

November 19, 2013

Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: **Petition for Certificate of Need**
Docket No. E015/CN-12-1163

Dear Dr. Haar:

Attached are the comments of the Minnesota Department of Commerce-Division of Energy Resources (Department) in the following matter:

Request of Minnesota Power for a Certificate of Need for the Great Northern Transmission Line.

The petitioner is:

David R. Moeller
Senior Attorney
Minnesota Power
30 West Superior Street
Duluth, Minnesota 55802

The Department recommends that the Minnesota Public Utilities Commission **declare the petition as substantially complete once Minnesota Power provides the required detailed substation-specific level data.** The Department is available to answer any questions the Minnesota Public Utilities Commission may have.

Sincerely,

/s/ STEVE RAKOW
Rates Analyst

SR/ja
Attachment

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE
MINNESOTA DEPARTMENT OF COMMERCE
DIVISION OF ENERGY RESOURCES

DOCKET NO. E015/CN-12-1163

I. BACKGROUND

A. EXEMPTION AND NOTICE PETITIONS

On October 29, 2012, Minnesota Power (MP or the Company) filed MP's *Notice Plan Petition In the Matter of the Request by Minnesota Power for a Certificate of Need for the Great Northern Transmission Line* (Notice Petition). The Notice Petition provided MP's proposed notice plan for:

- a 500 kilovolt (kV) transmission line to be located between the province of Manitoba in Canada and the Blackberry Substation in Itasca County, Minnesota (a distance of 225 to 300 miles); and
- a 345 kV double circuit transmission line between the Blackberry Substation and the Arrowhead Substation in St. Louis County near Hermantown, Minnesota (approximately 50 to 70 miles) (Project).

On November 20, 2012, MP filed the Company's *Petition for Exemption from or Confirmation of Certain Filing Requirements Regarding the Great Northern Transmission Line* (Exemption Petition) requesting exemptions from certain data requirements of Minnesota Rules part 7849.

Comments on the Exemption Petition were filed on December 17, 2012 by the Department. Reply comments were filed on January 16, 2013 by MP and supplemental comments were filed on January 23, 2013 by the Department.

The Minnesota Public Utilities Commission's (Commission) *Order Approving Notice Plan, Granting Variance Request, and Approving Exemption Request* (Order) approving the Notice Petition and Exemption Petition was issued on February 28, 2013.

B. CERTIFICATE OF NEED PETITION

On October 22, 2013 MP filed the Company's *Request of Minnesota Power for a Certificate of Need for the Great Northern Transmission Line* (Petition). The Petition requested that the Commission approve a Certificate of Need (CN) for the 500 kV transmission line. Regarding the 345 kV segment contained in the Notice Petition, the Petition states that "at this time there are not sufficient transmission service requests to support this second 345 kV phase. Thus, Minnesota Power has determined that it will not pursue construction of the 345 kV project at this time." The Minnesota counties likely to be impacted by the construction of the 500 kV line (depending on final route selection) include: Beltrami, Clearwater, Itasca, Kittson, Koochiching, Lake of the Woods, Marshall, Roseau, and Pennington.

In response to the Petition, on October 22, 2013 the Commission issued its *Notice of Comment Period on the Application of Minnesota Power for a Certificate of Need for the Great Northern High-Voltage Transmission Line Project* (Notice). The Notice states that comments on completeness are due November 19, 2013 and reply comments on completeness are due December 3, 2013.

Below are the comments of the Department regarding the completeness of the Petition.

II. DEPARTMENT ANALYSIS

A. COMPLETENESS REVIEW

The Department reviewed the Petition for completeness under Minnesota Rules. The Department concludes that the Company met the completeness requirements with the exceptions noted below.

Minnesota Rules 7849.0260 B (1) requires that the Petition contain a discussion of the availability of alternatives to the facility, including "new generation of various technologies, sizes, and fuel types." The Department located limited information regarding distributed generation and community-based energy development (C-BED). However, given the claimed need—to deliver the power called for under the 250 MW power purchase agreements between MP and Manitoba Hydro-Electric Board (MHEB) which has been approved by the Commission—the Department agrees that MP's limited review of generation alternatives is reasonable. Therefore, the Department does not recommend that additional data on generation alternatives be required.

Regarding forecast data, the Commission's Order states:

The Commission hereby grants Minnesota Power's exemption request, with the Company's provision of alternative relevant data, as modified and described in the Department's January 23, 2013 comments.

In turn, the Department's January 23, 2013 comments state:

deny the proposed exemptions listed below:

...

- 7849.0270, Subp. 2 (B and C); Customer Class Information; however, MP should also provide the proposed alternative data at the detailed substation-specific level.

The Department was unable to locate detailed substation-specific level data in the Petition. That is, MP's petition is not in compliance with the Commission's Order. Thus, the Department recommends that MP provide the detailed substation-specific level data required by the Commission's Order before the Commission finds MP's petition to be complete..

B. PROCESS REVIEW

During the completeness review process the Department also makes a recommendation regarding the proper process to use for the Petition. Generally the Commission can choose one of two methods established in Minnesota Rules 7829.2500, subp. 9 for processing applications for a CN. First, an application may be referred to the Office of Administrative Hearings for contested case proceedings to resolve factual disputes. Second, the Commission may evaluate a CN request using the Commission's standard comment process; referred to in Minnesota Rules as an "informal or expedited proceeding." Minnesota Rules 7829.1200 provides three examples for when the Commission's comment process may be used:

- A. there are no material facts in dispute;
 - B. the parties and the Commission have agreed to informal or expedited proceedings;
- or
- C. informal or expedited proceedings are authorized or required by statute.

At this juncture the Department has not identified any disputes as to material facts. However, there are unique circumstances surrounding the proposed Project that indicate a contested case might be of value:

- the proposed Project would be of the highest voltage in the state;
- the Petition's Appendix I indicates there is a potential for competing alternatives.

Therefore, the Department recommends that the Commission refer the Petition to the Office of Administrative Hearings for a contested case proceeding.

III. DEPARTMENT RECOMMENDATION

The Department recommends that the Commission determine that the Company's Petition is substantially complete once MP provides the required detailed substation-specific level data. The Department also recommends that the Commission refer the Petition to the Office of Administrative Hearings for a contested case proceeding.

/ja

CERTIFICATE OF SERVICE

I, Jan Mottaz, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

Comments of the Minnesota Department of Commerce, **Division of Energy Resources**

Docket No. E015/CN-12-1163

Dated this 19th day of December 2013

/s/Jan Mottaz

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