

June 2, 2015

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: Comments of the Minnesota Department of Commerce, Division of Energy Resources
Docket No. E,G999/CI-14-423

Dear Mr. Wolf:

The Minnesota Public Utilities Commission (Commission) issued a *Notice of Comment Period on Commission Investigation* in the above-referenced docket requesting comments on whether the Commission should extend the time for propane-storage developers to request a variance to Minnesota Rules, part 7853.0010, subp. 23 or take some other action.

The Commission's June 19, 2014 *Order Establishing Variance Procedures* in the above-referenced docket cited "seasonal spikes in propane demand, the potential for extreme cold weather like that experienced in the winter of 2013-2014, and the repurposing of the Cochin Pipeline" as support for establishing an expedited variance request process for large propane storage projects from the Certificate of Need requirements. Further, the Commission stated:

In light of the loss of the propane supplied by the Cochin Pipeline, a one-year variance will not result in construction of excessive capacity. Requiring storage developers to submit an application will give the Commission the information it needs to track new storage and to determine if variances should be extended beyond one year or a rule amendment is warranted.

The Minnesota Department of Commerce (Department) is not opposed to extending the time for variance requests for an additional year. While propane-storage developers have taken advantage of the variance this past year and expanded Minnesota's propane storage capability, it remains unclear as to whether the increased storage capability is sufficient to

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ensure adequate supply during an extreme heating season such as the one Minnesota experienced in 2013-2014. The unavailability of the Cochin Pipeline, which supplied approximately 38 percent of Minnesota's propane supply until April of 2014, increases this uncertainty.

The Department recommends that the Commission extend the time for propane-storage developers to request a variance to Minnesota Rules, part 7853.0010, subp. 23 for an additional year (until June 19, 2016).

Sincerely,

A handwritten signature in black ink, appearing to read 'W Grant', with a stylized, looped flourish at the end.

WILLIAM GRANT
Deputy Commissioner,
Division of Energy Resources

WG/ja

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, 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.

**Minnesota Department of Commerce
Comments**

Docket No. E,G999/Ci-14-423

Dated this 2nd day of June 2015

/s/Sharon Ferguson

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