

David R. Moeller Senior Attorney 218-723-3963 dmoeller@allete.com

October 7, 2015

VIA ELECTRONIC FILING

Mr. Daniel P. Wolf Executive Secretary Minnesota Public Utilities Commission 121 7th Place East, Suite 350 St. Paul, MN 55101-2147

RE: In the Matter of a Petition for Approval of a Service Territory Agreement Itasca-Mantrap

Cooperative Electrical Association and Minnesota Power

Docket No. E117, 015/SA-15-____

Dear Mr. Wolf:

Please find attached for filing the Joint Petition for Approval of a Service Territory Agreement between Itasca-Mantrap Cooperative Electrical Association and Minnesota Power.

Yours truly,

David R. Moeller

Davis R. Malle

DRM:sr Encl.

STATE OF MINNESOTA BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Docket No. E117, 015/SA-15-____

In the Matter of a Petition for Approval of a Service Territory Agreement Between Itasca-Mantrap Cooperative Electrical Association and Minnesota Power

PETITION OF ITASCA-MANTRAP AND MINNESOTA POWER

SUMMARY OF FILING

Pursuant to Minn. Stat. § 216B.39, subd. 3 Itasca-Mantrap Cooperative Electrical Association ("Itasca-Mantrap") and Minnesota Power petition the Minnesota Public Utilities Commission ("Commission") for approval of a Service Territory Agreement executed on August 26, 2015 that makes changes in the boundaries of the assigned service areas of each utility.

STATE OF MINNESOTA BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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Docket No. E117, 015/SA-15-____

In the Matter of a Petition for Approval of a Service Territory Agreement Between Itasca-Mantrap Cooperative Electrical Association and Minnesota Power

PETITION OF ITASCA-MANTRAP AND MINNESOTA POWER

I. <u>INTRODUCTION</u>

Pursuant to Minn. Stat. § 216B.39, subd. 3 Itasca-Mantrap Cooperative Electrical Association ("Itasca-Mantrap") and Minnesota Power petition the Minnesota Public Utilities Commission ("Commission") for approval of a Service Territory Agreement executed on August 26, 2015 that makes changes in the boundaries of the assigned service areas of each electric utility.

II. BACKGROUND

Itasca-Mantrap is an electric distribution cooperative formed pursuant to the provisions of Minn. Stat. Chapter 308A. Minnesota Power is a Minnesota corporation and a public utility under Minn. Stat. § 216B.02, subd. 4. Pursuant to the service area assignments of the Commission and Minn. Stat. §§ 216B.37 to 216B.40, Itasca-Mantrap and Minnesota Power have exclusive rights to provide electric service to customers within their respective assigned service territories. Itasca-Mantrap and Minnesota Power have negotiated and executed a mutual agreement of the assignment of specific portions of each utility's respective electric service territory.

III. SERVICE AREA EXTENSION AGREEMENTS CHECKLIST

In compliance with the Commission's recent orders and procedures for service territory adjustments, Itasca-Mantrap and Minnesota Power have included the Commission's Checklist for Content of Agreed Upon Service Area Extension Agreements.

1. A cover letter with the submitter's full contact information, including where to provide electronic service;

See accompany cover letter. The submitter's full contact information is:

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

2. A joint letter explaining the change.

Letter includes contact information for both utilities (name, title, phone number, work address, e-mail address)

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

Tony Nelson
Engineering & Operations Manager
Itasca-Mantrap
19630 County Road 6
PO Box 192
Park Rapids, MN 56470
218-732-3377
TNelson@itasca-mantrap.com

Letter includes a legal description of the property in question.

See Exhibit A - Joint Agreement.

Letter includes a short explanation why the agreement is consistent with Minn. Stat. §216B.39.

See Section IV below.

Letter states whether the filing is related to a permanent boundary change or is service by exception.

See Section IV below describing this permanent boundary change.

- 3. A Settlement Agreement, if applicable.
 Settlement agreement is signed by authorized representatives of both utilities.
 See Exhibit A Joint Agreement.
- 4. A digital (PDF) or paper map, with adequate information to locate service area change. **See Exhibit A Joint Agreement.**
- GIS data (shapefile with a defined projection) e-mailed to MNGeo and Commission staff after documentation is efiled (or contact MnGeo for other formats).
 This information will be e-mailed to MNGeo and Commission Staff.
- Customers affected by this change must receive written notice, including utility contact information and Commission contact information.
 As noted below in Section IV and in Exhibit A Joint Agreement, no customers are affected by this change in service territory.

