

September 9, 2014

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

RE: **Letter of the Minnesota Department of Commerce, Division of Energy Resources**  
Docket No. PL-5/CN-14-320

Dear Dr. Haar:

On August 29, 2014, Minnesota Pipe Line Company (MPL or the Applicant) submitted its *Reply Comments on Completeness and Process* (Reply Comments) in this docket. These Reply Comments were in response to the August 19, 2014 Comments filed by the Minnesota Department of Commerce, Division of Energy Resources (Department). The Department provides its response and final recommendation below.

In its initial Comments, the Department recommended that the Commission find that MPL's application is complete pending the submission of the following:

- information regarding the expected in-service date of the project;
- historical nomination data for the MPL system;
- more detailed discussion of the state's regulatory authority available to the state for the Wood River Pipeline alternative discussed in response to Minnesota Rules 7853.0540;
- clarification as to the noise emitted by MPL's pump stations, including a discussion of whether current and expected noise levels are within levels currently allowed by state and local laws, rules, or ordinance; and
- further information regarding MPL's basis for labeling this project as a reliability project.

The Department also recommended that the Petition be referred to the Office of Administrative Hearings for a contested case proceeding.

While the Applicant disagreed with the Department on the issue of whether the requested information and clarifications were needed for the Application to be deemed complete, it provided the requested information and clarifications as requested. The Applicant also noted that the information regarding the project's expected in-service date had been provided in the original Application, but reiterated that information in the Reply Comments.

After reviewing the additional information and clarifications that the Applicant provided in response to the Department's August 19 Comments, the Department is satisfied that the Application is now complete and recommends that the Commission deem the Application, in conjunction with the Company's August 29, 2014 Reply Comments and Attachment, to be complete.

The Company also responded to the Department's recommendation that the Commission refer the Petition to the Office of Administrative Hearings (OAH) for a contested case proceeding. The Applicant argues for use of the Commission's informal comment process in building a record for this docket.

The Applicant believes that the informal process should be used because:

- There are currently no disputed material facts;
- Issues raised in another company's pipeline proceedings do not justify use of scarce agency resources for a contested case in this docket; and
- Other potential issues could be fully developed using the Commission's informal process, as in other pump station upgrade dockets.

The Department continues to believe that the informal process will be inadequate to fully develop a record in this case. While previous pipeline dockets that were referred to the OAH were sponsored by another company, many of the issues raised are universal to all crude oil pipelines (risk of spill and environmental concerns chief among them). The public has demonstrated increasing levels of concern and interest in pipeline upgrade projects in Minnesota and the Department anticipates heightened levels of public interest in this docket as well. The contested case process allows for greater opportunity for public comment and allows for a more thorough record to be developed and thus should be used for building a record in this docket. As always, the Commission's Order for Hearing should identify how interested parties can participate in the process.

The Department is available to answer any questions that the Commission may have.

Sincerely,

/s/ LAURA B. OTIS  
Rates Analyst  
651-539-1828

LBO/lt

## 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  
Letter**

**Docket No. PL5/CN-14-320**

Dated this 9<sup>th</sup> day of September 2014

**/s/Sharon Ferguson**

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