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September 25, 2019

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 Detroit Lakes Public Utilities and
Otter Tail Power to Modify Electric Service Territory Boundaries
MPUC Docket: _____.
Our File No.: 61623-0002

Dear Mr. Wolf:

I represent Detroit Lakes Public Utilities, a municipal utility duly organized and existing under the laws of the State of Minnesota (the "Municipal"), which is authorized, on behalf of itself and Otter Tail Power ("OTP") (collectively, the "Parties"), to make this filing.

Summary of the Joint Request

This filing constitutes the Parties' joint request that the MPUC update the official service territory map to reflect an agreed-upon change in the Parties' electric service territory boundaries. This joint request concerns the permanent transfer of two areas located within the city limits of the City of Detroit Lakes and within the electric service territory assigned to OTP (identified as the "Affected Areas"), as further described below.

Legal Authorities

Under Minnesota Statutes, Section 216B.44(a), a municipal utility expands its assigned electric service territory, upon reaching agreement with the neighboring utility as to compensation: "Notwithstanding the provisions of sections 216B.38 to 216B.42, whenever a municipality which owns and operates an electric utility (1) extends its corporate boundaries through annexation or consolidation, or (2) determines to extend its service territory within its existing corporate boundaries, the municipality shall thereafter

furnish electric service to these areas unless the area is already receiving electric service from an electric utility, in which event, the municipality may purchase the facilities of the electric utility serving the area.” Minn. Stat. § 216B.44(a). In addition, “no electric utility shall render or extend electric service at retail within the assigned service area of another electric utility unless the electric utility consents thereto in writing . . . ” Minn. Stat. § 216B.40 (2018).

In the present case, the transfer has occurred pursuant to Section 216B.44: the Affected Area lies within the city limits; the Parties have agreed upon appropriate compensation; and the parties have agreed to the Municipal providing service upon a mutually agreed-upon date.

Minnesota Statutes, Section 216B.39, subd. 3 addresses changes to the assigned service territory map after 1975: “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 . . . ” By its terms, Section 216B.44(a) excludes Section 216B.39. Minn. Stat. § 216B.44(a) (“notwithstanding the provisions of sections 216B.38 to 216B.42,”). Nonetheless, the Parties acknowledge the public policy in having an accurate and updated official service territory boundary map. Accordingly, the Parties request that the Commission update its official records as to electric service territory boundaries to reflect the Parties’ permanent change in the Affected Areas.

Underlying Information

Attached as Exhibit A is a map that depicts the boundaries of the Affected Areas (in green). The Affected Areas include one area of approximately 9.48 acres and one area of approximately 3.65 acres. There is one existing commercial customer and one residential remodeling project in the Affected Areas.

Attached as Exhibit B is a legal description of the Affected Areas.

For the convenience and utility planning purposes of both utilities, the Parties have agreed to the Municipal providing electric service to the residential remodeling project, which is under construction. The remaining customer will transfer to the Municipal on a date mutually agreed upon by the Parties, anticipated to occur by the third quarter of 2019.

The Parties acknowledge that the Commission wishes to direct separate notice to customers as to the pending proceeding before the Commission. Exhibit C is a proposed notice to all customers in the Affected Areas. Once a docket number is assigned, the Parties will provide this notice to the applicable customers in the Affected Areas, and they will update the Commission via separate filing.

Contact Information

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

Detroit Lakes Public Utilities:

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Otter Tail Power:

Jacob Ellefson
Area Manager
Otter Tail Power Corporation
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jellefson@otpc.com

Counsel:

Cary Stephenson
Otter Tail Power Company
215 South Cascade Street
Fergus Falls, MN 56537
(218) 739-8956
cstephenson@otpc.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

