



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

7 January 2014

**VIA EMAIL**

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

**Re:** *In the Matter of the Application of Great River Energy for a Certificate of Need for its 115 kV Transmission Line Project in the Elko New Market and Cleary Lake Areas in Scott and Rice Counties, Minnesota*  
**MPUC Docket No. ET2/CN-12-1235**  
**Reply Comments**

Dear Dr. Haar:

Great River Energy hereby submits these comments in reply to the December 18, 2013 comments of the Minnesota Department of Commerce, Division of Energy Resources (Department). In its comments, the Department requested that Great River Energy add the Minnesota Public Utilities Commission's externality costs and future cost of carbon dioxide regulation values to the economic analysis of alternatives.

In Appendix H of the Application, Great River Energy included the future cost of carbon dioxide regulation values in the economic analysis of alternatives. The following table has been edited from Section 8 of Appendix H to also include the Commission's externality costs.

Options	Cumulative Present Worth	Cumulative Investment	PW with Loss Saving
Option 2(b)	\$27,907,000	\$19,658,000	Benchmark
Option 2(a)	\$32,879,000	\$20,438,000	\$32,316,000


The attached tables (**Attachment 1**) also include the Commission's externality costs. Great River Energy believes these data address the request of the Department and provide the identified information.

Dr. Haar  
January 7, 2014  
Page 2

Please feel free to call me at 763-445-5214 if you have any questions regarding these reply comments.

Sincerely,

GREAT RIVER ENERGY

A handwritten signature in cursive script that reads "Carole L. Schmidt".

Carole L. Schmidt  
Supervisor, Transmission Permitting and Compliance

Enclosures

cc: Service List

**Present Worth Spreadsheet for Option 2(a)**

Present Worth Years	Cumulative Present Worth	Cumulative Investment	Annual Cost
41	32316	20438	2135

The following rates will be assessed in the analysis:

Investment:	Dist:	Lines:	Subs:	Interest Rate:	6.00%	Year of study: 2012
Capital Recovery:	7.50%	7.50%	7.50%	Investment Esc.:	5.00%	Year of dollar: 2012
Property Tax:	3.50%	3.50%	3.50%	Expense Esc.:	4.00%	
O&M:	2.00%	2.00%	2.00%	Losses (\$/kW/yr.):	\$ 321.65	
G&A:	0.80%	0.80%	0.80%			
Insurance:	0.10%	0.00%	0.10%			
Charge Rate:	13.90%	13.80%	13.90%			Costs are in: 1000's

Year	Dist. Invest. 2012 Dollars	Lines Invest. 2012 Dollars	Subs. Invest. 2012 Dollars	Escalated New Invest.	Expenses 2012 Dollars	Escalated Expenses	Investment Revenue Requirement	Revenue Require.	Present Worth of Revenue Requirement	Cumulative PW 2012 Dollars	Cumulative Investment
2012	0	0	0	0	0	0	\$0	0	0	0	0
2013	0	0	0	0	0	0	\$0	0	0	0	0
2014	0	0	0	0	0	0	\$0	0	0	0	0
2015	0	0	0	0	0	0	\$0	0	0	0	0
2016	0	8384	7031	18737	0	0	\$2,594	2594	2055	2055	18737
2017	0	0	0	0	-129	-157	\$2,594	2438	1822	3876	18737
2018	0	0	0	0	-129	-163	\$2,594	2431	1714	5591	18737
2019	0	0	0	0	-129	-169	\$2,594	2425	1613	7203	18737
2020	0	0	0	0	-129	-176	\$2,594	2418	1517	8720	18737
2021	0	0	0	0	-129	-183	\$2,594	2411	1427	10148	18737
2022	0	742	302	1701	0	0	\$2,829	2829	1580	11727	20438
2023	0	0	0	0	0	0	\$2,829	2829	1491	13218	20438
2024	0	0	0	0	0	0	\$2,829	2829	1406	14624	20438
2025	0	0	0	0	0	0	\$2,829	2829	1327	15951	20438
2026	0	0	0	0	0	0	\$2,829	2829	1251	17202	20438
2027	0	0	0	0	0	0	\$2,829	2829	1181	18383	20438
2028	0	0	0	0	0	0	\$2,829	2829	1114	19497	20438
2029	0	0	0	0	0	0	\$2,829	2829	1051	20547	20438
2030	0	0	0	0	0	0	\$2,829	2829	991	21539	20438
2031	0	0	0	0	0	0	\$2,829	2829	935	22474	20438
2032	0	0	0	0	0	0	\$2,829	2829	882	23356	20438
2033	0	0	0	0	0	0	\$2,829	2829	832	24188	20438
2034	0	0	0	0	0	0	\$2,829	2829	785	24974	20438
2035	0	0	0	0	0	0	\$2,829	2829	741	25714	20438
2036	0	0	0	0	0	0	\$2,829	2829	699	26413	20438
2037	0	0	0	0	0	0	\$2,829	2829	659	27072	20438
2038	0	0	0	0	0	0	\$2,829	2829	622	27694	20438
2039	0	0	0	0	0	0	\$2,829	2829	587	28281	20438
2040	0	0	0	0	0	0	\$2,829	2829	554	28835	20438
2041	0	0	0	0	0	0	\$2,829	2829	522	29357	20438
2042	0	0	0	0	0	0	\$2,829	2829	493	29849	20438
2043	0	0	0	0	0	0	\$2,829	2829	465	30314	20438
2044	0	0	0	0	0	0	\$2,829	2829	438	30753	20438
2045	0	0	0	0	0	0	\$2,829	2829	414	31166	20438
2046	0	0	0	0	0	0	\$1,424	1424	196	31363	20438
2047	0	0	0	0	0	0	\$1,424	1424	185	31548	20438
2048	0	0	0	0	0	0	\$1,424	1424	175	31723	20438
2049	0	0	0	0	0	0	\$1,424	1424	165	31888	20438
2050	0	0	0	0	0	0	\$1,424	1424	156	32043	20438
2051	0	0	0	0	0	0	\$1,424	1424	147	32190	20438
2052	0	0	0	0	0	0	\$1,297	1297	126	32316	20438

