

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  HARLAN MUNICIPAL UTILITIES AND NISHNABOTNA VALLEY RURAL ELECTRIC COOPERATIVE	DOCKET NO. SPU-06-14
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**ORDER GRANTING PETITION FOR MODIFICATION  
OF SERVICE AREA BOUNDARIES**

(Issued October 19, 2006)

On September 19, 2006, Harlan Municipal Utilities (Harlan) and Nishnabotna Valley Rural Electric Cooperative (Nishnabotna) filed a joint petition for modification of electric service area boundaries pursuant to Iowa Code § 476.25(2). A proposed service area agreement between the two utilities was attached to the joint petition. No objections or other responses to the petition were filed.

Harlan and Nishnabotna have agreed to modify their exclusive service territory boundaries in Shelby County, Iowa. The following service territory is to be transferred from Harlan to Nishnabotna:

Section 15: SE1/4 of SW1/4  
SW1/4 of SE1/4  
Section 16: SW1/4 of SE1/4  
Section 17: SE1/4 of SW1/4  
Section 19: SE1/4 of NE1/4  
SE1/4  
Section 20: W1/2  
W1/2 of SE1/4  
NE1/4

- Section 21: NW1/4  
W1/2 of NE1/4  
NE1/4 of NE1/4
- Section 22: NW1/4 of NW1/4  
E1/2 of NW1/4  
W1/2 of NE1/4  
NE1/4 of NE1/4
- Section 29: W1/2  
W1/2 of NE1/4
- Section 30: E1/2
- Section 31: E1/2  
SE1/4 of NW1/4  
E1/2 of SW1/4
- Section 32: NW1/4  
N1/2 of SW1/4

All of the above located in Township 79 North, Range 39 West, Lincoln Township, Shelby County, Iowa.

- Section 3: Government Lots 4,5,8,9,12,17; the W1/2 of Lot 1; E3/4 of Lot 2; E1/2 of Lots 5,10,11, and 18. SW 1/4  
Note: Section 3 is 1.5 miles long running North and South
- Section 4: Government Lots 12 and 17  
E1/2 of the SW1/4  
Note: Section 4 is 1.5 miles long running North and South
- Section 9: NE1/4  
S1/2 of NW1/4  
NE1/4 of NW1/4  
N1/2 of SW1/4  
N1/2 of SE1/4  
SW1/4 of SE1/4
- Section 10: NW1/4 of NW1/4
- Section 16: NW1/4 of NE1/4  
S1/2 of NE1/4  
E1/2 of NW1/4  
S1/2
- Section 17: SE1/4 of SE1/4
- Section 20: E1/2 of NE1/4

Section 21: N3/4  
              S1/2 of SE1/4  
Section 27: SW1/4 of SW1/4  
Section 28: NE1/4  
              N3/4 of SE1/4  
              SW1/4 except S1/4 and NW1/4

All of the above located in Township 78 North, Range 40 West, Shelby Township, Shelby County, Iowa.

In support of the petition, Harlan and Nishnabotna state that Harlan has agreed to sell to Nishnabotna all of its service territory (described above) lying west of Section 23, Township 79 North, Range 39 West of the 5<sup>th</sup> P.M., Shelby County, Iowa, consisting of approximately 10 square miles and extending nearly 12 miles from Harlan's city limits. The sale also includes all of Harlan's existing facilities in the area except its watt-hour meters and a 12.47 kV capacitor bank. The two utilities have determined that sale of the territory to Nishnabotna would eliminate duplication of facilities and promote the most efficient and economic use of both utilities' facilities. Nishnabotna's service territory currently surrounds the service area being sold by Harlan. There are 51 customers in the area; Harlan and Nishnabotna state all of them have been contacted and none object to the sale and transfer of service.

Iowa Code § 476.25 (2005) provides in pertinent part:

Contracts between electric utilities to designate service areas and customers to be served by the electric utility or for the exchange of customers between electric utilities, when approved by the board, shall be valid and enforceable and shall be incorporated into the appropriate exclusive service areas established pursuant to subsection 1 of this section. The board shall approve a contract if it finds that the contract will eliminate or avoid unnecessary duplication of facilities, will provide adequate electric service to all areas and

customers affected, will promote the efficient and economical use and development of the electric systems of the contracting electric utilities, and is in the public interest.

The Board will grant the joint petition for modification of service area boundaries. Harlan and Nishnabotna have alleged facts that establish the proposed modification is in the public interest, will prevent unnecessary duplication of facilities, provide adequate electric service to all customers affected, and will promote the efficient and economical use of electrical systems, pursuant to Iowa Code § 476.25.

**IT IS THEREFORE ORDERED:**

The joint petition for modification of electric service area boundaries filed by Harlan Municipal Utilities and Nishnabotna Valley Rural Electric Cooperative on September 19, 2006, is granted, subject to complaint or investigation.

**UTILITIES BOARD**

/s/ John R. Norris

/s/ Diane Munns

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary

/s/ Curtis W. Stamp

Dated at Des Moines, Iowa, this 19<sup>th</sup> day of October, 2006.