

October 15, 2019

Daniel P. Wolf
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. E229, E017/SA-19-590

Dear Mr. Wolf:

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

The Joint Request of Detroit Lakes Public Utilities and Otter Tail Power for approval to Update Electric Service Territory Boundaries.

The petition was filed September 25, 2019¹ by:

Kaela Brennan
McGrann Shea Carnival Straughn & Lamb, Chtd.
800 Nicollet Mall, Suite 2600
Minneapolis, MN 55402

The Department recommends that the Minnesota Public Utilities Commission (Commission) **approve** the requested permanent service territory transfer from Otter Tail Power to Detroit Lakes Public Utilities, and is available to answer any questions the Commission may have.

Sincerely,

/s/ DALE V. LUSTI
Financial Analyst

DVL/ja
Attachment

¹ On September 27, 2019, the Parties submitted to the Commission the customer notice mailed to the affected customers in the transfer areas.



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. E229, E017/SA-19-590

I. BACKGROUND

Detroit Lakes Public Utilities (the Municipal) is an electric municipal utility organized and existing under the laws of the State of Minnesota. Otter Tail Power (OTP) is a public utility organized and existing under the laws of the State of Minnesota.

II. SUMMARY OF PROPOSAL

On September 25, 2019, the Municipal and OTP, collectively the Parties, jointly filed a petition under Minn. Stat. § 216B.44, asking the Minnesota Public Utilities Commission (Commission) to modify the Parties' service territory boundaries. Approval of the Parties' request would permanently transfer the Affected Area located within the City limits of Detroit Lakes and within the electric service territory assigned to OTP, from OTP to the Municipal.

III. DEPARTMENT ANALYSIS

A. TRANSFER OF THE AFFECTED AREA FROM OTP TO THE MUNICIPAL

The petition's Exhibit A is a map of that identifies the Affected Areas. Area 1 involves approximately 9.48 acres with one commercial customer; and Area 2 involves approximately 3.65 acres with one residential remodeling project.

The legal description for Area 1 is detailed by the Parties at length on pages B-1 and B-2 of Exhibit B to the Petition.

Similarly, the extensive legal description for Area 2 is detailed by the Parties on pages B-2 and B-3 of Exhibit B to the Petition.

B. INTERIM SERVICE

Per the Petition, the Parties have agreed to the Municipal providing electric service to the residential remodeling project in Area 2 which is under construction. The Commercial customer in Area 1 will transfer to the Municipal on a date mutually agreed upon by the Parties, which is anticipated to occur by the third quarter of 2019.

C. CUSTOMER NOTICE

Exhibit C to the Petition is the Parties' proposed notice to the affected customers, regarding the Municipal providing electric service to those previously served by OTP. On September 25, 2019 the Parties filed with the Commission the notice it provided to all affected customers about this proceeding.

D. COMPENSATION

The Department notes that the Parties agreed in writing on appropriate compensation regarding the proposed permanent transfer of service rights in the Affected Area.

Thus, the Department agrees that the Parties' request to establish the Affected Area as part of the Municipal's service area is consistent with Minn. Stat. § 216B.44.

IV. RECOMMENDATION

The Department recommends that the Commission approve the permanent service territory transfer from Otter Tail Power to Detroit Lakes Public Utilities. The Minnesota Geospatial Information Office (MnGeo) should update the Commission's maps to reflect the service area designations as shown on the map in the Petition. Mr. James Bunning is the primary MnGeo Contact for the Commission's service area map updates.

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