



12300 Elm Creek Blvd • Maple Grove, Minnesota 55369-4718 • 763-445-5000 • Fax 763-445-5050 • www.GreatRiverEnergy.com

November 10, 2014

VIA ELECTRONIC FILING

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

**Re: Reply to the Department of Commerce, Division of Energy Resources Comments on the Notice Plan Petition for the Application of Great River Energy and Minnesota Power for a Certificate of Need for the Motley Area 115 kV Transmission Line Project in Morrison, Cass and Todd counties, Minnesota
Docket No. ET2, E015/CN-14-853**

Dear Dr. Haar:

Great River Energy and Minnesota Power (“Applicants”) appreciate the review of its Notice Plan Petition for the above-referenced project by the Department of Commerce, Division of Energy Resources, Energy Regulation and Planning (“DER-ERP”) and the Department of Commerce, Division of Energy Resources, Energy Environmental Review and Analysis (“DER-EERA”). Both DER-ERP and DER-EERA filed comments on Great River Energy’s Notice Plan Petition on October 21, 2014.

Applicants offer reply comments herein and discuss an additional route option that Applicants identified subsequent to filing the Notice Plan Petition.

Reply to DER-EERA Comments

DER-EERA staff recommended modifications to the content of the notices and included a redline markup of one of the example notice letters. A revised example notice letter for landowners incorporating the DER-EERA recommended edits as well as additional Applicant edits¹ is provided as **Attachment A** to this filing. Similar revisions will be made to the governmental entities letter, agency letter and newspaper notices.

Applicants will include the existing Minnesota Pipe Line’s Line 4 pipeline on the notice maps as recommended by EERA staff.

¹ Attachment A incorporates the DER’s comments. The strike and underline comments in Attachment A are edits in addition to DER’s comments primarily intended to address the additional route option.

Applicants will add Villard Township to the list of government entities in the notice plan as recommended by EERA staff.

Staff discussed the area within which the notice would be distributed (“notice area”), indicating that if Applicants are requesting a route width of 300 feet, then a notice area of 1,000 feet is acceptable, but if a larger route width is being requested, a notice area should be “similarly enlarged.” For a 300-foot route width, a 1,000-foot notice area extends 350 feet further from each edge of the route. Applicants propose to similarly enlarge the notice area beyond the route area by applying a 350-foot buffer outside of the requested route. The notice area is depicted in **Attachment B**.

Along U.S. Highway 10, Applicants will be requesting a route that extends 250 feet outside of the edges of the road. On rural roads, Applicants will be requesting a route extending 150 feet in both directions from the road centerline. Where the route proceeds cross country, Applicants will be requesting a route width of 250 feet. In small discrete areas, Applicants will be requesting variably wider routes to allow more flexibility in making turns or avoiding existing structures.

Reply to DER-ERP Comments

DER-ERP staff did not identify any changes beyond the comments of DER-EERA. Applicants agree to make the changes recommended by DER-EERA.

Additional Route Option

Subsequent to filing the Notice Plan Petition on October 1, 2014, Great River Energy has continued its efforts in evaluating other route options for this project and has identified a second viable route option for a portion of the project (see **Attachments A and B**). The second route option, which is labeled the “east option”, interconnects with the Minnesota Power “24” Line approximately one and one-half miles southeasterly of the previously proposed interconnection, now labeled the “west option”. It then extends in a southerly direction to the Crow Wing River where it would cross the river near the existing crossing of the MP 34.5 kV sub-transmission line. The existing MP 34.5 kV sub-transmission line would be relocated and attached onto the new structures (underbuilt) for the proposed 115 kV transmission line to avoid multiple river crossings. The route then continues westerly along Azalea Road to the existing Motley Substation. The route westerly and southerly of the Motley distribution substation is a common segment to both the west option and the east option.

In the next week, Applicants will be sending a voluntary project notification to new landowners along the east option and a project update to all stakeholders previously notified of our September 23 open house². All landowners and occupants with properties within either of the route options plus a 350-foot notice area buffer around the route options will be added to the Notice Plan. A revised Transmission Project Notice Area Map is provided as Attachment B.

² Applicants voluntarily invited the stakeholders, as defined in the October 1, 2014 Notice Plan Petition, to an Open House meeting that was held in Motley, Minnesota on September 23, 2014 to learn more about the project. Applicants will be sending the updated stakeholders list, consistent with DER Comments and these Reply to Comments, a letter and project fact sheet that discusses the additional route option before this Notice Plan is implemented.

