



GREAT RIVER
ENERGYSM

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October 30, 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: Exemption Request 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:

On behalf of Great River Energy and Minnesota Power, Great River Energy hereby submits this Exemption Request Petition for the Motley Area Project for review and approval by the Minnesota Public Utilities Commission. Great River Energy and Minnesota Power intend to submit a Certificate of Need Application to construct a new (approximately 14-mile) 115 kV transmission line and to construct/modify substations in the Motley area in Morrison, Cass and Todd counties.

If you have any questions regarding this filing, please contact me at 763-445-5218.

Respectfully Submitted,

GREAT RIVER ENERGY

Donna L. Stephenson
Associate General Counsel

Enclosure

cc: Service List

**STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION**

Beverly Jones Heydinger	Chair
David C. Boyd	Commissioner
Betsy Wergin	Commissioner
Nancy Lange	Commissioner
Dan Lipschultz	Commissioner

IN THE MATTER OF 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

MPUC Docket No. ET2,E015/CN-14-853

**REQUEST FOR EXEMPTION FROM CERTAIN
CERTIFICATE OF NEED APPLICATION CONTENT
REQUIREMENTS**

I. INTRODUCTION

Great River Energy and Minnesota Power (“Applicants”) intend to file a request for a Certificate of Need for a 115 kilovolt (“kV”) high voltage transmission line (“HVTL”) in Morrison, Cass and Todd counties named the Motley Area 115 kV Transmission Project (“Project”). The Project is primarily driven by Great River Energy’s load-serving needs, including the need to serve a proposed new Minnesota Pipe Line Company (“MPL”) pumping station; however, Minnesota Power will be a joint applicant to capture their load-serving needs in the area and modifications to their system required as a result of Great River Energy’s proposed transmission facilities.

On behalf of Applicants, Great River Energy respectfully submits this Request for Exemption from certain Certificate of Need Application Content Requirements pertaining to our intent to file an Application for a Certificate of Need to:

- Construct approximately 14 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 proposes to install a three-way switch structure (to tap the Minnesota Power “24” line) at Cass County Road 35, approximately 1-3/4 miles north of Highway 210. 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 CWP Motley Substation from 34.5 kV to 115 kV.
- Construct the proposed CWP Fish Trap Lake Substation on MPL’s pumping station property in the vicinity of US Highway 10 and Holt Road.

The Project is needed by 2017 to address potential circuit overloads that exist on the Dog Lake – Baxter 34.5 kV system (**Attachment A**) and to meet the in-service date for the Fish Trap pumping station to be built by MPL as part of the Minnesota Pipe Line Reliability 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).

Minnesota Statute Section 216B.243, subdivision 2 provides that no “large energy facility” shall be sited or constructed in Minnesota without the issuance of a Certificate of Need by the Commission. The definition of a “large energy facility” that is applicable here is “a high-voltage transmission line with a capacity of 100 kV or more with more than 10 miles of its length in Minnesota.” Minn. Stat. § 216B.2421, subd. 2(3). The overall length of this Project is greater than 10 miles and it includes construction of a transmission line capable of operating at 115 kV. A map of Great River Energy’s proposed route and notice corridor (between 1,000 and 1,500 feet wide) is included as **Attachment B**.

Applicants believe that some of the application content requirements of Minnesota Rules Chapter 7849 should be customized to better address the proposed Project. The Commission has accepted similar adjustments for projects of similar scope in the recent past. Great River Energy, on behalf of Applicants, therefore respectfully requests that the Commission grant exemptions from certain requirements as provided under Minnesota Rule 7849.0200, Subpart 6. In lieu of some content requirements, Applicants propose to submit alternative information that we believe will better inform the Commission’s decision on whether the proposed upgrade is needed.

II. BACKGROUND

Applicants have determined that the 34.5 kV subtransmission system sourced from the Dog Lake – Baxter 115/34.5 kV system is no longer adequate to serve the power demands in the area (load-serving needs and a new pumping station).