IV. PETITION FOR SERVICE TERRITORY ASSIGNMENT

Itasca-Mantrap and Minnesota Power jointly petition for Commission approval to assign the service territory boundaries as agreed to in the Service Territory Agreement and executed service territory maps. See Exhibit A. Minn. Stat. § 216B.39, subd. 3 states that "the Commission may on its own or at the request of an electric utility make changes in the boundaries of the assigned service areas...." after notice and hearing as provided in Minn. Stat. §§ 216B.17 and 216B.18.

These modifications are the result of a mutual agreement based on the Commission's initiative to digitally update service territory maps and for neighboring utilities to seek to amicably resolve any service territory boundary issues. The Service Territory Agreement provides that Itasca-Mantrap will provide retail electric service to areas currently within Minnesota Power's assigned service territory. The Service Territory Agreement also provides that Minnesota Power will provide retail electric service to areas currently within Itasca-Mantrap's assigned service territory. Itasca-Mantrap and Minnesota Power acknowledge that no customers will experience a change in service provider as a result of the Service Territory

Agreement. Furthermore, the electric utilities request that this service territory assignment be noted on the Commission's official electric service territory maps for the applicable counties.

V. <u>CONCLUSION</u>

Based on all the foregoing, Itasca-Mantrap and Minnesota Power respectfully request that the Commission grant this Petition for Approval of a Service Territory Agreement.

Dated: October 7, 2015 Respectfully submitted,

David R. Moeller

Senior Attorney
Minnesota Power
30 West Superior Street
Duluth, MN 55802
(218) 723-3963
dmoeller@allete.com

Attorney for Minnesota Power and on behalf of Itasca-Mantrap

Exhibit A - Petition for Approval of a Service Territory Page 1 of 13

SERVICE TERRITORY AGREEMENT BETWEEN ITASCA-MANTRAP CO-OP ELECTRICAL ASSN' AND MINNESOTA POWER

This Service Territory Agreement (the "Agreement") is entered into as of _______, 2015, by and between Minnesota Power ("MP"), and Itasca-Mantrap Co-op Electrical Assn' ("I-M"). MP and I-M may hereinafter be referred individually as a "Party" and collectively as the "Parties".

WHEREAS, I-M is an electric distribution cooperative formed pursuant to the provisions of Chapter 308A of Minnesota statutes,

WHEREAS, MP is a Minnesota corporation and a public utility under Minn. Stat. § 216B.02, subd. 4,

WHEREAS, pursuant to the service area assignments of the Minnesota Public Utilities Commission ("Commission") and Minn. Stat. §§ 216B.37 to 216B.40, I-M and MP have exclusive rights to provide electric service to customers within their respective assigned service territories,

WHEREAS, Minn. Stat. § 216B.39, Subd. 3 permits electric utilities to redefine and revise their electric service territories by their written consent and agreement, and the Parties have negotiated a mutual agreement of the assignment of specific portions of each Party's electric service territory and desire here to set forth the terms and conditions of their agreement,

WHEREAS, pursuant to Minn. Stat. § 216B.39, subd. 3 the electric utilities may request the Commission make changes in the boundaries of the assigned service areas, after notice and hearing as provided for in Minn. Stat. §§ 216B.17 and 216B.18,

NOW THEREFORE, in consideration of the promises and mutual covenants contained herein the Parties hereby agree as follows:

- 1. <u>Service Territory</u>: Attached as Exhibit A is a copy of the agreed-upon service territory boundaries between I-M and MP as adjusted in multiple places per attached maps. I-M will have the exclusive right and obligation to provide electric service to the customers in areas on the maps designated for I-M service. MP will have the exclusive right and obligation to provide electric service to the customers in areas on the maps designated MP.
- 2. <u>Compensation</u>: The Parties agree that no compensation is owed to either I-M or MP for these mutual assignments of service territory.
- 3. <u>Affected Customers</u>: The Parties acknowledge that no customers will experience a change in service provider as a result of this Agreement. No Customers are affected by

Exhibit A - Petition for Approval of a Service Territory Page 2 of 13

the altered service territory boundaries because each I-M and MP already serve their respective customers located within the adjusted areas.

