

**AGENDA**  
**PUBLIC UTILITIES COMMISSION**  
April 10, 2019  
6:00 P.M.

A. Call to Order

B. Roll Call

C. MMUA Scholarship

D. Adjourn

## Essay 1

Cook County High School

Grade 12

### Good For All Of Us

Municipal utilities is a district that provide services such as electricity, natural gas, sewage treatment, and waste management to its residents. Despite the residents regular use of public utilities, many do not realize how important it is in their everyday lives. For municipal utilities, success is measured by low costs, efficiency, and proudly serving their community. There are many benefits of having public utilities, but there largest impact is on economic development, reliability, and focus on the local level.

The largest utility that brings in the most economic development is electricity. With the continuous growth of Grand Marais, it creates sustainable jobs that the company is allowed to recruit locally. Following this process allows the money to stay within the community, which helps other local business' flourish as well. Having electricity as a public utility is beneficial due to the efficiency which causes the price to stay low. Also, investing in services such as electricity allows public utilities to grow and be able to give to the community. Having municipal electricity in a community gives more than just to the residents, but help fund other local opportunities.

Reliability goes across the board regarding all utilities that a city has to offer. Since the company is on a more local than corporate level, it offers a more direct relationship with the customers. With a municipal company, it will bring a mutual respect because it will directly

affect them working more closely with each other. Having the utilities locally, allows the ability to coordinate to serve in any way. Reliability is an important factor when running a company that offers many services. Public utilities is a responsive company ran by the city hall. It creates a chance for the citizens to speak of possible new ideas, and also allows them to give input that may better the efficiency of the company. Residents depend on these specific services, and municipal utilities stays accountable to keep everything organized for the best way of living.

With the top priority being on locals, it ensures many opportunities for community members to reflect on the values and choices that are made. This focus allows the company and the citizens to agree upon more efficient, long term programs. These programs will benefit the city and the members within. Public utilities is concerned about the environment and works towards bettering and restoring it. It solely exists to provide a public service to the citizens due to its community ownership. Keeping the costs low makes it attainable for low income households by integrating the municipal services.

Rather than suffering through the uncertain relationship to a corporate company, Grand Marais is able to thrive with the use of municipal utilities. With electricity bringing in the largest economic development, it is able to create many jobs. Reliability allows for utilities to be held accountable to the citizens within the city. With the opportunity of allowing citizens to attend city meetings regarding municipal utilities, gives them a chance to speak their voices. Overall, the benefits of municipal utilities goes beyond a citizen's initial perception.

## Essay 2

### Municipal Utilities - Good for all of us

#### 2019/20 Scholarship Application

#### Grand Marais, MN

When I think of why Municipal utilities are good, I think of three things, the reliability, the local benefits, and the convenience of the utilities. These utilities have been serving our community for years, and we have rarely had a problem with them. We have taken these utilities for granted, which I think is wrong.

The first benefit I think about with these services is the reliability. Unlike having solar or geothermal electricity, the municipal electricity is always there when you turn on the switch, to the point where there are only outages when there are huge storms. Everyone in our community relies on these services, even the employees that work with them, and to have this reliable of a electric/gas source every day and night is amazing. Even after there are storms that knock the power out, there are people out working on it as soon as they can, so we can be back up and running in no time. Overall, reliability is a huge part of what makes municipal utilities such a great service.

The next advantage to municipal utilities is the local benefits. Most of the employees live in the community or very close by, allowing them to respond to problems such as outages or gas leaks very quickly. Also, because we live in such a small town, many of the employees know community members personally, which gives them the joy of serving their friends and even family. The close relationships with the employees also lead to the community understanding

more of how some of the electricity and gas work, like how it gets into our homes, and where it comes from. The local benefits also include the community having a say in how some of the funding/construction of municipal city buildings happen, which just leads to happier community members, and more understanding. Another thing to add about the community is that this utility service provides jobs for many people, which is very beneficial in a small town such as ours, without a big job market.

