



1 South Pinckney Street, Suite 810, Madison, WI 53703-2869  
608.258.4400 fax 608.258.4407

145 University Avenue West, Suite 450, St. Paul, MN 55103-2044  
651.228.0213 fax 651.228.1184

[www.cooperativenetwork.coop](http://www.cooperativenetwork.coop)

June 2, 2015

Dan Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, MN 55101-2147

RE: Commission Investigation Regarding the Appropriate Regulatory Response to Propane Storage Projects  
Docket No. E,G999/CI-14-423

Dear Mr. Wolf:

Cooperative Network is the largest statewide association of its kind, committed to building Minnesota's and Wisconsin's cooperative businesses. Our diverse membership includes member-owned farm supply, healthcare and insurance, mutual insurance, dairy marketing, consumer, financial, livestock marketing, telecommunications and electric utility, housing, school district, and worker-owned cooperatives, among others.

Our membership includes a number of local fuel cooperatives that supply propane and other heating fuels to tens of thousands of rural homes and businesses on the wholesale and consumer levels. With last year's permanent reversal of the Cochin pipeline that had historically supplied approximately 40 percent of Minnesota's propane and over 300 million gallons annually to the Upper Midwest region, our need for new propane storage continues to be ongoing.

Propane distributors made significant storage investments in 2014 through a variance order that was granted by the Minnesota Public Utilities Commission (Commission). In addition to submitting a letter of comment in support for the variance, Cooperative Network testified on June 12, 2014 in support of this variance which we stated could assist in providing variance procedures for the construction of propane storage projects. Cooperative Network is extremely grateful that the Commission issued the variance order establishing variance procedures on June 19, 2014

Under Minnesota Rules 7853.0010, subp. 23, the definition of "synthetic gas" includes propane which in turn triggers the need for a Certificate of Need (CON) process as it relates to the siting and construction of large propane storage projects. The timeframe for the CON process can last as long as 12 months and also requires that at least one public hearing be held. Given the ongoing need for propane storage to replace the reversal of the Cochin pipeline, large propane storage projects under consideration might not be in operation to meet the demand of upcoming crop drying season and home heating season if the Commission does not extend the time for propane-storage developers to request this variance.

Therefore, Cooperative Network respectfully requests that the Commission extend the time for propane-storage developers to request this variance to Minnesota Rules, part 7853.0010, subp 23. We believe it may be too soon to tell whether the conditions that led to the 2013-14 shortage have been mitigated. We also believe this extension should be granted for twelve months to allow time for the Minnesota legislature to consider clarification of the applicable statutes.

On behalf of the membership of Cooperative Network, we thank you for taking our comments into consideration.

Sincerely,



William L. Oemichen  
President & CEO



Matthew J. Hughes  
Minnesota Managing Director