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The additional route option does not alter the affected tribal governments or local governments, nor does it alter the list of newspapers in which the advertisements will be published.

If you have any questions regarding these reply comments, please contact me at 763-445-5210.

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

Enclosures

cc: Service List

S:\Transmission\Capital Projects\202987 - Motley Area 115 kV Project\202972 - Fish Trap Pumping Station 115 kV Line (20 mi)\LR-ENV\Environmental\Cert of Need\Notice Plan Petition\Notice Plan Petition Reply Comments - Motley.docx

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Motley Area 115 kV Transmission Project



Great River Energy
 12300 Elm Creek Blvd
 Maple Grove, MN 55369
 1-888-521-0130
www.greatriverenergy.com



Crow Wing Power
 PO Box 507
 Brainerd, MN 56401
 1-800-648-9401
www.cwpower.com

Project Need

Great River Energy proposes to build and operate approximately 14.8-15.8 miles of new 115 kilovolt (kV) overhead transmission line in southern Cass County, eastern Todd County, and northern Morrison County to ensure the reliability of electric service to the members of Crow Wing Power (CWP). The project would:

- Strengthen the electric transmission system in the Motley area, as the existing 34.5 kV system serving the area is becoming outdated and is reaching its maximum capacity.
- Provide electric service to the proposed new CWP Fish Trap Lake distribution substation that would provide electric power to a new pipeline pumping station proposed by Minnesota Pipe Line Company (MPL).
- Allow CWP to convert its existing Motley 34.5 kV distribution substation to operate at 115 kV due to the close proximity of the new 115 kV line to the existing substation.
- Prepare the transmission system for a future CWP distribution substation, which CWP anticipates needing in the Shamineau Lake area. This future substation could not be adequately served by the existing 34.5 kV transmission system in this area.

Project Description

The map on the next page shows the preliminary transmission line routes proposed for this project. The proposed project would connect the existing Minnesota Power 115 kV "24" transmission line at one of two locations, designated the west and east options on the map, to the existing Motley Substation at the intersection of Azalea Road and County Road 2. The west or east route option would require the construction of approximately 3.8 or 4.8 miles of new overhead 115 kV transmission line, respectively. From the Motley Substation, the new 115 kV overhead transmission line would continue westerly approximately 3.3 miles and then southerly approximately 7.2 miles to serve the new CWP Fish Trap Lake distribution substation, which will be constructed on MPL's pipeline pumping station property located at U.S. Hwy. 10 and Holt Road. In most areas, the new transmission line would require a 100-foot-wide right of way, 50 feet on each side of the centerline. Some segments of the transmission line would carry lower-voltage distribution lines as underbuild. In most cases, single round wood poles ranging in height from 60 - 90 feet above ground would be used (see photo at right). The typical distance between poles would range from 250 - 400 feet.

As a component of this project, additional circuit breakers will be added to Minnesota Power's existing Dog Lake Substation and approximately 0.5 miles of new 115 kV transmission line will be constructed for system reliability.

Permitting

The Minnesota Public Utilities Commission (Commission) must issue a Certificate of Need (CON) and a Route Permit before the project can proceed. Great River Energy will submit a combined CON/Route Permit application containing relevant information that will help the Commission determine if there is sufficient need for the project and evaluate the proposed route and any alternative routes brought forth by the public. At the conclusion of the permitting process, the Commission will determine the final location of the proposed transmission facilities.

The public and regulatory agencies will have numerous opportunities to provide input during the CON and Route Permitting process, which is conducted and facilitated by Commission and Minnesota Department of Commerce (DOC) staff. Public meetings will be held and other opportunities will be provided for collecting comments and responses. The DOC will prepare an Environmental Assessment document for the project.

Tree Removal

Removal of trees and certain vegetation along the transmission line right-of-way will be necessary for safety, construction and maintenance purposes. Prior to tree removal activities, landowners will be contacted.