The 34.5 kV sub-transmission system sourced from the Dog Lake 115/34.5 kV Substation and the Baxter 115/34.5 kV Substation (see **Attachment A**) is currently at risk of experiencing transmission system overloads. 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 overloads could occur if there was a contingency on the Baxter Substation 115/34.5 kV transformer. In the event of such a contingency, system operators would be required to reconfigure the system by use of switches to transfer the load normally served by the Baxter Substation to the Dog Lake Substation. If this scenario were to happen during peak loading times, the additional load would cause an overload on the Dog Lake Substation 115/34.5 kV transformer.

The proposed new MPL pumping station load, in addition to the loads currently served by the Dog Lake–Baxter area 34.5 kV system, will exceed the system’s maximum capacity. A solution is needed to either unload the system or build more capacity into the system. The most economical plan is to remove a large load from the 34.5 kV system and place it on a new higher

voltage system (therefore alleviating the capacity constraint), rather than rebuilding the entire 34.5 kV system. The Project proposes to remove a large load (the Motley Substation) from the 34.5 kV system and place it on a new 115 kV circuit. Removing Motley from the 34.5 kV system alleviates the capacity constraint on the Dog Lake–Baxter 34.5 kV system and also provides a more robust 115 kV source to the Motley Substation.

In addition to addressing the load service needs discussed above, the Project will prepare the area transmission system for additional loads in the Shamineau Lake area. The need for the proposed new Shamineau Substation has been identified in the Biennial Plan (“Plan”). The 2009 Plan states, however, that the substation is on hold due to a reduction in load growth. If growth rates return to historically higher levels, the existing 34.5 kV transmission system could not reliably serve the Shamineau Lake area. The proposed Project would provide the needed support. CWP has indicated that a prudent location for the Shamineau Substation would be near US Highway 10 westerly of Shamineau Lake. The Project would support such a location with minimal additional high voltage transmission line construction.

III. LEGAL STANDARD AND SUMMARY EXEMPTION

Minnesota Rule 7849.0220, Subpart 2 specifies the rules and content requirements for an application for Certificates of Need for transmission lines (they include Rules 7849.0260 to 7849.0340). The Commission has authority to grant exemptions from the requirements of Chapter 7849 pursuant to Minnesota Rule 7849.0200, Subpart 6, which provides:

Subp. 6 Exemptions. Before submitting an application, a person is exempted from any data requirement of this chapter if the person (1) requests an exemption from specific rules, in writing to the commission, and (2) shows that the data requirement is unnecessary to determine the need for the proposed facilities or may be satisfied by submitting another document. A request for exemption must be filed at least 45 days before submitting an application. The commission shall respond in writing to a request for exemption within 30 days of receipt and include the reasons for the decision. The commission shall file a statement of exemptions granted and reasons for granting them before beginning the hearing.

The Commission may grant exemptions when the data requirements: (1) are unnecessary to determine need in a specific case; or (2) may be satisfied by submitting documents other than those required by the rules.¹

¹ Minn. R. 7849.0200, Subp. 6; see *In the Matter of The Application of Otter Tail Power Company for a Certificate of Need for the Appleton - Canby 115 kV High Voltage Transmission Line, ORDER GRANTING EXEMPTIONS AND APPROVING A NOTICE PLAN AS MODIFIED*, Docket No. E-017/CN-06-677 (Aug. 1, 2006); see also *In the Matter of the Request by Great River Energy for a Certificate of need High Voltage Transmission line from the Mud Lake*

Great River Energy, on behalf of Applicants, specifically requests that the Commission grant exemptions for the following rules:

