS LIST

Substation and Power Plant				
Qty	Unit	Description	Year	Notes/Labels
2	ea	Transformer, 13.5/22.4 MVA, 67-12.47/7.2 kV, w/LTC	2009	Kuhlman, DGA tested annually, no major faults, very good condition
2	ea	Switch, Loadbreak, 69 kV	2009	Circuit Switchers
2	ea	Switchgear, padmount, Vista 6-way	2009	Breakers controlled from 351 relays in bldg
8	ea	SEL-351S Relay, Meter, Control, Fault Locator	2009	4 in Vista 1 & 4 in Vista 2
2	ea	SEL-351 Directional Overcurrent Relay		T1 & T2 69KV Protection Relays
2	ea	SEL-387E Current Differential and Voltage Protection Relay		T1 & T2 Primary Diff Relay
2	ea	SEL-587 Current Differential Relay/Overcurrent Relay		T1 & T2 Backup Diff Relay
2	ea	SEL-587Z High-Impedance Differential Relay		87 Vista 1 52T1 Backup OC & 87 Vista 2/52T2 Backup OC
1	ea	SEL-2032 SCADA RTU		SCADA Communications Processor
1	ea	SEL-2407 Satellite Synchronized Clock		

Distribution System				
Qty	Unit	Description	Year	Notes
1.3	mi	500 MCM AI URD EPR Cable, 3-Phase	2011	Virtually all URD cable installed in 2" Sch 40 conduit
10.1	mi	4/0 AI URD URD EPR Cable, 3-Phase	2000	
0.7	mi	4/0 AI URD URD XLP Cable, Non-jacketed, 3-Phase	1991	
1.5	mi	4/0 AI URD URD EPR Cable, 3-Phase	2004	
9.0	mi	4/0 AI URD URD EPR Cable, 3-Phase	2010	
0.7	mi	4/0 AI URD URD EPR Cable, 3-Phase	2010	
0.1	mi	4/0 AI URD URD EPR Cable, 1-Phase	2012	
0.1	mi	4/0 AI URD URD EPR Cable, 1-Phase	2000	
2.5	mi	1/0 AI URD EPR Cable, 3-Phase	2011	
0.3	mi	1/0 AI URD EPR Cable, 3-Phase	2004	
13.6	mi	1/0 AI URD EPR Cable, 1-Phase	2011	Most all transformers purchased reconditioned from B&B, Jerry's Electric or T&R
1.7	mi	1/0 AI URD XLP Cable, Non-jacketed, 1-Phase	1990	
0.1	mi	1/0 AI URD EPR Cable, 1-Phase	2004	
0.1	mi	1/0 AI URD EPR Cable, 1-Phase	2010	
0.4	mi	1/0 AI URD EPR Cable, 1-Phase	2015	
0.3	mi	4/0 ACSR OH, 3-Phase	2000	
0.2	mi	#2 ACSR OH, 1-Phase	2000	
0.4	mi	Wire, #2 OH XXX OH 600V	1975	
7	ea	Padmount Transformer, 5 KVA 1-Phase	2010	
1	ea	Padmount Transformer, 10 KVA 1-Phase	2010	
75	ea	Padmount Transformer, 15 KVA 1-Phase	2010	
202	ea	Padmount Transformer, 25 KVA 1-Phase	2010	
41	ea	Padmount Transformer, 37.5 KVA 1-Phase	2010	
55	ea	Padmount Transformer, 50 KVA 1-Phase	2010	
5	ea	Padmount Transformer, 75 KVA 1-Phase	2010	
1	ea	Padmount Transformer, 167 KVA 1-Phase	2010	
7	ea	Padmount Transformer, 45 KVA 3-Phase	2010	
8	ea	Padmount Transformer, 75 KVA 3-Phase	2010	
5	ea	Padmount Transformer, 112.5 KVA 3-Phase	2010	
23	ea	Padmount Transformer, 150 KVA 3-Phase	2010	
9	ea	Padmount Transformer, 225 KVA 3-Phase	2010	Unused
12	ea	Padmount Transformer, 300 KVA 3-Phase	2010	
3	ea	Padmount Transformer, 500 KVA 3-Phase	2010	
1	ea	Padmount Transformer, 750 KVA 3-Phase	2010	
1	ea	Padmount Transformer, 2000 KVA 3-Phase	2010	
10	ea	Switchgear, S&C PMH-9	2011	
2700	ea	Meter, RF-read, 1-Phase	2011	
70	ea	Meter, Manual read, 3-Phase	2010	
1	ea	Capacitor bank, manual control	2000	
165	ea	Street Light, LED, Carriage	2016	
165	ea	Pole, Street Light, FG	2010	
20	ea	Street Light, LED, Cobra	2016	
20	ea	Pole, Street Light, Steel	2010	
8.8	mi	Wire, #6 Duplex UG, 600V	2010	

