

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

LeRoy Koppendraye
David C. Boyd
Marshall Johnson
Thomas Pugh
Phyllis A. Reha

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of the Application of the City of
Redwood Falls to Extend its Assigned Service
Area into the Area Presently Served by
Redwood Electric Cooperative

ISSUE DATE: September 14, 2007

DOCKET NO. E-135, 298/SA-05-1274

ORDER CORRECTING MILL RATE AND
DENYING RECONSIDERATION AS TO
ALL OTHER ISSUES

PROCEDURAL HISTORY

On June 27, 2007, the Commission issued an Order under Minn. Stat. § 216B.44 (b), determining appropriate compensation for service rights to specific areas within the assigned service area of Redwood Electric Cooperative. The areas had been annexed by the City of Redwood Falls, and the City had decided to exercise its right under the Public Utilities Act to expand its assigned service area to include them.¹

On July 16, 2007, both the City and the Cooperative filed petitions for reconsideration of the June 27 Order. On July 16, 2007, the Cooperative filed a reply to the City's petition.

On September 13, 2007, the petitions came before the Commission.

FINDINGS AND CONCLUSIONS

The Commission has carefully reviewed the record and considered the arguments of the parties. With one exception, the Commission finds that the petitions do not raise new issues, do not point to new and relevant evidence, do not expose errors or ambiguities in the original Order, and do not otherwise persuade the Commission that it should rethink the decisions set forth therein.

The single exception is the Cooperative's request that the Commission correct the mill rate set in the Order for the wastewater ponds to reflect the cost evidence in the record and the action taken by the Commission. The Commission concurs with the Cooperative that the amount of the mill rate that appears in ordering paragraph 3 of the original Order was inadvertently incorrect.

¹ Minn. Stat. § 216B.44.

Throughout this proceeding, no one denied that the costs of serving the ponds were significantly different from the costs of serving the other annexed areas. All the cost evidence in the record recognized this distinction and proceeded on the assumption that service rights to the ponds would have their own mill rate, if the Commission found that the Cooperative had a compensable right to serve the ponds.

The Commission did find that the Cooperative had a compensable right to serve the ponds, and the minutes of its May 24 meeting show that the Commission voted to set the mill rate for the ponds at 32.9 mills per kilowatt hour. The June 27, 2007 Order, however, inadvertently set the mill rate at the general rate applicable to the other annexed areas.

The Commission will correct the mill rate set forth in ordering paragraph 3 to 32.9 mills/kWh, to conform with the motion at its May 24 meeting and to reflect the cost evidence in the record. As to all other issues, the Commission concludes that its original decisions are consistent with the facts, the law, and the public interest, and will therefore deny the petitions for reconsideration.

The Commission will so order.

ORDER

1. The Commission hereby grants reconsideration for the purpose of correcting the mill rate for service rights to the wastewater ponds, set forth in ordering paragraph 3 of the original Order, to 32.9 mills per kilowatt hour.
2. The Commission denies reconsideration as to all other issues.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

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