Minnesota Rule	Scope of Exemption
Minnesota Rule 7849.0260, Subps. A(3) and C(6), Line Losses.	Request to provide overall system loss data in lieu of line loss data.
Minnesota Rule 7849.0270, Subps. 1 and 2, System-Wide Data.	Request to provide data for the affected load area for Subps. 1 and 2.
Minnesota Rule 7849.0270, Subps. 2(B) and 2(C), Customer Class Information.	Request to provide customer class information only as it relates to the proposed MPL pumping station.
Minnesota Rule 7849.0270, Subp. 2(C), Annual Peak Demand.	Request to provide data for the affected load area on an annual coincident peak basis.
Minnesota Rule 7849.0270, Subp. 2(D), Monthly Peak Demand.	Request to provide Minnesota Power substation and Great River Energy member cooperative substation demand data within the affected load area.
Minnesota Rule 7849.0270, Subp. 2(E), Revenue Requirements.	Request to provide a description of the general financial effect of the Project on Great River Energy member cooperatives and on Minnesota Power.
Minnesota Rule 7849.0270, Subp. 2(F), Weekday Load Factor.	Full exemption requested.
Minnesota Rule 7849.0270, Subps. 3-5, Forecast Methodology.	Request to provide forecast methodology for affected load area substations as reflected in the requests for certain exemptions from Minnesota Rule 7849.0270, Subpart 2.
Minnesota Rule 7849.0280(A) and (H), System Capacity.	Request to provide data for (A) and (H) for the affected load area.
Minnesota Rule 7849.0280(B) through (I), System Capacity.	Full exemption requested.

Substation to the Wilson Lake Substation, ORDER GRANTING AND DENYING EXEMPTIONS, APPROVING A NOTICE PLAN AS MODIFIED, AND CONSOLIDATING DOCKETS, Docket No. ET2-CN-06-367 (May 15, 2006).

Minnesota Rule	Scope of Exemption
Minnesota Rule 7849.0290, Conservation.	Request to provide data on Minnesota Power programs and programs that Great River Energy makes available to member cooperatives serving the affected load area.
Minnesota Rules 7849.0300, Consequences of Delay, 7849.0340, Alternative of No Facility.	Exemption requested from requirement to provide analysis using three confidence levels. Request to provide data regarding potential impacts caused by delay and no build alternative on community service reliability in the affected load area.

This request is being made at least 45 days prior to submitting an Application for a Certificate of Need as required by Minnesota Rule 7849.0200, Subpart 6.

IV. EXEMPTIONS REQUESTED

A. Line Loss Information (Minn. R. 7849.0260, Subparts A(3) and C(6))

Minnesota Rule 7849.0260, Subpart A(3) requires the applicant to provide the expected losses under projected maximum loading and under projected average loading in the length of the transmission line and at the terminals or substations. Subpart C(6) of the same rule requires similar information (efficiency of proposed system under maximum and average loading along the length of the line). The electrical grid operates as a single, integrated system, which prevents electricity from being “directed” along a particular line or set of lines. Consequently, heat loss takes place across the entire transmission system and is not isolated to a few transmission lines within the integrated electric grid. It is necessary, therefore, to analyze line losses on a system basis rather than on a single line.

Great River Energy requests an exemption from Minnesota Rule 7849.0260, Subparts A(3) and C(6) and proposes to supply system losses information in lieu of line-specific losses required by the rules. Our proposal is consistent with the approach previously approved by the Commission in other dockets.²

² *In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy and Great River Energy for a Certificate of Need for the Upgrade of the Southwest Twin Cities (SWTC) Chaska Area 69 kV Transmission Line to 115 kV Capacity*, ORDER GRANTING APPLICANTS’ EXEMPTION REQUEST, Docket No. E002/CN-11-826 (Nov. 4, 2011); See also *In the Matter of the Application of Great River Energy, Northern States Power Company (d/b/a Xcel Energy) and Others for a Certificate of Need for the CapX 345 kV Transmission Project*, ORDER DESIGNATING APPLICANTS AND SETTING FILING REQUIREMENTS, Docket No. E002/CN-06-1115 (June 4, 2007). See also *IN THE MATTER OF THE APPLICATION OF GREAT RIVER ENERGY AND MINNESOTA POWER FOR A CERTIFICATE OF NEED FOR A 115 kV HIGH VOLTAGE TRANSMISSION LINE IN ST LOUIS AND CARLTON COUNTIES*, ORDER APPROVING

