

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

LeRoy Koppendrayer	Chair
David C. Boyd	Commissioner
Marshall Johnson	Commissioner
Thomas Pugh	Commissioner
Phyllis A. Reha	Commissioner

In the Matter of North Branch Water & Light Commission's Petition to Extend its Service Area into the Area Presently Served by East Central Energy Under the Terms and Conditions of the Settlement Agreement in Docket No. E-286, 112/SA-94-70

ISSUE DATE: August 30, 2007

DOCKET NO. E-112, 286/SA-07-754

ORDER APPROVING AGREEMENT AND DIRECTING PARTIES TO PROCEED ACCORDINGLY

PROCEDURAL HISTORY

On May 31, 2007, North Branch Water & Light Commission (North Branch) filed a petition to extend its assigned service area to include 16 areas served by a neighboring utility, East Central Energy. The petition stated that the transfer was authorized by, and its terms governed by, an earlier service-area agreement between the two utilities.

On July 16, 2007, East Central Energy (East Central) filed objections to the North Branch petition and a complaint alleging that North Branch was violating both the earlier service-area agreement and the service area statutes by providing electric service to specified customers within East Central's assigned service area.

On August 6, 2007, the two utilities filed a Joint Stipulation and Standstill Agreement Pending Settlement Discussions, which essentially preserved the status quo while the parties tried to resolve the dispute through negotiations. The terms of that stipulation expired on August 20, 2007.

On August 21, 2007, the two utilities filed another Joint Stipulation and Standstill Agreement Pending Settlement Discussions, with the same terms, but this time remaining in effect until September 13, 2007. Among other things, the stipulation asked the Commission to direct the parties to proceed in accordance with its terms.

No one opposed approving the Joint Stipulation.

FINDINGS AND CONCLUSIONS

The Public Utilities Act encourages the minimization and settlement of disputes between utilities, especially disputes involving service area matters. The parties' commitment to timely and efficient negotiations is consistent with the Act and the public interest; the Joint Stipulation will be approved.

The Commission encourages the parties' commitment to thoroughly explore settlement possibilities and asks them to report on these negotiations on or before September 13. If that report does not include a settlement on the merits, it should include individual or joint procedural recommendations on how to proceed from that point.

The Commission will so order.

ORDER

1. The Joint Stipulation and Standstill Agreement Pending Settlement Discussions is hereby approved. The parties shall proceed accordingly.
2. If the September 13 report required under the Joint Stipulation does not include a settlement on the merits, it shall include individual or joint procedural recommendations for resolving this case.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

(S E A L)

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¹ Minn. Stat. §§ 216B.01, 216B.39.