- 4. <u>Reservation of Rights</u>: Except as specifically set forth herein, this Agreement does not modify or limit the legal rights of any Party, and the rights and obligations of the Parties to provide electric service within the areas not affected by this Agreement shall remain unchanged.
- 5. <u>No Precedent</u>: The Parties recognize that this Agreement is the result of armslength negotiations between the Parties based upon the facts and circumstances of the service arrangements which are adjusted by this Agreement, and the Commission's approval of this Agreement, does not represent any binding or legal precedent on any Party for any other electric service territory matters between the Parties not governed by the Agreement.
- 6. Request for Commission Approval of the Agreement: In conjunction with the signing of this Agreement, the Parties will sign a Joint Petition to the Commission under Minn. Stat. § 216B.39, subd. 3, to modify the service territory boundary and to recognize the service territory transfer according to Article 1. The form of the Joint Petition is attached as Exhibit B, which may be modified upon mutual consent of the Parties.

If the Commission or the Minnesota Department of Commerce, raises any question or challenges any provision of this Agreement, its exhibits, or the due performance thereof, the Parties shall each, at their own expense, exercise any and all lawful efforts reasonable and necessary to respond to said questions and to assure approval. If for any reason the Commission refuses to recognize any service territory change described in Article 1, the Parties' agreement shall be null and void and the Parties shall alter the service arrangements to be consistent with the service territories approved by the Commission.

7. Miscellaneous:

- a. <u>Entire Agreement and Modification</u>: This Agreement contains the entire agreement and understandings of the Parties hereto regarding the scope of the Agreement. All previous communications between the Parties hereto, either verbal or written, with reference to the subject matter of this Agreement are hereby abrogated. No amendment, modification or waiver of, or consent with respect to any provision of this Agreement shall be effective unless the same shall be in writing and signed by all Parties and then any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.
- b. <u>Assignment</u>: The Parties shall not assign this Agreement, voluntarily, involuntarily or by operation of law, without the prior written consent of the other Party.
- c. <u>Savings Clause</u>: If any provision of this Agreement shall be found invalid or unenforceable, in whole or in part, by a court of competent jurisdiction or the

Exhibit A - Petition for Approval of a Service Territory Page 3 of 13

Commission, then such provision shall be deemed to be modified or restricted to the extent and in a manner necessary to render the same valid and enforceable, or if that is not possible, such provision shall be stricken and deleted from this Agreement, as the case may require, and this Agreement shall then be construed and enforced to the maximum extent permitted by law and with the purpose to achieve the fundamental intent of the Parties.

- d. <u>Choice of Laws</u>: This Agreement shall be construed and interpreted in accordance with the laws of the State of Minnesota and excluding any choice of law rules that may direct the application of laws of another jurisdiction.
- e. <u>Agreement Drafted Jointly</u>: The Parties agree that neither Party shall be deemed solely responsible for drafting all or any portion of this Agreement, and in the event of a dispute, responsibilities for any ambiguities arising from any provision of this Agreement shall be shared equally amount the Parties.
- f. <u>Regulation</u>: The Parties acknowledge that this Agreement is subject to the jurisdiction of the Commission.
- g. Enforcement: Each of the Parties acknowledges that the adjustment of electric service territory boundaries provided for herein is unique in that neither Party will have an adequate remedy at law if the other Party fails to perform any of its obligations hereunder. In such event, either Party shall have the right, in addition to any other rights it may have, to petition for and obtain specific performance of this Agreement in any court of competent jurisdiction in this State.
- h. <u>Notices</u>: Any notice permitted or required by this Agreement shall be made in writing and personally served or mailed (postage prepaid, return receipt requested) and shall be effective upon the date of personal service, or if by mail, upon the date of receipt. The address for notice to each Party is as follows (as may be later changed by a Party by proper notice):

If to MP:

Minnesota Power

Attn: Michelle Robbiro

30 W Superior St Dullyth Inn 55801

If to COOPERATIVE:

Itasca-Mantrap Co-op Electrical Assn'