EXHIBIT B

**AGREEMENT BETWEEN SOUTHERN MINNESOTA
MUNICIPAL POWER AGENCY AND GREAT RIVER ENERGY**

[To be inserted upon completion and execution]

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease" or "Agreement") is dated this ____ day of _____, 2022, by and between the CITY OF NORTH BRANCH, a Minnesota municipal corporation (the "Lessor" or "City"), and EAST CENTRAL ENERGY, a Minnesota electric cooperative (the "Lessee" or "ECE"); (collectively the "Parties").

WHEREAS, the Lessor owns real property legally described and visually depicted on Exhibit A, which is commonly known as the substation yard (the "Substation Yard"); and

WHEREAS, the Lessor owns real property upon which a utility building sits located at 6388 Maple Street, North Branch, Minnesota 55056, which is legally described on Exhibit B, and which houses certain controls that are the subject of this Lease Agreement (the "Maple Street Utility Building"); and

WHEREAS, the North Branch Municipal Water & Light Commission (the "Commission") owns electricity distribution system assets, including transformers and other electric distribution equipment located and constructed on the Substation Yard as well as controls affixed in cabinetry located within a portion of the Maple Street Utility Building commonly known as the control room; and

WHEREAS, the City, the Commission, and ECE have executed an Asset Purchase Agreement, dated _____, 2022 (the "Asset Purchase Agreement"), by which ECE will purchase substantially all of the electricity distribution assets of the Commission, but not including the Commission-owned electric generators or any assets of the municipal water utility; and

WHEREAS, the transformers being purchased and which will hereafter be owned by ECE are installed within the Substation Yard, and the controls that are being purchased and will hereafter be owned by ECE are housed within a portion of the Maple Street Utility Building, the control room; and

WHEREAS, it is the intent of the Parties that the Substation Yard and the portion of the Maple Street Utility Building utilized by ECE housing the controls within the control room will be hereinafter be collectively referred to as the "Premises"; and

WHEREAS, as a condition of the Asset Purchase Agreement, Lessor has agreed to lease the City-owned Premises identified herein below to ECE in order for ECE to non-exclusively access the Maple Street Utility Building for operation and maintenance of the controls and cabinetry housing the same located therein, and for ECE to use the Substation Yard for the safe operation and maintenance of the electric distribution facilities and equipment located thereon, all as sold to ECE for continued operation and maintenance thereof by ECE; and

WHEREAS, the Asset Purchase Agreement does not include the electric generators owned by the Commission (the "generators"), which the Commission will continue to operate, maintain, repair, replace, and install, and which will continue to be connected to the electric grid

through the electric transmission facilities and equipment located on the Premises purchased by ECE; and