Present Worth Spreadsheet for Option 2(b)

Present Worth Years	Cumulative Present Worth	Cumulative Investment	Annual Cost
41	27907	19658	1843

The following rates will be assessed in the analysis:

Investment:	Dist:	Lines:	Subs:	Interest Rate:	6.00%	Year of study: 2012
Capital Recovery:	7.50%	7.50%	7.50%	Investment Esc.:	5.00%	Year of dollar: 2012
Property Tax:	3.50%	3.50%	3.50%	Expense Esc.:	4.00%	
O&M:	2.00%	2.00%	2.00%	Losses (\$/kW/yr.):	\$ 321.65	
G&A:	0.80%	0.80%	0.80%			
Insurance:	0.10%	0.00%	0.10%			
Charge Rate:	13.90%	13.80%	13.90%			Costs are in: 1000's

Year	Dist. Invest. 2012 Dollars	Lines Invest. 2012 Dollars	Subs. Invest. 2012 Dollars	Escalated New Invest.	Expenses 2012 Dollars	Escalated Expenses	Investment Revenue Requirement	Revenue Require.	Present Worth of Revenue Requirement	Cumulative PW 2012 Dollars	Cumulative Investment
2012	0	0	0	0	0	0	\$0	0	0	0	0
2013	0	0	0	0	0	0	\$0	0	0	0	0
2014	0	0	0	0	0	0	\$0	0	0	0	0
2015	0	0	0	0	0	0	\$0	0	0	0	0
2016	0	6572	2343	10837	0	0	\$1,498	1498	1187	1187	10837
2017	0	0	0	0	0	0	\$1,498	1498	1120	2306	10837
2018	0	0	0	0	0	0	\$1,498	1498	1056	3363	10837
2019	0	0	0	0	0	0	\$1,498	1498	996	4359	10837
2020	0	0	0	0	0	0	\$1,498	1498	940	5299	10837
2021	0	0	0	0	0	0	\$1,498	1498	887	6186	10837
2022	490	1028	3898	8821	0	0	\$2,723	2723	1520	7706	19658
2023	0	0	0	0	0	0	\$2,723	2723	1434	9141	19658
2024	0	0	0	0	0	0	\$2,723	2723	1353	10494	19658
2025	0	0	0	0	0	0	\$2,723	2723	1277	11770	19658
2026	0	0	0	0	0	0	\$2,723	2723	1204	12975	19658
2027	0	0	0	0	0	0	\$2,723	2723	1136	14111	19658
2028	0	0	0	0	0	0	\$2,723	2723	1072	15183	19658
2029	0	0	0	0	0	0	\$2,723	2723	1011	16194	19658
2030	0	0	0	0	0	0	\$2,723	2723	954	17148	19658
2031	0	0	0	0	0	0	\$2,723	2723	900	18048	19658
2032	0	0	0	0	0	0	\$2,723	2723	849	18897	19658
2033	0	0	0	0	0	0	\$2,723	2723	801	19698	19658
2034	0	0	0	0	0	0	\$2,723	2723	756	20453	19658
2035	0	0	0	0	0	0	\$2,723	2723	713	21166	19658
2036	0	0	0	0	0	0	\$2,723	2723	672	21838	19658
2037	0	0	0	0	0	0	\$2,723	2723	634	22473	19658
2038	0	0	0	0	0	0	\$2,723	2723	598	23071	19658
2039	0	0	0	0	0	0	\$2,723	2723	565	23636	19658
2040	0	0	0	0	0	0	\$2,723	2723	533	24169	19658
2041	0	0	0	0	0	0	\$2,723	2723	503	24671	19658
2042	0	0	0	0	0	0	\$2,723	2723	474	25145	19658
2043	0	0	0	0	0	0	\$2,723	2723	447	25592	19658
2044	0	0	0	0	0	0	\$2,723	2723	422	26014	19658
2045	0	0	0	0	0	0	\$2,723	2723	398	26412	19658
2046	0	0	0	0	0	0	\$1,910	1910	263	26676	19658
2047	0	0	0	0	0	0	\$1,910	1910	249	26924	19658
2048	0	0	0	0	0	0	\$1,910	1910	234	27159	19658
2049	0	0	0	0	0	0	\$1,910	1910	221	27380	19658
2050	0	0	0	0	0	0	\$1,910	1910	209	27589	19658
2051	0	0	0	0	0	0	\$1,910	1910	197	27785	19658
2052	0	0	0	0	0	0	\$1,248	1248	121	27907	19658

