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November 30, 2015

VIA ELECTRONIC FILING

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

**RE: In the Matter of the Application of Great River Energy for a Certificate of Need and a Route Permit for the Motley 115 kV Project
Docket Nos. ET2, E015/CN-14-853, ET2, E015/TL-15-204
Comments on EA and Hearing**

Dear Mr. Wolf:

Great River Energy, on behalf of Great River Energy and Minnesota Power (“Applicants”), respectfully submits these written comments in the above-referenced dockets for the Motley 115 kV Project (“Project”). Applicants provide these comments in response to landowner comments heard at the November 19, 2015 public hearing regarding a potential new partial route alternative that was not reviewed in the Environmental Assessment (“EA”), and to note for the record some minor clarifications to information contained in the EA. While Applicants appreciate the thoughtful comments provided by landowners, for the reasons set forth below, Applicants do not believe the route alternative merits further review.

LANDOWNERS’ ROUTE ALTERNATIVE

Several landowners at the public hearing generally described a potential alternative route segment that would start at Minnesota Power’s Dog Lake Substation, extend due south approximately six miles where it would intersect the Minnesota Pipe Line Company’s existing petroleum pipeline right of way (“ROW”). It appeared from the comments that the route alternative would then turn south-southeasterly and follow the pipeline ROW for approximately another 6.5 miles, where it would intersect U.S. Highway 10. Great River Energy presumed the

route alternative would then follow Highway 10 southerly using the portion of the Applicants' proposed routes in this area.

Applicants have evaluated the landowners' proposed route alternative discussed at the public hearing. Applicants believe it is not a feasible or reasonable alternative for the Project because it does not meet the Project needs. The Project is designed to meet load serving and the Minnesota Pipe Line pump station needs, as follows:

- Construct a new single circuit 115 kV transmission line between the existing Minnesota Power "24 Line" transmission line and the new Crow Wing Power ("CWP") Fish Trap Lake Substation. Some segments of the transmission line will carry distribution line underbuild.
- Convert the existing 34.5 kV Motley Substation to 115 kV service and add a three-way switch.
- Construct the new CWP Fish Trap Lake Substation to serve the new MPL Fish Trap pump station.
- Add breakers to the existing Minnesota Power Dog Lake Substation using a more reliable ring bus design and construct a one-half mile transmission line between the substation and the "24 Line" 115 kV transmission line.
- Install a three-way switch to allow for the construction of a future CWP Shamineau Substation.

The landowners' alternative route must be rejected because it does not provide connections at either the Shamineau Substation or the Motley Substation. As a result, the landowners' alternative route would not enable the Motley 34.5 kV distribution substation to operate at 115 kV nor would it facilitate a new Shamineau Substation connection.

Even if the landowners' route alternative could be supplemented to meet the Project needs, it does not warrant further review because of greater environmental impacts than the Project's proposed routes as set forth in the certificate of need and route permit application and analyzed in the EA:

- The landowners' route alternative requires approximately 2.5 miles of new cross-country ROW. The Project's proposed routes include cross-country ROW only at the crossing of the Crow Wing River.
- The landowners' route alternative crosses through approximately 1.5 miles of a high-significance biodiversity area. In contrast, the Project's proposed routes parallel approximately only one mile of high-significance biodiversity areas along established road ROW.
- The landowners' route alternative would impact more forested land, between 24 and 34 acres versus the 14 to 24 acres associated with the Project's proposed routes.

- The landowners' route alternative would cross through approximately 1.5 miles of existing wetlands that would require matting for access. The Applicants' proposed routes allow for construction without matting due to the close proximity of road ROWs and minimal impacts to wetlands. Crossing the wetlands would also increase project costs due to the need to obtain wetland credits.
- The landowners' route alternative requires an additional river crossing (Long Prairie River).

EA CLARIFICATIONS

On page 91, Potential Impacts, the EA states, "The Applicants' anticipated alignment for the West Route Option crosses approximately 24 acres of forested land, and the Applicants' anticipated alignment for the East Route Option crosses approximately 14 acres of forested lands. The Applicants' anticipated alignment for the Common Route crosses approximately 36 acres of forested lands." The 24- and 14-acre estimates are inclusive of the West and East Route Options and the Common Route segments. The Common Route impacts would be 11 acres, with an additional 13 acres on the West Route Option segment (24 acres in total) and an additional 3 acres on the East Route Option segment (14 acres in total).

The top of page 116 of the EA states "The proposed West Route Option will result in a new Crow Wing River crossing, which is approximately 1,000 feet longer than the proposed East Route Option Crow Wing River crossing". The West Route Option river crossing would be approximately 500 feet longer than the East Route Option. The river crossing lengths for the West and East Options would be approximately 1,000 and 500 feet, respectively.

The section titled *Property Values* on page 122 of the EA states "Properties with dwellings, structures, or other property improvements within the power line ROW are not eligible for Federal Housing Administration (FHA) insured loans financing". This section further states "two residences within the anticipated alignment ROW of the proposed Common Route along the west side of U.S. Highway may be affected by the presence of an overhead transmission line in close proximity". Great River Energy has recently initiated dialogue with both owners of these two residences and it has been generally agreed that Great River Energy would propose two measures to mitigate the relative close proximity of the power line: 1) Shift the alignment of the transmission line several feet into the U.S. Highway 10 ROW to provide additional horizontal separation from the dwellings, and 2) if needed, reduce the width of the transmission line ROW in proximity of the two residences to ensure there is no ROW encroachment within the footprint area of the dwellings as currently constructed. These anticipated mitigative measures would remedy the FHA insured loan financing issue cited in the EA. This anticipated mitigation should also be recognized by modifying the graphic and text summary of "Factor A - Property Value Element", depicted and described in Figure 18 of page 127 of the EA.

The section titled “Costs that are Dependent on Design and Route” on page 135 of the EA states additional costs for the Old Tree Avoidance Alternative alignment are related to the estimated costs needed to purchase and install four “additional” pole structures. In avoiding the Old Tree, Great River Energy does not anticipate a need for additional pole structures. The added costs are attributable to the incremental cost difference between utilizing four normal in-line (tangential) pole structures (assumes the Old Tree would not be avoided) versus the four angle structures requiring heavier poles, guy wires, anchors, stub poles, and possibly concrete foundations in instances where guy wires and anchors are not feasible. The cost difference also reflects higher easement costs for deeper encroachment and greater impact of the subject property.

Applicants appreciate the EERA’s diligence in preparing the EA and the opportunity to provide these comments. Please contact me a call at 763-445-5210 or MStrohfus@GREnergy.com if you have any questions regarding this filing.

Respectfully Submitted,

GREAT RIVER ENERGY

A handwritten signature in black ink that reads "Mark Strohfus". The signature is written in a cursive, flowing style.

Mark Strohfus
Environmental Project Lead

CC: Richard Davis
Tricia DeBleekere