OTPA

EXHIBIT A

TERRITORY TO BE TRANSFERRED

TERRITORY TO BE TRANSFERRED

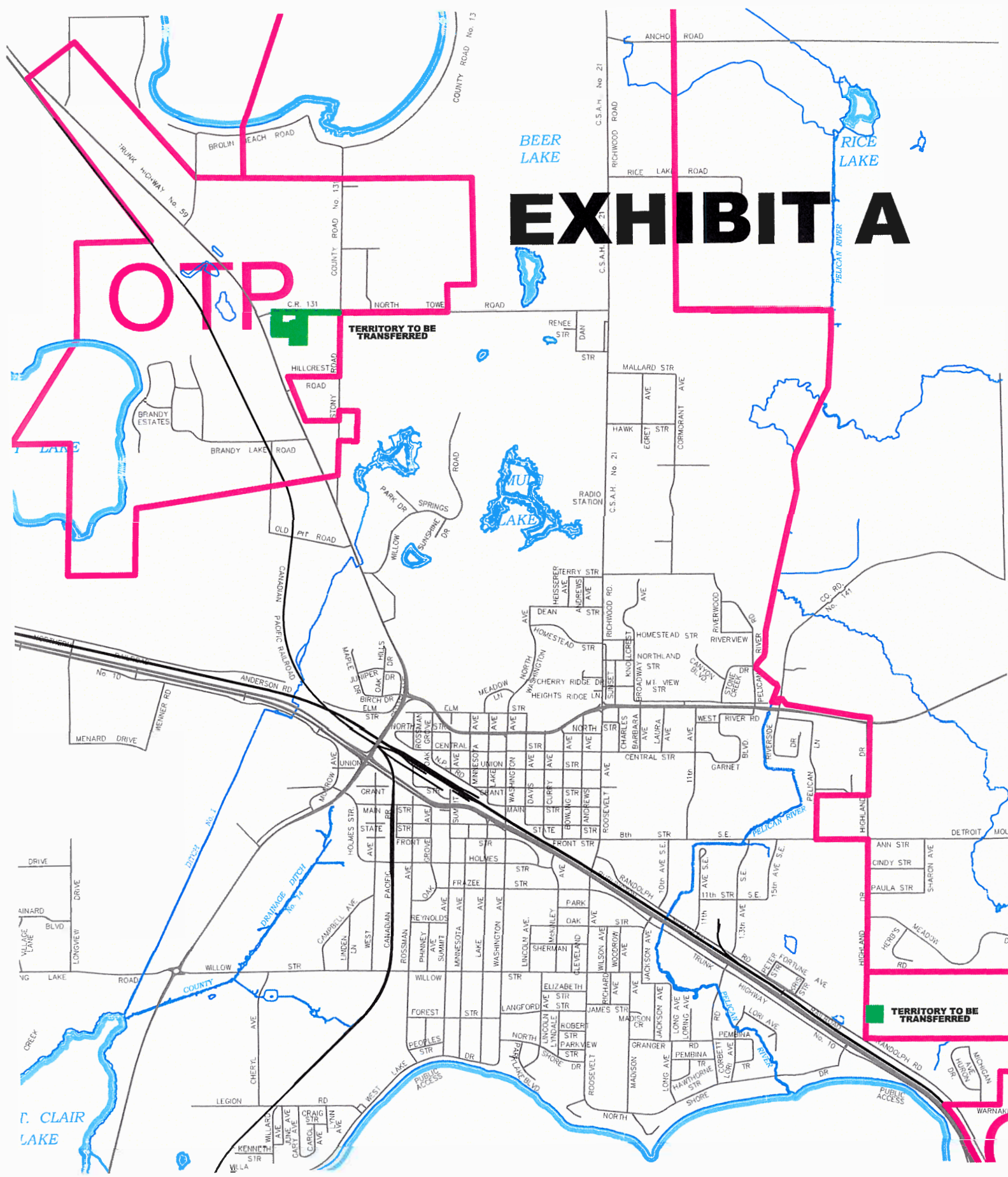


EXHIBIT B

Area 1

County Road 131: from the center line of Stony Road West to the easterly right of way line of Trunk Highway 59.