Project Schedule

Project notification and open house -----	Fall 2014
Permitting -----	Late 2014 – late 2015
Easement acquisition -----	2016
Transmission line design -----	2016
Environmental permits -----	2016
Transmission line construction -----	2017
Energization -----	Late 2017



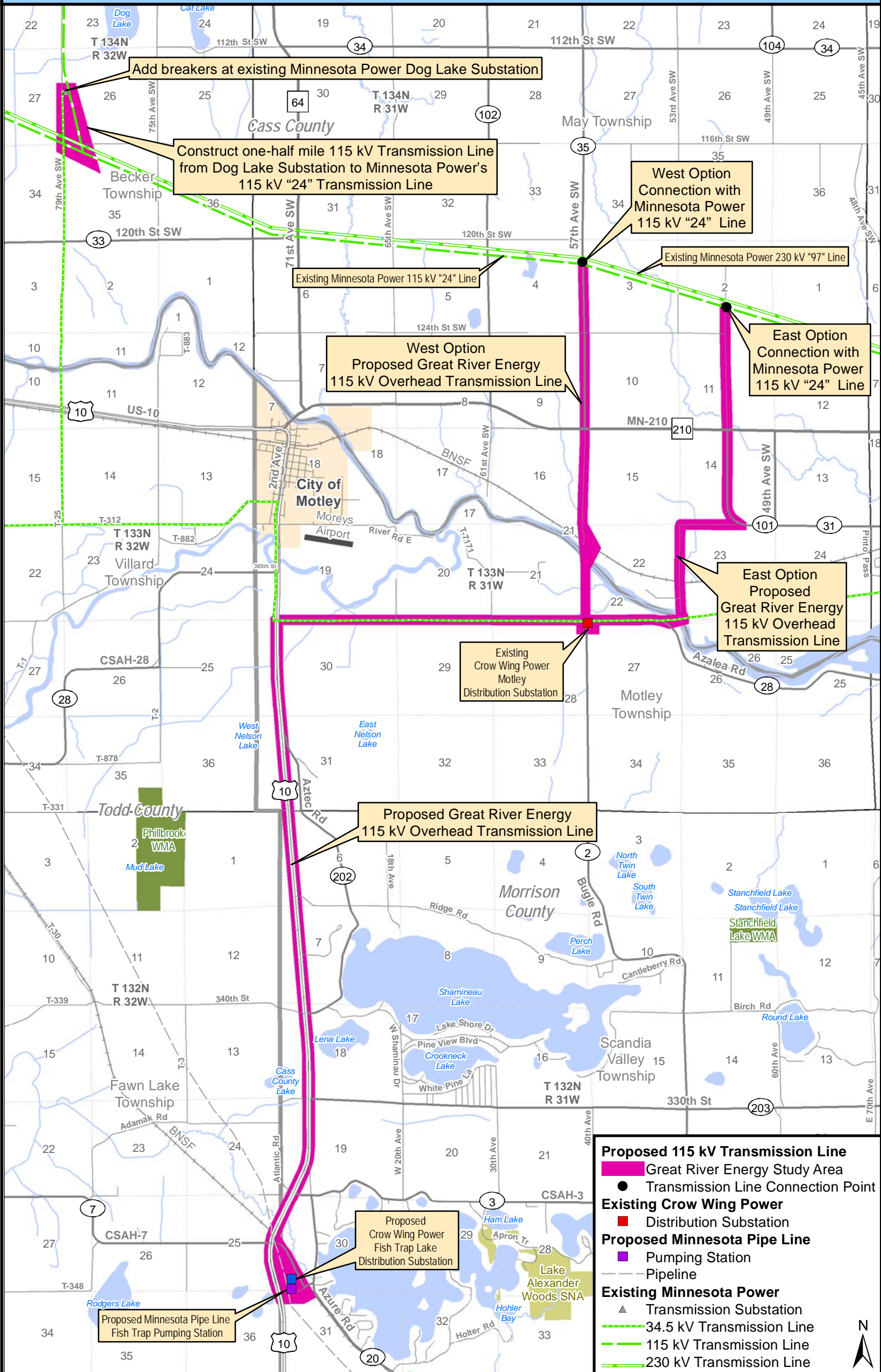
*Typical 115 kV Wood
 Transmission Line
 Structure*

For project updates and information, visit greatriverenergy.com/Motley or contact:

Rick Heuring
 Sr. Field Representative
 Great River Energy - Land Rights Department
 (763) 445-5979
rheuring@grenergy.com

Mark Strohfus
 Environmental Project Lead
 Great River Energy – Environmental Services Department
 763-445-5210
mstrohfus@grenergy.com

