

November 22, 2022

Will Seuffert  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
St. Paul, Minnesota 55101-2147

RE: **Response Comments of Minnesota Department of Commerce, Division of Energy Resources**  
Docket No. E286, E112/SA-22-388

Dear Mr. Seuffert:

Attached are the response 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 initial analysis found the petition met the statutory requirements regarding service area transfers as indicated on the attached Minnesota Public Utilities Commission (Commission) approved checklist. On August 1, 2022, the Department filed comments recommending the Commission approve the requested permanent service area transfer.

On September 20, 2022, the Minnesota Municipal Utilities Association (MMUA) filed comments including the following statement:

This matter has been filed as a request to update the service territory map as provided under Minnesota Statutes 216B.39. MMUA believes that amending the map now is premature. The sale and ultimate dissolution of the North Branch municipal electric utility is the only possible result of any process that begins with the transfer of the utility's entire electric service territory. Because this matter—in fact if not in filing—involves the sale or discontinuance, in whole or in part, of municipal electric utility service, under Minnesota Statutes, Section 412.321, subdivision 4, an election is required. This requirement is particularly important in the present case because the voters in the City of North Branch previously voted against

abolishing the municipal utilities commission in 2016. See Minn. Sec. of State Election Results, Ballot Question 1, "Shall the public utilities commission be abolished?" (reporting 71.3% vote no to 28.61% vote yes). In addition, the parties have not provided written notice of this proceeding to all affected customers, contrary to the Commission's service territory filing checklist.

- (1) require its typical notice to customers affected by this proceeding,
- (2) ensure that the statutory requirements are met, and
- (3) revise its service territory checklist to include an item related to the sale, lease, or discontinuance of operations of a municipal utility service.

Upon review of the items submitted in the initial filing, the Department agrees the customer notice sent in response to the Department's July 19, 2022 information request may not be sufficient. Per the Commission checklist, affected customers must receive written notice which includes utility and Commission contact information. What the Department received was a vague mention in a newsletter about "talks..... regarding the sale of the power distribution assets."<sup>1</sup> The language does not clearly state the nature or finality of the service area transfer, and the notice could easily be missed since there was other, unrelated information included. The Department recommends North Branch send a clear communication which follows item 6 on the Commission's checklist to its affected customers.

As stated above and in its initial comments, the Department found the petition met the requirements set forth in Minn. Stat. § 216B.39. The scope of the Department's involvement in service territory matters is limited to the fulfillment of those requirements and those in the Commission's checklist. Aside from the customer notice discussed above, from the Department's perspective, the parties have met all requirements for approval of the permanent service area transfer in question. Therefore, the Department continues to recommend 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/ar

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<sup>1</sup> Department Comments, Exhibit A.

## **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  
Response Comments**

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

Dated this **22<sup>nd</sup>** day of **November 2022**

**/s/Sharon Ferguson**

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Bill	Black	N/A	MMUA	3131 Fernbrook Lane N. Ste. 200 Plymouth, MN 55447	Paper Service	No	OFF_SL_22-388_Official
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_Official
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_Official
Renae	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_Official
Justin	Jahnz	justin.jahnz@ecemn.com	East Central Energy	412 Main Ave N  Braham, MN 55006	Electronic Service	No	OFF_SL_22-388_Official
Nathan	Keech	nbnwlnathank@gmail.com	North Branch Water & Light Commission	6408 Elm Street, PO Box 910  North Branch, MN 55056	Electronic Service	No	OFF_SL_22-388_Official
Sara G	McGrane	smcgrane@felhaber.com	Felhaber Larson	220 S 6th St Ste 2200  Minneapolis, MN 55420	Electronic Service	No	OFF_SL_22-388_Official
Andy	Olson	Andy.olson@ecemn.com	East Central Energy	PO Box 39 412 Main Ave N Braham, MN 55006	Electronic Service	No	OFF_SL_22-388_Official
Kris	Pearson	kris.pearson@ecemn.com	East Central Energy	412 Main Avenue N, PO Box 39  Braham, MN 55006	Electronic Service	No	OFF_SL_22-388_Official
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_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th PI E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_22-388_Official