That part of the Northwest Quarter of the Northeast Quarter and that part of the Northwest Quarter of the Northeast Quarter of the Northeast Quarter in Section 21, Township 139North, Range 41 West of the Fifth Principal Meridian in Becker County, Minnesota, described as follows:

Commencing at a found iron monument which designates the northeast corner of said Section 21; thence South 88 degrees 54 minutes 45 seconds West 660.80 feet on an assumed bearing along the north line of said Section 21 to the northeast corner of said Northwest Quarter of the Northeast Quarter of the Northeast Quarter; thence South 00 degrees 48 minutes 57 seconds East 63 7.26 feet along the east line of said Northwest Quarter of the Northeast Quarter of the Northeast Quarter to a found iron monument at the southeast corner of said Northwest Quarter of the Northeast Quarter of the Northeast Quarter, said point is the point of beginning; thence North 00 degrees 48 minutes 57 seconds West 604.26 feet along the east line of said Northwest Quarter of the Northeast Quarter of the Northeast Quarter to a found iron monument; thence continuing North 00 degrees 48 minutes 57 seconds West 33.00 feet along the east line of said Northwest Quarter of the Northeast Quarter of the Northeast Quarter to the northeast corner of said Northwest Quarter of the Northeast Quarter of the Northeast Quarter; thence South 88 degrees 54 minutes 45 seconds West 200.00 feet along the north line of said Section 21; thence South 00 degrees 48 minutes 57 seconds East 33.00 feet to a found iron monument; thence continuing South 00 degrees 48 minutes 57 seconds East 100.00 feet to a found iron monument; thence continuing South 00 degrees 48 minutes 57 seconds East 30.00 feet to a found iron monument; thence South 88 degrees 54 minutes 45 seconds West 75.00 feet to a found iron monument; thence South 00 degrees 48 minutes 57 seconds East 20.00 feet to a found iron monument; thence South 88 degrees 54 minutes 45 seconds West 50.00 feet to a found iron monument; thence South 00 degrees 48 minutes 57 seconds East 30.00 feet to a found iron monument; thence South 88 degrees 54 minutes 45 seconds West 73.99 feet to a found iron monument; thence continuing South 88 degrees 54 minutes 45 seconds West 100.00 feet to a found iron monument; thence North 01 degree 05 minutes 15 seconds West 180.00 feet to a found iron monument; thence continuing North 01 degree 05 minutes 15 seconds West 33.00 feet to the north line of said Section 21; thence South 88 degrees 54 minutes 45 seconds West 160.80 feet along the north line of said Section 21 to the northwest corner of said Northwest Quarter of the Northeast Quarter of the Northeast Quarter; thence South 00 degrees 45 minutes 54 seconds East 3 3. 00 feet along the west line of said Northwest Quarter of the Northeast Quarter of the Northeast Quarter to a found iron monument; thence continuing South 00 degrees 45 minutes 54 seconds East 42.00 feet along the west line of said Northwest Quarter of the Northeast Quarter of the Northeast Quarter to an iron monument; thence South 51 degrees 53 minutes 02 seconds West 41.51 feet to

an iron monument on the easterly right of way line of Trunk Highway No. 59; thence South 00 degrees 45 minutes 54 seconds East 323.27 feet along the easterly right of way line of said Trunk Highway No. 59 to an iron monument; thence South 23 degrees 15 minutes 59 seconds East 58.50 feet to an iron monument; thence North 89 degrees 14 minutes 06 seconds East 10.61 feet to the northwesterly corner of that certain tract of land described in Book 242 of Deeds, page 659 and recorded in the office of the Recorder in said County, said point also being on the west line of said Northwest Quarter of the Northeast Quarter of the Northeast Quarter; thence continuing North 89 degrees 14 minutes 06 seconds East 70.00 feet along the northerly line of said tract of land to a found iron monument; thence continuing North 89 degrees 14 minutes 06 seconds East 266.58 feet along the northerly line of said tract of land to a found iron monument at the northeasterly corner of said tract of land; thence South 00 degrees 45 minutes 54 seconds East 159.30 feet along the easterly line of said tract of land to a found iron monument at the southeasterly corner of said tract of land, said point also being on the south line of said Northwest Quarter of the Northeast Quarter of the Northeast Quarter; thence North 88 degrees 39 minutes 33 seconds East 124.79 feet along the south line of said Northwest Quarter of the Northeast Quarter of the Northeast Quarter to a found iron monument; thence continuing North 88 degrees 39 minutes 33 seconds East 200.00 feet along the south line of said Northwest Quarter of the Northeast Quarter of the Northeast Quarter to the point of beginning.