WHEREAS, the Parties have agreed in the Asset Purchase Agreement as well as this Lease that the Commission and/or City shall have the right to operate, maintain, repair, replace, install, construct, generate, produce, transmit, and sell electricity produced by the generators, and the generators themselves either individually or collectively, at any time and in compliance with those agreements, which the Commission and/or City has made existing as of the effective date hereof or as may be made from time to time in the future for the generation, production, transmission, and wholesale sale of electricity from the generators, for emergency purposes or otherwise, and to access and use the Premises for transmission of such produced electricity to the electric grid by and through the ECE owned electric distribution facilities and equipment located on the Premises, and that the City and/or Commission, its employees and agents in so acting may enter upon the Premises upon reasonable notice to ECE, and may exercise any and all of the foregoing rights for the purposes stated herein without being deemed guilty of an eviction (actual or constructive) or disturbance of Lessee's use or possession and without being liable in any manner to Lessee and without abatement of rent or affecting Lessee's obligations hereunder, so long as the City and/or Commission complies with its obligations hereunder; and

WHEREAS, the City, the Commission, and ECE agree that it is necessary to execute this Agreement in accordance with the Asset Purchase Agreement for the above-stated purposes in order to permit ECE to use and enjoy the Premises for ECE to operate, install, repair, maintain and replace the electricity distribution system facilities located, constructed on and/or affixed to the Premises, as the same exist on the effective date hereof or as the same may be replaced by ECE, at ECE's sole cost and expense, from time to time in the future, subject to the terms, covenants, and conditions contained herein.

NOW, THEREFORE, in consideration of the terms and conditions of this Lease, the Parties agree as follows:

ARTICLE ONE **Definitions and Terms**

As used in this Lease, the following terms shall have the specific meanings set forth below:

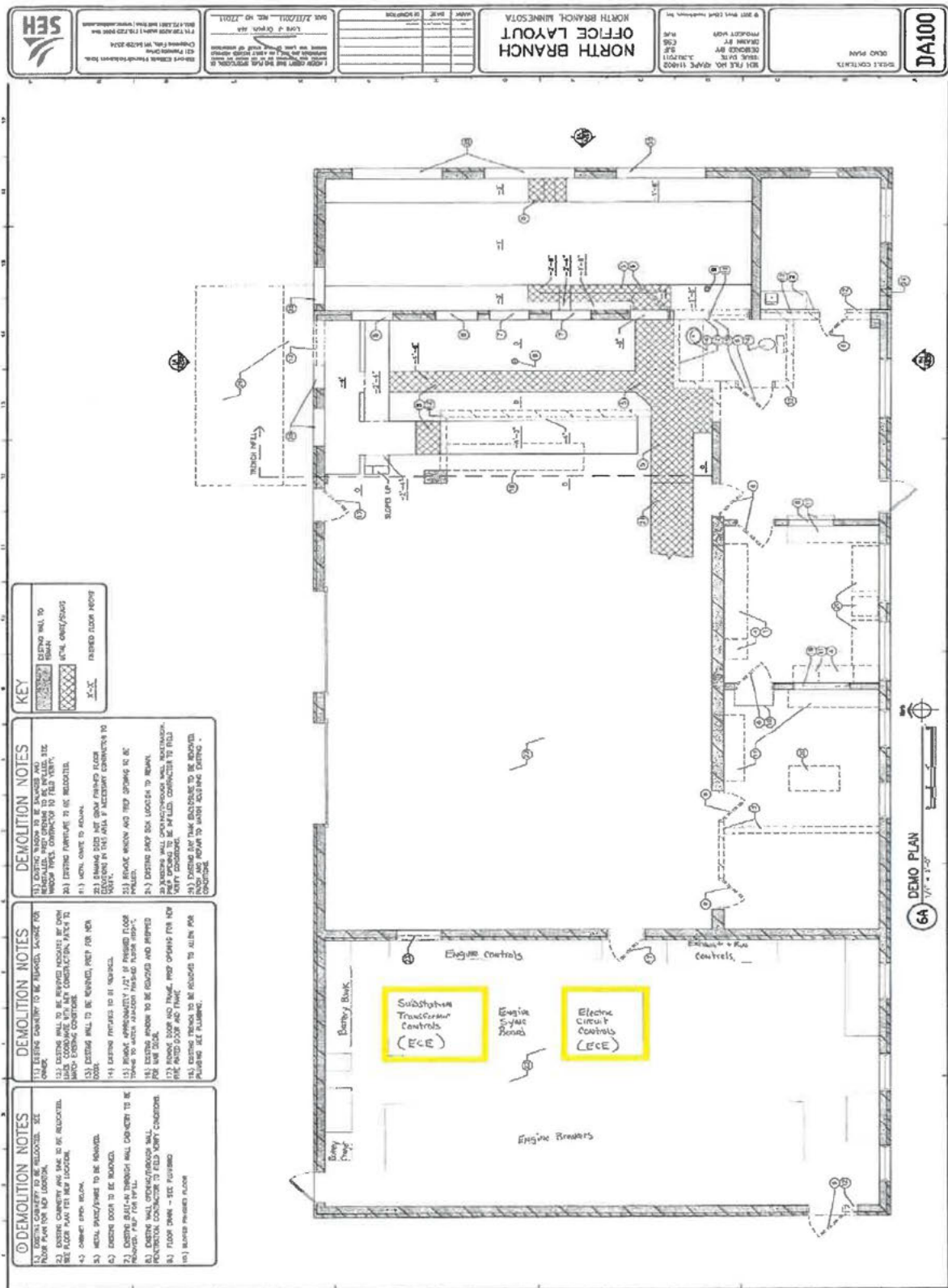
- 1.1 The "Effective Date" for the purposes of this Lease shall be the same as the Commencement Date.
- 1.2 The "Commencement Date" shall mean (date) , 20 .
- 1.3 "Expiration Date" shall mean December 31, 2047.
- 1.4 "Lessor" or "City" means the City of North Branch, a Minnesota municipal cooperation, 6408 Elm Street, North Branch, Minnesota 55056.