Lastly, the convenience of these utilities is outstanding, but we have grown to take it for granted, even though we shouldn't. When we get up at night to use the bathroom, we just flick on the switch, or when we get home from a long day of work, we light the burner to cook some food. These small but useful benefits are huge in our everyday life, and whether we realize it or not, we couldn't function properly without them.

Overall, the reliability of these utilities is second to none, and when there is a problem, it gets fixed right away. The local benefits involve more understanding, and a better working environment, with a good amount of community involvement in decisions regarding these utilities. We also take the convenience for granted, even though is it something we use so often we probably could not function properly without it. Bottom line, without these municipal utilities, daily life would get harder, and we would lose community engagement. Municipal Utilities are good for the whole city.

## Essay 3

Public utilities are an integral part of keeping a community running smoothly. Without them, both citizens and businesses suffer. They eliminate wasteful competition while still keeping prices low enough for the majority of the population to afford. Public utilities can even be beneficial for the environment. Most importantly, public utilities provide the people with services that are necessary for their day-to-day lives, services such as electricity that will become even more relevant in the future.

Public utilities refer to the services that are naturally monopolies, and therefore require some regulation to defend the interests of the consumers. Services like electricity, water, and wastewater are needed and used by almost everyone in the United States, so without regulation, the businesses providing those services could exploit consumers by charging exorbitant prices or by not providing reliable service. This was a significant problem in 20th century America, especially with railroads. Today, we have public utility commissions (PUCs), comprised of appointed individuals from the community, to make sure this doesn't happen. PUCs monitor utility activity, keeping the rate of its services reasonable. Therefore, consumers benefit from this arrangement because they are getting necessary resources at an affordable rate. Furthermore, declaring one business as the monopoly in an area eliminates wasteful competition. Allowing two business to lay down their own electric lines or water pipes would be a complete waste of resources and would be detrimental for both utilities, as they would end up sharing the customer base and likely losing money overall.

Some may argue that the United States should turn to private companies instead of public utilities, stating that by granting a utility a monopoly, it decreases their incentive to innovate and develop by removing their competition. Although this could be possible, the benefits of public utilities outweigh the shortcomings. With private companies, there is little incentive to provide

affordable costs for their customers, and therefore many in the community may end up not having access to a necessary service such as electricity or water. A New York Times study shows that private utilities cost up to 15% more in Minnesota than public utilities. There is also more incentive for public utilities to conserve their product than for private companies, which is more and more important in our world of limited resources and a growing population. Lastly, turning to private companies for services like water and wastewater may end up being detrimental to the community's health and the environment. If the company decides to cut corners on their products to save money, the water being provided to their customers may not be clean or potable. As for wastewater, if the treatment plant is not effectively cleaning the wastewater, releasing it back into the environment can have potential harmful effects. This is especially true in Grand Marais, where the wastewater is being released into Lake Superior, a very important Minnesotan ecosystem.

As stated before, public utilities will be even more important in the future. With more and more emphasis on reducing carbon emissions, the world is turning to electricity and instead of resources like coal and petroleum. Therefore, public utility regulations will be even more necessary to keep the price of those growing services affordable. And the reliable customer base will also be very important in this time period, where many utilities are making investments to become more energy-efficient, committing to projects such as building charging stations for electric vehicles, or switching to renewables to generate their energy. With these investments being made, the utilities will rely on the guaranteed customer base and returns to pay them off.

Overall, public utilities are good for us all. The services they provide are necessary for life in this modern world, and for a smoothly-running community. They give businesses a captive customer base by granting monopolies and eliminating wasteful competition, while also keeping

the prices of those services affordable and making sure those services themselves stay reliable for the consumers. When properly regulated, they keep the environment clean, especially in terms of water sources. They may even play an important part in conserving resources and cutting carbon emissions in the future, making the planet a healthier place.