Attn: CEO P.O. Box 192

Park Rapids, MN 56470

Exhibit A - Petition for Approval of a Service Territory Page 4 of 13

- i. <u>Dispute</u> Resolution: In the event that a dispute arises between the Parties as to the interpretation or performance of this Agreement, then upon written request of either Party, representatives with settlement authority for each Party shall meet in person and confer in good faith to resolve the dispute. If the Parties are unable to resolve the dispute within thirty (30) days, they shall make every effort to settle the dispute through mediation or other alternative dispute resolution methods. If the Parties are unable to resolve the dispute through these methods within an additional thirty (30) day period, the Parties may resolve their dispute through applicable administrative or court proceedings. Notwithstanding the Parties' agreement to utilize alternative dispute resolution methods, each Party reserves its rights and remedies available under the law.
- j. <u>Multiple Counterparts</u>: This Agreement may be executed in counterpart copies by the Parties and each counterpart, when taken together with the other, shall be deemed one and the same executed Agreement.
- k. <u>Voluntary Agreement</u>: By executing this Agreement, the Parties acknowledge that they: (a) enter into this Agreement knowingly, voluntarily and freely; (b) have had an opportunity to consult an attorney before signing this Agreement; (c) have not relied upon any representation or statement not set forth herein; and (d) have read this entire Agreement, understand all its terms and conditions, and have had any questions concerning the same answered to their full satisfaction.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first written above and the Parties agree to take such additional steps and actions including execution of such instruments and other documents as are reasonably necessary to effectuate the intentions of expressed hereby.

ITASCA-MANTRAP CO-OP ELECTRICAL ASSN'	MINNESOTA POWER
By Mill and	By Chyling. Fleye
Title PRSSIKUT/CSO	Title VP Try SMISSION & DISTRIBUTE
Date 7-15-15	Date 8 2615

EXHIBIT A Legal Descriptions and Maps

[See Attached]

Exhibit A - Petition for Approval of a Service Territory Page 6 of 13

EXHIBIT B Joint Petition

VIA ELECTRONIC FILING
Dr. Burl W. Haar
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 Minnesota Power and Itasca-Mantrap Co-op Electrical Assn' to Modify Electric Service Territory Boundaries

MPUC Docket:

Dear Dr. Haar:

This letter is jointly filed by Minnesota Power ("MP") and Itasca-Mantrap Co-op Electrical Assn' (the "Cooperative"), collectively the "Parties."

This letter constitutes the Parties' joint request to modify the Parties' existing service territory boundaries, under Minn. Stat. § 216B.39, subd. 3. This joint request concerns the request by the utilities for the assigned electric service territory boundaries to be revised to align with the voluntary electric service territory boundaries described in the Service Territory Agreement dated as of April ______, 2015, including maps and legal descriptions for the affected areas (the "Transfer Agreement"). Under this request, the affected areas shall permanently transfer to each of the utilities per the Transfer Agreement. The Transfer Agreement and the agreed-upon boundary lines set forth the service territory boundaries which align with the actual service territories served by each MP and the Cooperative.

The Parties agree that no customers are affected by these boundary line changes because customers within the affected areas are presently being served by the utilities that will continue to serve said customers after the boundary lines are officially changed. The Parties jointly agree that the Transfer Agreement is consistent with Minn. Stat. § 216B.39 because it aligns the official service territory assignments with the actual service territories being served by each of the utilities. The filing is intended to be a permanent boundary change, and is not intended to be service by exception arrangements.

The Parties therefore jointly petition the Commission to accept and file these documents and to change the electric service boundaries of each MP and the Cooperative to conform to the agreed upon changes. The Parties also ask that the Commission provide due acknowledgment thereof and further request that the Commission provide evidence of its acceptance of this change in service territory in writing.