IN THE MATTER OF THE APPLICATION OF  
GREAT RIVER ENERGY FOR A CERTIFICATE  
OF NEED FOR A 115 KV TRANSMISSION  
LINE PROJECT IN THE ELKO NEW MARKET  
AND CLEARY LAKE AREAS IN SCOTT AND  
RICE COUNTIES, MINNESOTA

MPUC Docket No. ET2/CN-12-1235  
OAH Docket No. 48-2500-31007

### **CERTIFICATE OF SERVICE**

Jill N. Yeaman certifies that on the 7th day of January, 2014, she filed a true and correct copy of Great River Energy's **REPLY COMMENTS** by posting the same on eDockets ([www.edockets.state.mn.us](http://www.edockets.state.mn.us)). Said document was also served via U.S. Mail or email as designated on the Official Service List and the Special Service List on file with the Minnesota Public Utilities Commission in the above-referenced docket.

*/s/ Jill N. Yeaman*

\_\_\_\_\_  
Jill N. Yeaman

## Official Service List

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_12-1235_CN-12-1235
Sarah	Beimers	sarah.beimers@mnhs.org	Minnesota Historical Society	345 Kellogg Boulevard West  St. Paul, MN 55102	Electronic Service	No	OFF_SL_12-1235_CN-12-1235
Kodi	Church	kchurch@briggs.com	Briggs & Morgan	2200 IDS Center 80 South Eighth Street Minneapolis, Minnesota 55402	Electronic Service	No	OFF_SL_12-1235_CN-12-1235
Katie	Clark Sieben	katie.clark.sieben@state.mn.us	DEED	332 Minnesota St, #E200 1st National Bank Bldg Saint Paul, MN 55101	Electronic Service	No	OFF_SL_12-1235_CN-12-1235
Commander	Commander	N/A	Corps of Engineers	180 5th ST. E. STE 700 St. Paul, MN 55101	Paper Service	No	OFF_SL_12-1235_CN-12-1235
Randall	Doneen	randall.doneen@state.mn.us	Department of Natural Resources	500 Lafayette Rd, PO Box 25  Saint Paul, MN 55155	Electronic Service	No	OFF_SL_12-1235_CN-12-1235
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500  Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_12-1235_CN-12-1235
Travis	Germundson	travis.germundson@state.mn.us		Board of Water & Soil Resources 520 Lafayette Rd Saint Paul, MN 55155	Electronic Service	No	OFF_SL_12-1235_CN-12-1235
Burl W.	Haar	burl.haar@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_12-1235_CN-12-1235
Leah	Hedman	Leah.Hedman@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St Saint Paul, MN 55101	Electronic Service	No	OFF_SL_12-1235_CN-12-1235