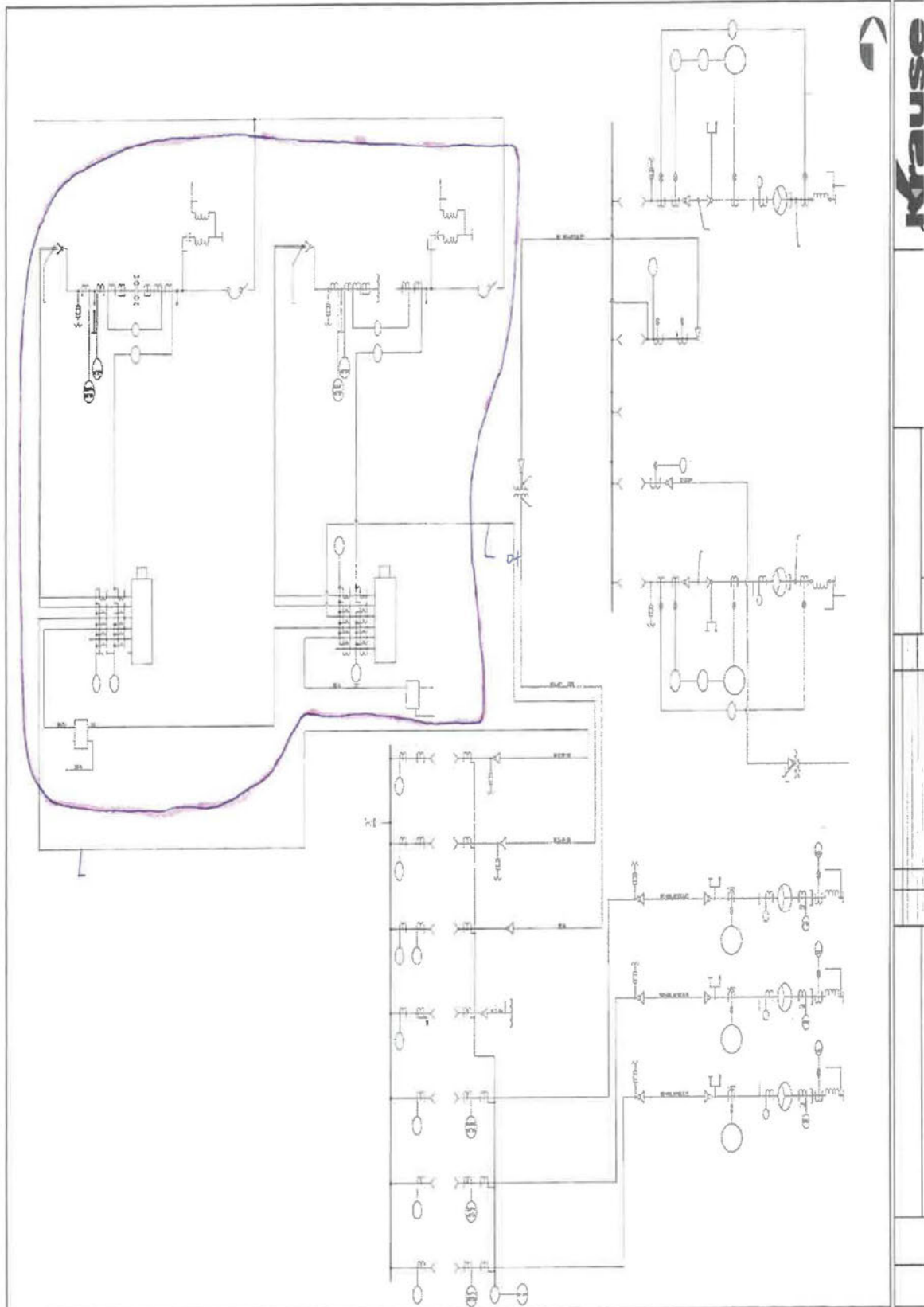


EXHIBIT B

**LEGAL DESCRIPTION AND DEPICTION OF PREMISES
MAPLE STREET UTILITY BUILDING**

Lot 4, Block 1, North Branch Downtown Addition, City of North Branch, County of Chisago,
State of Minnesota.





CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

Minnesota Department of Commerce
Comments

Docket No. E286, E112/SA-22-388

Dated this **1st** day of **August 2022**

/s/Sharon Ferguson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_22-388_SA-22-388
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_22-388_SA-22-388
Rena	Fry	renaef@ci.north-branch.mn.us	City of North Branch	6408 Elm Street, PO Box 910 North Branch, MN 55056-0910	Electronic Service	No	OFF_SL_22-388_SA-22-388
Justin	Jahnz	justin.jahnz@ecmn.com	East Central Energy	412 Main Ave N Braham, MN 55006	Electronic Service	No	OFF_SL_22-388_SA-22-388
Nathan	Keech	nbwlnathank@gmail.com	North Branch Water & Light Commission	6408 Elm Street, PO Box 910 North Branch, MN 55056	Electronic Service	No	OFF_SL_22-388_SA-22-388
Sara G	McGrane	smcgrane@felhaber.com	Felhaber Larson	220 S 6th St Ste 2200 Minneapolis, MN 55420	Electronic Service	No	OFF_SL_22-388_SA-22-388
Andy	Olson	Andy.olson@ecmn.com	East Central Energy	PO Box 39 412 Main Ave N Braham, MN 55006	Electronic Service	No	OFF_SL_22-388_SA-22-388
Kris	Pearson	kris.pearson@ecmn.com	East Central Energy	412 Main Avenue N, PO Box 39 Braham, MN 55006	Electronic Service	No	OFF_SL_22-388_SA-22-388
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_22-388_SA-22-388
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th Pl E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_22-388_SA-22-388