

North Dakota Public Service Commission
INFORMAL HEARING
June 20, 2012

McLean Electric Coop./Mountrail Williams Electric Case No. PU-12-196
McLean & Mountrail Counties Area
Service Area Agreement

Summary of Proposal: On May 9, 2012 McLean Electric Cooperative, Inc. (McLean Electric) filed an application for approval of a Service Area Agreement with Mountrail-Williams Electric Cooperative (Mountrail-Williams) to establish service areas and designate service locations to be served by McLean Electric and Mountrail-Williams within and around the Counties of McLean and Mountrail in North Dakota. The Agreement provides that each supplier will continue to serve existing customers, but will not serve new customers, within the other supplier's agreed upon service area. The term of the Agreement extends through 12/31/2030, but it can be terminated at any time with mutual agreement by the parties. After 12/31/2030 the Agreement renews automatically for five year terms unless either party provides at least 180 days prior written notice of termination at the end of the term.

Recommendation: Assuming expiration of the noticed comment period, I recommend the Commission approve the agreement.

Discussion: On May 16, 2012 the Commission issued a Notice of Filing, Notice of Informal Hearing and Notice of Opportunity for Hearing, which provided until June 26, 2012 for receiving written comments or hearing requests. No response has yet been received. The notice identified the issues to be considered in this proceeding as whether the Service Area Agreement complies with section 49-03-06 of the North Dakota Century Code, and whether the approval of the Service Area Agreement is compatible with the public interest.

On June 19, 2012 the parties filed an addendum to the agreement to clarify that the Commission will have continuing jurisdiction to settle all service location disputes that may arise under the agreement, as required by NDCC 49-03-06.

The parties believe a service area agreement between them relative to their electric utility service and facilities common borders is consistent with the public interest and the purposes of NDCC 49-03-06.

Prepared by: Jerry Lein