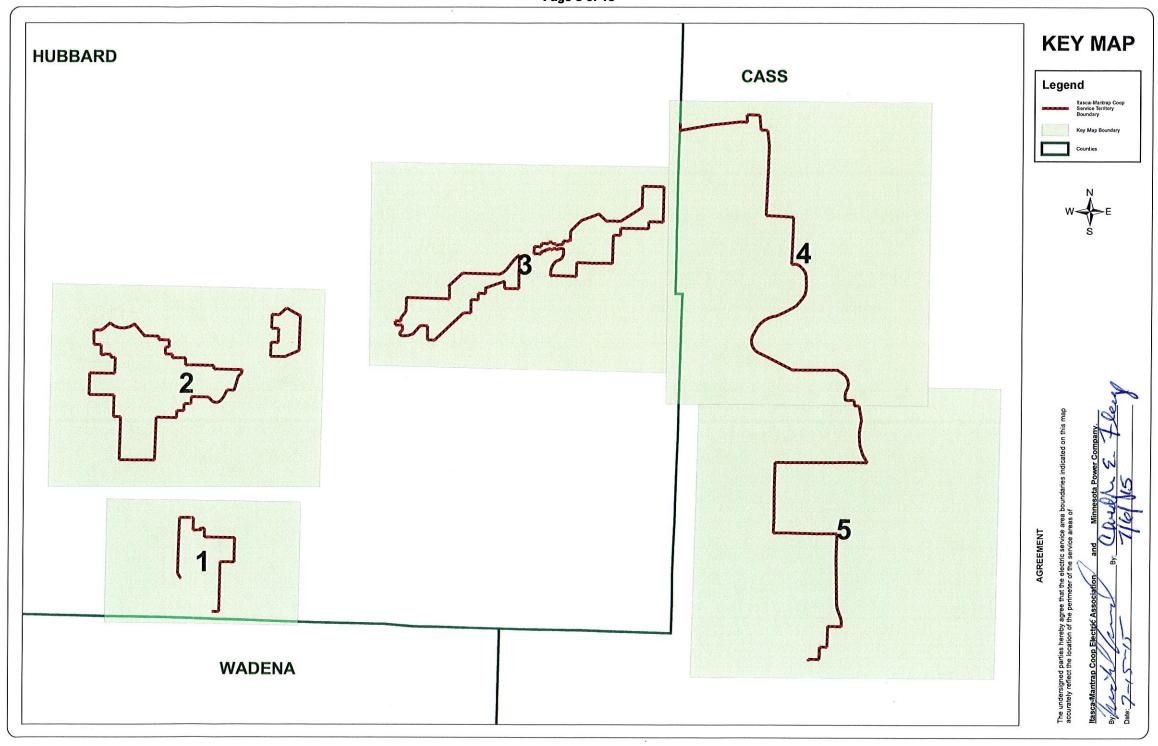
Exhibit A - Petition for Approval of a Service Territory Page 7 of 13

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 Parties if you have any questions. The contact information for each of the Parties is as follows:

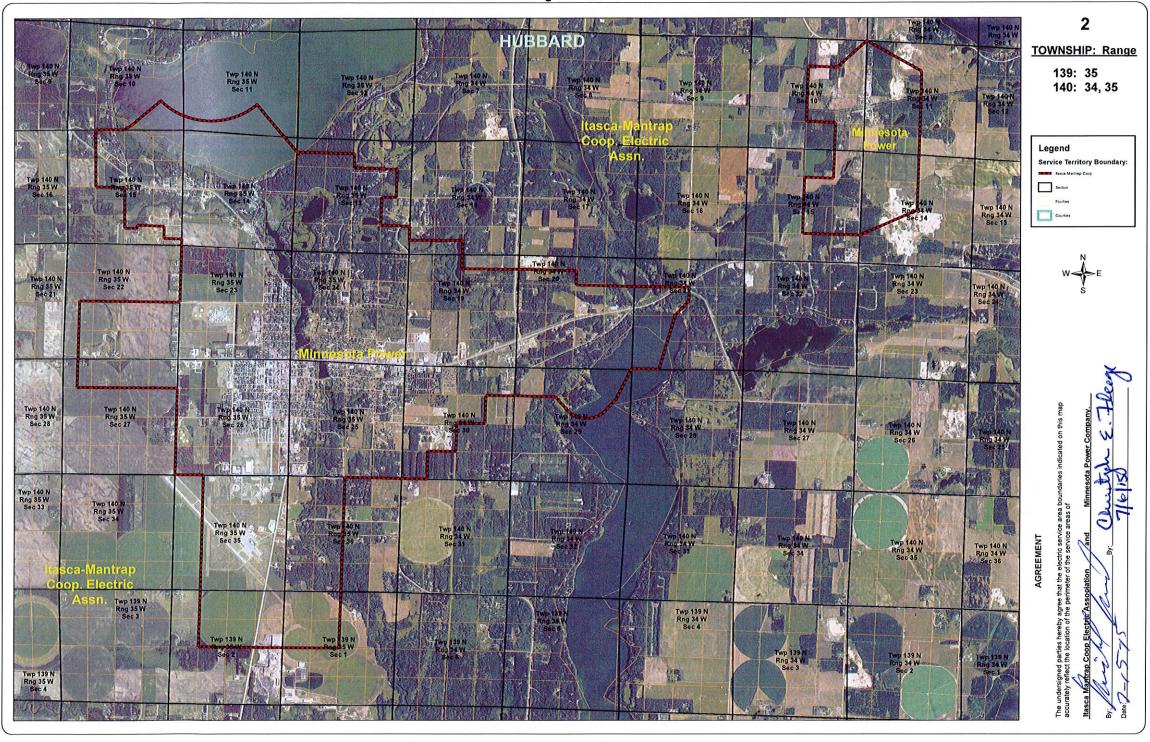
If to MP:	
Minnesota Power Attn:	
Phone:Email:	
If to COOPERATIVE: Itasca-Mantrap Co-op Electrical Assn' Attn: CEO P.O. Box 192 Park Rapids, MN 56470 Phone: 218-732-3377 Email: MMonsrud@itasca-mantrap.com	
ITASCA-MANTRAP CO-OP ELECTRICAL ASSN'	MINNESOTA POWER
By Michel Gene	By Cluf- 2. Flory
Title PRESIDENT/CEO	Title VP TRANSMISSION & DISTURBUTTON
Date 7-15-15	Date 8/24/15