The above described tract contains 7.39 acres.

SUBJECT TO a 33.00 foot wide easement for public road purposes (North Tower Road) over, under and across that part of the above tract which lies within 33.00 feet of the north line of said Section 21.

Right of way containing approximately 2.09 acres, more or less.

Area 2

That part of the Northeast Quarter of the Southeast Quarter (NE $\frac{1}{4}$ SE $\frac{1}{4}$) of Section 35, Township 139 North, Range 41 West of the Fifth Principal Meridian in Becker County, Minnesota, described as follows: Beginning at a point which bears South 625.0 feet in the east line of the said Section 35 from the East Quarter Corner thereof; thence running by the following courses and distances, via: South 200.0 feet in the east line of said Section 35; South 87° 41' West 233.0 feet parallel with the east and west quarter line in said Section 35 to an iron stake; North 200.0 feet to an iron stake; and the North 87° 41' East 233.0 feet to the said point of beginning; contains 1.07 acres, AND

That part of the Northeast Quarter of the Southeast Quarter (NE $\frac{1}{4}$ SE $\frac{1}{4}$) of Section 35, Township 139 North, Range 41 West of the Fifth Principal Meridian in Becker County, Minnesota, described as follows: Commencing at the East Quarter corner of said Section 35; thence South on an assumed bearing 610.00 feet along the East line of said Section

35 to the point of beginning of the tract to be described; thence continue South 15 .00 feet; thence South 87° 41' West 233.00 feet; thence North 15.00 feet; thence North 87° 41' East 233.00 feet to the point of beginning.

Subject to an easement in the public for road purposes over and across the Easterly 33.00 feet of the herein described tract. (Contains 0.08 of an acre.)

That part of the Northwest Quarter of the Southwest Quarter (NW ¼ SW ¼) of Section 36, Township 139 North, Range 41 West of the Fifth Principal Meridian in Becker County, Minnesota, described as follows: Commencing at an iron monument which designates the southwest corner of said Northwest Quarter of the Southwest Quarter; thence North 01 ° 35' 34" East 330.00 feet on an assumed bearing along the west line of said Section 36 to an iron monument which designates the point of beginning; thence South 88° 24' East 26" East 33.00 feet to an iron monument; thence continuing South 88° 24' 26" East 297.00 feet to an iron monument; thence North 01 ° 35' 34" East 330.00 feet to an iron monument; thence North 88°24' 26" West 297.00 feet to an iron monument; thence continuing North 88° 24' 26" West 33.00 to an iron monument on the west line of said Section 36; thence South 01 ° 35' 34" West 330.00 along the west line of said Section 36 to the point of beginning. The above described tract contains 2.5 acres. SUBJECT to an existing 33.00 foot road easement along the westerly boundary thereof and reserving a 20.00 foot road easement along the southerly boundary thereof.

EXHIBIT C

September ___, 2019

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

Dear Customer:

This letter provides an update as to your electric service provider. As you may know, Detroit Lakes Public Utilities has reached an agreement with Otter Tail Power in which Detroit Lakes will permanently provide electric service to certain customers. By agreement of the utilities, Detroit Lakes is either currently providing your construction service, or will provide electric service on a date determined by the utilities. You will receive more information as the transfer approaches, and the utilities will work together to minimize any disruption in electric service.

In the meantime, the utilities are in the process of formally updating the electric service maps on file with the Minnesota Public Utilities Commission (MPUC) to reflect the change in assigned electric service territory. This letter provides information concerning that MPUC proceeding.

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.

Detroit Lakes values your business and wishes to provide the highest quality service. Please contact me if you have any questions.

Sincerely,

PROPOSED SERVICE LIST

Re: In the Matter of the Joint Request of the Detroit Lakes Public Utilities and Otter Tail Power to Modify Electric Service Territory Boundaries
MPUC Docket: _____

Via Electronic Filing

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
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St. Paul, MN 55101

Via Electronic Filing

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Via Electronic Filing

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Via Electronic Mail

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Courtesy Copies

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