Preliminary Project Study Area



Proposed 115 kV Transmission Line
 ■ Great River Energy Study Area
 ● Transmission Line Connection Point

Existing Crow Wing Power
 ■ Distribution Substation

Proposed Minnesota Pipe Line
 ■ Pumping Station
 --- Pipeline

Existing Minnesota Power
 ▲ Transmission Substation
 - - - 34.5 kV Transmission Line
 — 115 kV Transmission Line
 ···· 230 kV Transmission Line



Landowner Example Letter

Reply to DER Comments on Notice Plan Petition
Docket No. ET2, E015/CN-14-853

Attachment A

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____, 2014

**RE: Notice of Certificate of Need Application for Great River Energy and Minnesota Power's Motley Area 115 kV Transmission Project in Morrison, Cass and Todd Counties, Minnesota
MPUC Docket No.: ET2, E015/CN-853**

Dear Stakeholder:

You have received this letter because you own or reside at property that may be impacted by an electric transmission line project being proposed by Great River Energy and Minnesota Power. We respectfully seek your input on the planning of this project and your participation in the state of Minnesota's review and permitting process. This letter discusses the project details and the state of Minnesota's approval and permitting process.

Project Description

Great River Energy and Minnesota Power are proposing to construct a new 115 kV transmission line called the Motley Area 115 kV Transmission Project ("Project"). The Project is proposed to be located in Motley Township and Scandia Valley Township in Morrison County; May Township and Becker Township in Cass County; and Fawn Lake Township in Todd County, Minnesota.

Attachment 1 depicts the area under consideration for the location of the Project.

The proposed Project will serve four primary purposes:

- Strengthen the electric transmission system in the Motley area, as the existing 34.5 kV system serving the area is becoming outdated and is reaching its maximum capacity.
- Provide electric service to the proposed new Crow Wing Power (CWP) Fish Trap Lake distribution substation that would provide electric power to a new pipeline pumping station proposed by Minnesota Pipe Line Company (MPL).
- Allow CWP to convert its existing Motley 34.5 kV distribution substation to operate at 115 kV due to the close proximity of the new 115 kV line to the existing substation.
- Prepare the transmission system for a future CWP distribution substation, which CWP anticipates needing in the Shamineau Lake area. This future substation could not be adequately served by the existing 34.5 kV transmission system in this area.

Great River Energy and Minnesota Power will jointly file a combined Certificate of Need and Route Permit application with the Public Utilities Commission ("Commission") and request permission to:

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- Construct approximately 14.8 – 15.8 miles of north-south single circuit 115 kV overhead transmission line between Minnesota Power's existing 115 kV "24" transmission line and the new CWP Fish Trap Lake distribution substation. Great River Energy would ~~install a three-way switch structure (to~~ tap the Minnesota Power "24" line) at Cass County Road 35, approximately 1 3/4 miles one of two alternate locations north of Highway 210 (the east or west option depicted in Attachment 1). Low voltage distribution and/or 34.5 kV sub-transmission circuits may be constructed on a portion of the new 115 kV structures (underbuilt) depending on the final alignment approved for the Project.
- Construct a breaker station and approximately one-half mile of 115 kV transmission line at Minnesota Power's Dog Lake Substation.
- Convert the existing Crow Wing Power Motley Substation from 34.5 kV to 115 kV.
- Construct the proposed Crow Wing Power Fish Trap Lake Substation on Minnesota Pipe Line's pumping station property in the vicinity of US Highway 10 and Holt Road.

Great River Energy and Minnesota Power anticipate that a 100-foot wide right-of-way ("ROW"), 50 feet from each side of the transmission centerline, will be required for the Project. Before beginning construction, Great River Energy will acquire property rights for the ROW, typically through an easement that will be negotiated with the landowner for each parcel.

The proposed structures for the Project will primarily be single pole, wood structures approximately 60 to 90 feet above ground using spans of approximately 250 to 400 feet between poles. Additionally, specialty structures, other than the single pole wood structures discussed above, may be used through areas of environmental sensitivity or where construction conditions require their use.