Enclosures

cc (w/encl.): Proposed Service List







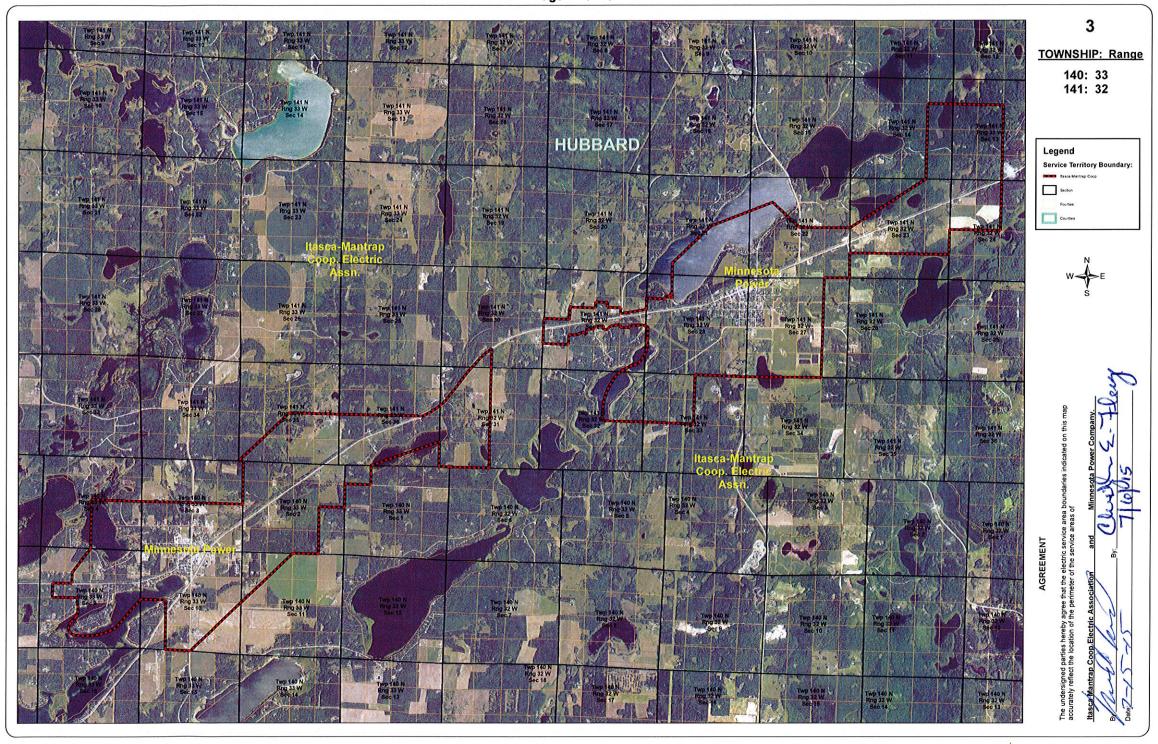