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Linda	Jensen	linda.s.jensen@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota Street  St. Paul, MN 551012134	Electronic Service	No	OFF_SL_12-1235_CN-12-1235
Ray	Kirsch	Raymond.Kirsch@state.mn.us	Department of Commerce	85 7th Place E Ste 500  St. Paul, MN 55101	Electronic Service	No	OFF_SL_12-1235_CN-12-1235
Stacy	Kotch	Stacy.Kotch@state.mn.us	MINNESOTA DEPARTMENT OF TRANSPORTATION	395 John Ireland Blvd.  St. Paul, MN 55155	Electronic Service	No	OFF_SL_12-1235_CN-12-1235
Karen	Kromar	karen.kromar@state.mn.us	MN Pollution Control Agency	520 Lafayette Rd  Saint Paul, MN 55155	Electronic Service	No	OFF_SL_12-1235_CN-12-1235
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_12-1235_CN-12-1235
Susan	Medhaug	Susan.medhaug@state.mn.us	Department of Commerce	Suite 500, 85 Seventh Place East  St. Paul, MN 551012198	Electronic Service	No	OFF_SL_12-1235_CN-12-1235
Bob	Patton	bob.patton@state.mn.us	MN Department of Agriculture	625 Robert St N  Saint Paul, MN 55155-2538	Electronic Service	No	OFF_SL_12-1235_CN-12-1235
Michele	Ross	michele.ross@state.mn.us	Department of Health	625 N Robert St  Saint Paul, MN 55101	Electronic Service	No	OFF_SL_12-1235_CN-12-1235
Carole	Schmidt	cschmidt@greenergy.com	Great River Energy	12300 Elm Creek Boulevard  Maple Grove, MN 553694718	Electronic Service	No	OFF_SL_12-1235_CN-12-1235

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Jamie	Schrenzel	jamie.schrenzel@state.mn.us	Minnesota Department of Natural Resources	500 Lafayette Road Saint Paul, MN 55117	Electronic Service	No	OFF_SL_12-1235_CN-12-1235
David	Seykora	dave.seykora@state.mn.us	MN Department of Transportation	395 John Ireland Boulevard Mail Stop 130 St. Paul, MN 55155-1899	Electronic Service	No	OFF_SL_12-1235_CN-12-1235
Tony	Sullins	Tony_Sullins@fws.gov	U.S. Fish and Wildlife Service	Twin Cities Ecological Services Field Office 4101 American Blvd. E. Bloomington, MN 55425	Electronic Service	No	OFF_SL_12-1235_CN-12-1235



## Special Service List

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Sarah	Beimers	sarah.beimers@mnhs.org	Minnesota Historical Society	345 Kellogg Boulevard West  St. Paul, MN 55102	Electronic Service	No	SPL_SL_12-1235_Elko New Market Scoping
Douglas	Benson	bademaidouglas.benson@state.mn.us	Department of Health	625 North Robert Street  St. Paul, MN 55155	Paper Service	No	SPL_SL_12-1235_Elko New Market Scoping
David	Birkholz	david.birkholz@state.mn.us	MN Department of Commerce	Suite 500 85 7th Place East St. Paul, MN 551012198	Electronic Service	No	SPL_SL_12-1235_Elko New Market Scoping
Commander	Commander	N/A	Corps of Engineers	180 5th ST. E. STE 700 St. Paul, MN 55101	Paper Service	No	SPL_SL_12-1235_Elko New Market Scoping
Brad	Davis	bdavis@co.scott.mn.us	Scott County	Scott County Government Center 200 Fourth Avenue West Shakoe, MN 55379	Electronic Service	No	SPL_SL_12-1235_Elko New Market Scoping
Travis	Germundson	travis.germundson@state.mn.us		Board of Water & Soil Resources 520 Lafayette Rd Saint Paul, MN 55155	Electronic Service	No	SPL_SL_12-1235_Elko New Market Scoping
Stacy	Kotch	Stacy.Kotch@state.mn.us	MINNESOTA DEPARTMENT OF TRANSPORTATION	395 John Ireland Blvd.  St. Paul, MN 55155	Electronic Service	No	SPL_SL_12-1235_Elko New Market Scoping
Karen	Kromar	karen.kromar@state.mn.us	MN Pollution Control Agency	520 Lafayette Rd  Saint Paul, MN 55155	Electronic Service	No	SPL_SL_12-1235_Elko New Market Scoping
Debra	Moynihan	debra.moynihan@state.mn.us	MN Department of Transportation	395 John Ireland Blvd MS 620  St. Paul, MN 55155-1899	Electronic Service	No	SPL_SL_12-1235_Elko New Market Scoping
Carole	Schmidt	cschmidt@grenergy.com	Great River Energy	12300 Elm Creek Boulevard  Maple Grove, MN 553694718	Electronic Service	No	SPL_SL_12-1235_Elko New Market Scoping

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Jamie	Schrenzel	jamie.schrenzel@state.mn.us	Minnesota Department of Natural Resources	500 Lafayette Road Saint Paul, MN 55117	Electronic Service	No	SPL_SL_12-1235_Elko New Market Scoping
Tom	Stockert	tom.stockert@abheonline.com	Abhe Svoboda Inc	17066 Revere Way Prior Lake, MN 55372	Paper Service	No	SPL_SL_12-1235_Elko New Market Scoping
Erin	Stwora	erin.stwora@co.dakota.mn.us	Dakota County	N/A	Electronic Service	No	SPL_SL_12-1235_Elko New Market Scoping