As one way to identify potential Project stakeholders, Great River Energy and Minnesota Power have established a "Notice Area". The Notice Area includes all properties within the proposed route (see Attachment 1) for the transmission line, breaker station, switch and substations as well as all properties within 500-350 feet of either side of the proposed centerline route options. This notice, or similar notice, is being provided to the following:

- Landowners with property within the Notice Area;
- Residents within the Notice Area;
- Local units of government with jurisdiction in the Notice Area;
- Local and State elected officials who have constituents in the Notice Area; and
- State and local government agencies and offices with jurisdiction in the Notice Area.

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Regulatory Process Overview

The Commission must determine whether the Project is needed (Certificate of Need) and where the Project should be located (Route Permit). Before the Project can be constructed, the Commission must first certify that the Project is needed. Certification of the Project is governed by Minnesota law, including Minnesota Statutes Section 216B.243, and Minnesota Rules Chapters 7829 and 7849, specifically Rules 7849.0010 to 7849.0400 and 7849.1000 to 7849.2100. In the Certificate of Need proceeding, the Commission will analyze whether Great River Energy and Minnesota Power have proposed the most appropriate size, type, and timing for the Project. The Certificate of Need application, once submitted, can be obtained by visiting the Commission's website at www.mn.gov/puc in Docket No. ET2, E015/CN-14-853.

In addition to certifying the Project, the Commission must also grant a Route Permit for the Project. Routing of the Project is governed by Minnesota law, including Minnesota Statutes Chapter 216E and Minnesota Rules Chapter 7850, specifically Rules 7850.2800 to 7850.3900, as they pertain to the alternative permitting process. Information on the Route Permit application, once filed, can be obtained by visiting the Minnesota Department of Commerce Energy Environmental Review and Analysis ("EERA") website at mn.gov/commerce/energyfacilities/.

EERA staff is responsible for conducting environmental review of the Project. EERA staff is responsible for preparing both an environmental report ("ER") for the Certificate of Need proceeding and an environmental assessment ("EA") for the Route Permit proceeding. EERA staff may elect to combine these two documents and issue one EA document, which satisfies the environmental review requirements for the Certificate of Need and Route Permit proceedings.

Great River Energy and Minnesota Power will be submitting an application for a Route Permit and will identify proposed route options and routes that were evaluated but rejected.

Attachment 1 depicts the route options Great River Energy and Minnesota Power intend to propose for the Project in their Route Permit Application. Other routes can be proposed during the EA scoping process to be completed by EERA. As part of its analysis, EERA will evaluate the routes proposed by Great River Energy and Minnesota Power in its Route Permit application and any other routes proposed during the scoping process that will aid in the Commission's decision on the Route Permit application. The Commission may determine that one of the route options submitted by Great River Energy and Minnesota Power, or a route proposed during the scoping process, or some combination of such routes is the most appropriate route for the Project. Selection of a final route by the Commission will be based on evaluation of the routes, guided by the Factors identified in Minnesota Statutes Section 216E.03, subdivision 7, Minnesota Rule 7850.4100, and stakeholder input received during the regulatory process.

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Need for the Project

The Motley Area 115 kV Transmission Project is needed by 2017 to address potential circuit overloads on the existing Dog Lake-Baxter 34.5 kV electric system¹. System overloads can result in power outages to those homes and businesses served by the 34.5 kV electric system.

Given the continuing risk of system overloads now coupled with the future electric demands of the proposed Minnesota Pipeline Pumping Station, Great River Energy and Minnesota Power are proposing to remove the Motley Substation's load off of the 34.5 kV system and onto the more robust 115 kV system.

Crow Wing Power has also identified the need for a future Shamineau Substation with a likely location westerly of Shamineau Lake. The load in the Shamineau Lake area could not be served by the existing 34.5 system, but it could be served by the proposed 115 kV system. The proposed route will be well suited for this location because it will allow the new substation to interconnect to the new 115 kV transmission line with minimal new 115 kV transmission line.

MPL is proposing to construct six new pumping stations along its newest pipeline (Line 4) to ensure that Minnesota refineries continue to have access to reliable and sufficient crude oil supplies to meet demand for transportation fuels. MPL plans to use available capacity on Line 4 to ensure reliability of its pipeline system, which is the primary crude oil pipeline system supplying Minnesota's two refineries. In addition to the local load-serving need discussed above, the Motley Area 115 kV Project is needed to provide electrical service to Crow Wing Power's proposed new Fish Trap Lake distribution substation, which will serve one of these six proposed pumping stations (the Fish Trap Pumping Station), which will be located at the southern terminus of the Project. MPL submitted a Certificate of Need application for the Minnesota Pipe Line Reliability Project on July 25, 2014 (MPUC Docket No. PL-5/CN-14-320).