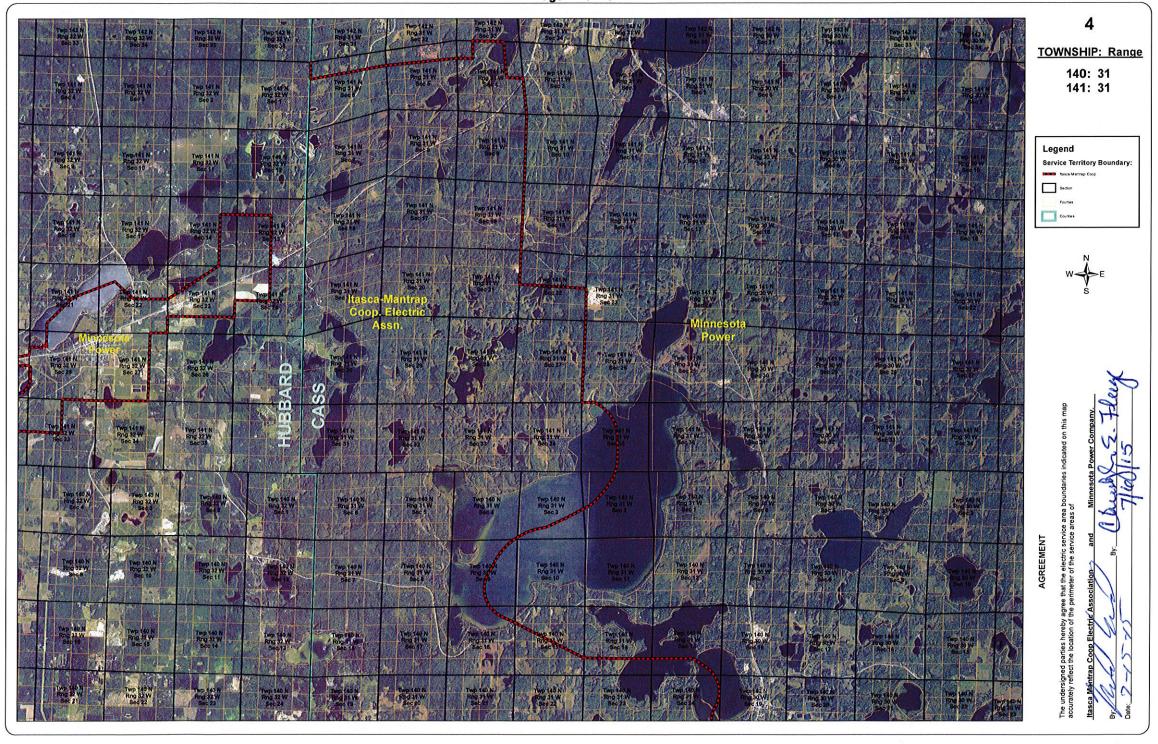
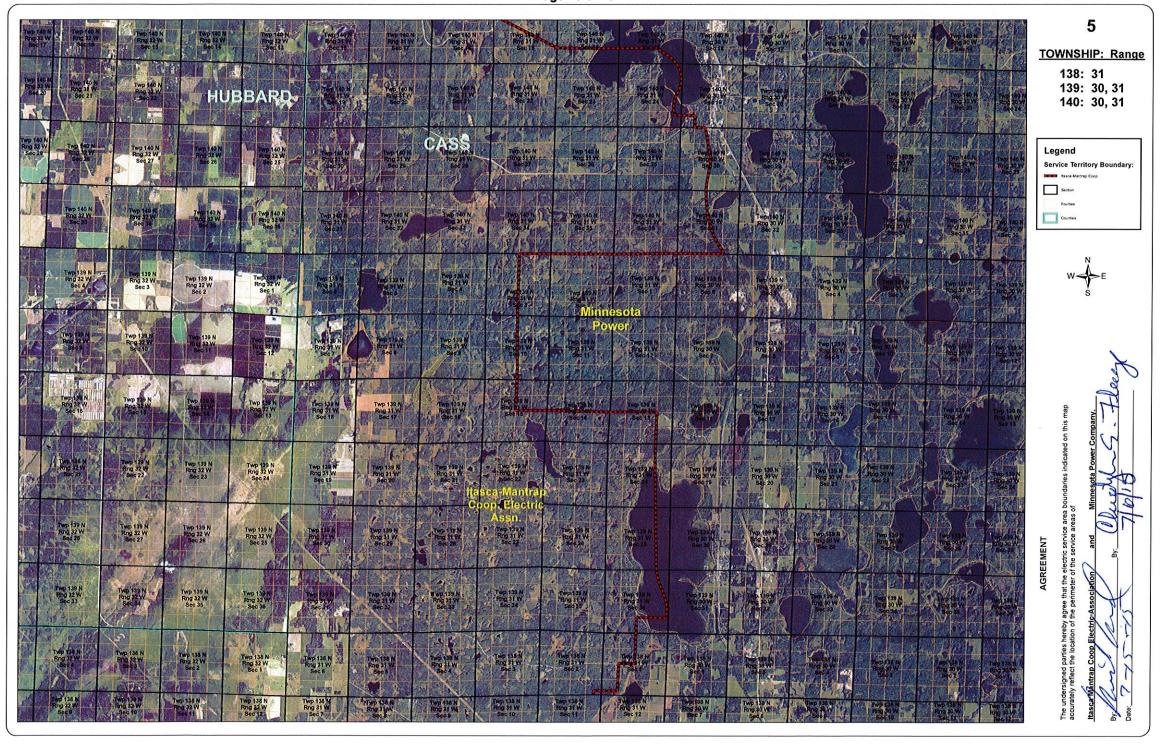


Exhibit A - Petition for Approval of a Service Territory
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STATE OF MINNESOTA)	AFFIDAVIT OF SERVICE VIA
) ss	ELECTRONIC FILING
COUNTY OF ST. LOUIS)	

Susan Romans of the City of Duluth, County of St. Louis, State of Minnesota, says that on the 7th day of **September**, 2015, she served Minnesota Power's Petition for Approval of a Service Territory Agreement between Itasca-Mantrap Cooperative Electrical Association and Minnesota Power on Minnesota Public Utilities Commission and the Energy Resources Division of the Minnesota Department of Commerce via electronic filing. The persons on Minnesota Power's General Service List attached were served as requested.

Susan Romans

Dusan homans

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Julia	Anderson	Julia.Anderson@ag.state.m n.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes	GEN_SL_Minnesota Power_Minnesota Power General Service List
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	Yes	GEN_SL_Minnesota Power_Minnesota Power General Service List
Sharon	Ferguson	sharon.ferguson@state.mn .us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	Yes	GEN_SL_Minnesota Power_Minnesota Power General Service List
Margaret	Hodnik	mhodnik@mnpower.com	Minnesota Power	30 West Superior Street Duluth, MN 55802	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Lori	Hoyum	lhoyum@mnpower.com	Minnesota Power	30 West Superior Street Duluth, MN 55802	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Michael	Krikava	mkrikava@briggs.com	Briggs And Morgan, P.A.	2200 IDS Center 80 S 8th St Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
James D.	Larson	james.larson@avantenergy .com	Avant Energy Services	220 S 6th St Ste 1300 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Douglas	Larson	dlarson@dakotaelectric.co m	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	GEN_SL_Minnesota Power_Minnesota Power General Service List
Susan	Ludwig	sludwig@mnpower.com	Minnesota Power	30 West Superior Street Duluth, MN 55802	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Herbert	Minke	hminke@allete.com	Minnesota Power	30 W Superior St Duluth, MN 55802	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	Yes	GEN_SL_Minnesota Power_Minnesota Power General Service List
Andrew	Moratzka	apmoratzka@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Jennifer	Peterson	jjpeterson@mnpower.com	Minnesota Power	30 West Superior Street Duluth, MN 55802	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Susan	Romans	sromans@allete.com	Minnesota Power	30 West Superior Street Legal Dept Duulth, MN 55802	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Thomas	Scharff	thomas.scharff@newpagec orp.com	New Page Corporation	P.O. Box 8050 610 High Street Wisconsin Rapids, WI 544958050	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Ron	Spangler, Jr.	rlspangler@otpco.com	Otter Tail Power Company	215 So. Cascade St. PO Box 496 Fergus Falls, MN 565380496	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Eric	Swanson	eswanson@winthrop.com	Winthrop Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Karen	Turnboom	karen.turnboom@newpage corp.com	NewPage Corporation	100 Central Avenue Duluth, MN 55807	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	No	GEN_SL_Minnesota Power_Minnesota Power General Service List