Biennial Transmission Planning

Minnesota statutes include a requirement that each electric transmission-owning utility in the state file a biennial transmission planning report with the Commission in the fall of odd years. These reports provide an excellent source of background information on the transmission planning process used by utilities in Minnesota. The 2013 Biennial Transmission Planning Report is available at: www.minnelectrans.com.

¹ The existing Motley 34.5 kV Substation receives electric energy through the Baxter Substation's 34.5 kV electric circuit or the Dog Lake Substation's 34.5 kV circuit. The potential overloads on the 34.5 kV sub-transmission system were first identified in 2008 and included in Great River Energy's Long Range Plan. System overload could occur if there was a contingency on the Baxter 115/34.5 kV transformer. Upon the contingency occurrence, system operators would reconfigure the system by use of switches to use the Dog Lake transformer to pick up the load normally served by Baxter. If this scenario were to happen during peak loading times, the load picked up by Dog Lake would cause an overload on the Dog Lake 115/34.5 kV transformer.

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How to Stay Informed on the Project

You can receive email notifications when information pertaining to the Certificate of Need or Route permit is filed. Alternately, you can receive information via US Mail service.

To receive email notifications when information related to the Certificate of Need or Route Permit is filed, subscribe to the Project docket(s) as follows:

- 1) Go to PUC web page <http://mn.gov/puc/>
- 2) Under *Get There Faster*, click *Subscribe to a Docket*
- 3) Enter your email address and select *Go*
- 4) Click the *New Subscription* button at the bottom of the table
- 5) For Type of Subscription, select *Docket No.*
- 6) Under Docket No., select *14*
- 7) In the adjacent box to the right, enter *853* for the Certificate of Need ~~or~~ for the Route Permit
- 8) The description, "INITIAL FILING--MOTLEY AREA 115 KV TRANSMISSION PROJECT" ~~CON DOCKET TITLE~~ or "RP DOCKET TITLE", should appear in the new box.
- 9) Click the *Add to List* button below the table.
- 10) Click *Save* at the bottom of the page
- ~~10)~~11) If you sign up for the Certificate of Need Docket, you will automatically be added to the Route Permit Docket when it is established.

If you have questions about the process, you may contact the Consumer Affairs Office at the Commission, consumer.puc@state.mn.us, 651-296-0406 or 1-800-657-3782, or the Minnesota regulatory staff listed below:

~~To be placed on the paper copy Project Certificate of Need mailing list, reference Docket No. ET2, E015/CN-14853 in, mail, fax, or email request to Robin Benson at Minnesota Public Utilities Commission, 121 7th Place E., Suite 350, St. Paul, MN 55101-2147, Fax: 651-297-7073 or robin.benson@state.mn.us.~~

~~To be placed on the paper copy Project Route Permit mailing list (Docket No. ET2, /E015/TL-14-853), contact the Consumer Affairs Office at the Commission, at consumer.puc@sate.mn.us, 651-296-0406 or 1-800-657-3782.~~

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Minnesota Public Utilities Commission Bret Eknes 121 7 th Place East, Suite 350 St. Paul, Minnesota 55101 651.296.7124 800.657.3782 bret.eknes@state.mn.us	Minnesota Department of Commerce Richard Davis Environmental Review Manager 85 7 th Place East, Suite 500 St. Paul, Minnesota 55101 651.539.1846 800.657.3794 Richard.Davis@state.mn.us
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The Great River Energy contacts for questions about this Project are:

Mark Strohfus
Environmental Project Lead
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12300 Elm Creek Blvd
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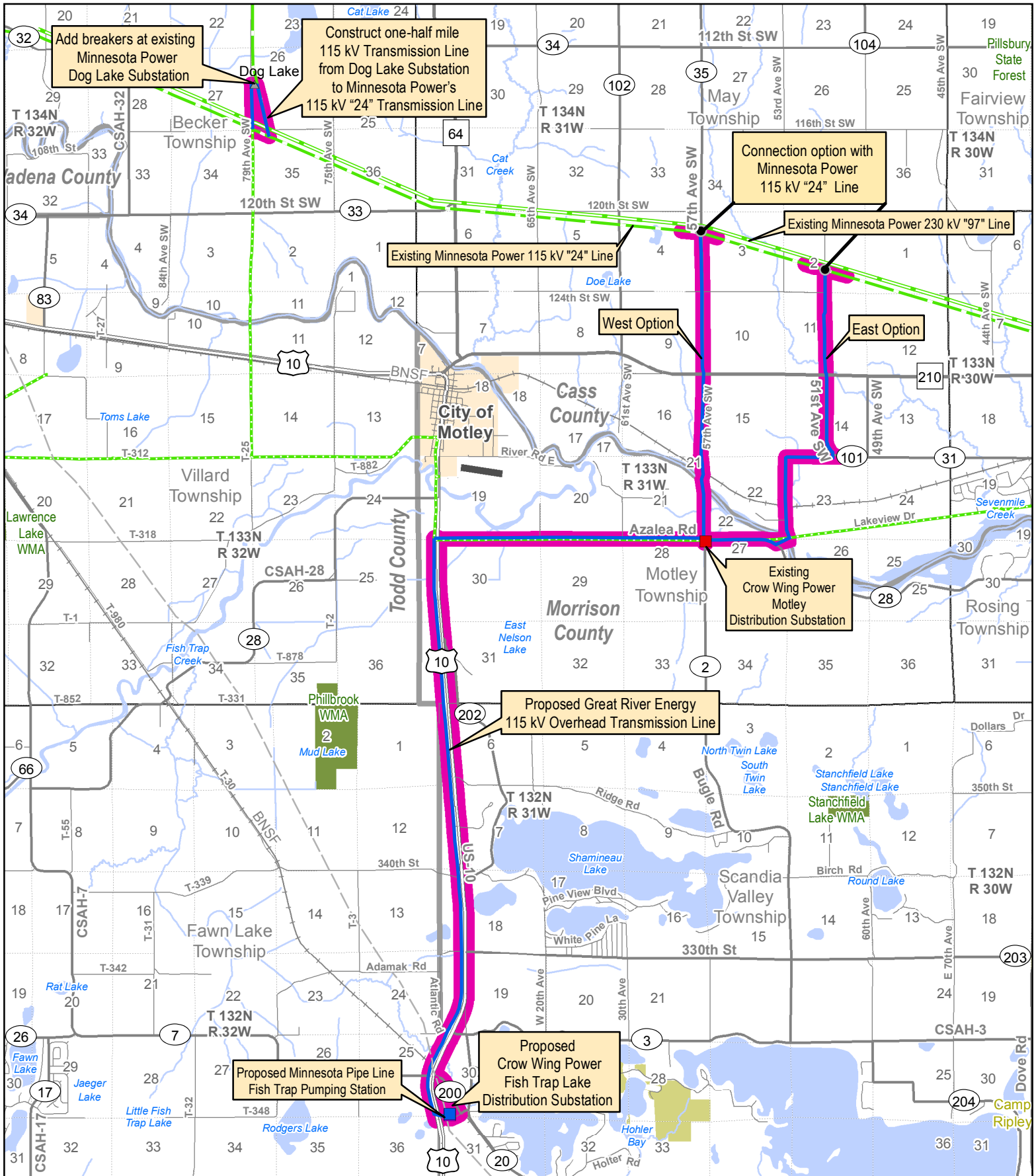
Lastly, Great River Energy maintains a project web page containing key milestones and information it has posted to the docket at:

www.greatriverenergy.com/deliveringelectricity/currentprojects/projects_motley.html

Sincerely,

Mark Strohfus
Environmental Project Lead

Enclosure: Attachment 1 – Project Fact Sheet and Route Map



Proposed Project

- 115 kV Transmission Line Route
- Notice Area (350-foot buffer outside of Route)
- Transmission Line Connection Point
- County Boundary
- Pipeline

Proposed Crow Wing Power

- Distribution Substation
- Distribution Substation
- Pumping Station

Existing Minnesota Power

- ▲ Transmission Substation
- 34.5 Transmission Line
- 115 kV Transmission Line
- 230 kV Transmission Line

**Motley Area 115 kV
Transmission Project
Attachment B**

GIS Data sources include:
MNGEO, MNDNR, MNDOT, and Great River Energy.