B. System-Wide Data (Minn. R. 7849.0270, Subps. 1 and 2)

Minnesota Rule 7849.0270, Subparts 1 and 2 require an applicant for a Certificate of Need to provide extensive information concerning peak demand, annual consumption, weekday load factors, and forecasts for the applicant's entire system. Because the Project is intended to provide improved system reliability for Great River Energy's member cooperative (Crow Wing Power) customers and Minnesota Power's customers in the affected load area, Great River Energy requests an exemption from providing system-wide data. Instead, because the Project is needed to address needs in the affected load area, Applicants propose to provide demand data supporting the need in the affected load area. Minnesota Power and the Great River Energy member cooperatives that serve customer load have much broader service areas than just the affected load area. Applicants believe that data supporting the need in the affected load area is more meaningful than system-wide data.

Applicants propose to provide historic demand data for the customers served from the following Crow Wing Power and Minnesota Power distribution substations:

Crow Wing Power: Motley, Ward

Minnesota Power: Staples Rural, Motley, Tyson Seafest, Pillager, Pine Beach, Gull Lake, Lynch Lake, Hole in the Day.

The peak demand forecast will be based on historic loading by substation, and growth rates of the affected load area that are part of the Minnesota Power and Crow Wing Power systems. Minnesota Rule 7849.0220, Subpart 2 provides that where a proposed high voltage transmission line "is designed to deliver electric power to a particular load center within the applicant's system, the application shall contain the information required by part 7849.0270 for that load center rather than for the system as a whole." Applicants' requested exemption is consistent with this rule. The Project is intended to serve Great River Energy member cooperative customers and Minnesota Power customers in the affected load area. System peak loads and annual demands for other portions of Great River Energy and Minnesota Power's transmission systems, therefore, have no relevance to the need for the affected load area. This request is consistent with previous Commission decisions.³

EXEMPTIONS AND PROPOSED PROVISION OF ALTERNATIVE DATA, Docket No. ET2, E015/CN-10-973 (Nov. 2, 2010).

³ See *In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy and Great River Energy for a Certificate of Need for the Upgrade of the Southwest Twin Cities (SWTC) Chaska Area 69 kV Transmission Line to 115 kV Capacity*, ORDER GRANTING APPLICANTS' EXEMPTION REQUEST, Docket No. E002/CN-11-826 (Nov. 4, 2011); *In the Matter of the Application of Great River Energy and Minnesota Power for a Certificate of Need for a 115 kV High Voltage Transmission Line in St Louis and Carlton Counties*, ORDER GRANTING EXEMPTION REQUEST, Docket No. E002/CN-10-973 (Nov. 2, 2010)

C. Customer Class Information (Minn. R. 7849.0270, Subps. 2(B) and 2(C))

Minnesota Rule 7849.0270, Subparts 2(B) and 2(C) require an applicant to predict the amount of energy consumed and demanded for nine classes of customers (residential, commercial, industrial, farming, etc.), and at various times. These application requirements were crafted in contemplation of utilities proposing a transmission line to connect a specific new source of electricity to a specific new source of demand. These requirements are pertinent to the proposed MPL pumping station load that will be served by the proposed Fish Trap Lake Substation at the southern terminus of the Project. Great River Energy will provide information on the MPL pumping station to satisfy this rule.

For the balance of the Project, customer class categories have no direct bearing on the need. Because transmission needs in this area are based on aggregate customer demand, Applicants intend to utilize a methodology that uses historic loading and system forecast growth rates (which does not require the breakout of the customers by class in the affected load area) for the balance of the Project. This exemption request has been granted previously on the grounds that the marginal benefit of the data does not justify the effort required to gather it.⁴

D. Annual Peak Demand (Minn. R. 7849.0270, Subp. 2(C))

Minnesota Rule 7849.0270, Subpart 2(C) requires “an estimate of the demand power in the applicant’s system at the time of annual system peak demand,” provided by customer class. Great River Energy requests an exemption from the customer class requirements, as discussed in detail above. Additionally, Great River Energy requests that information be provided only for the affected load area and, because this is a transmission project, be provided on an annual coincident peak basis, rather than on an annual peak basis. The Project must provide sufficient transmission capacity within the affected load area based on the maximum demand in the affected load area. Applicants’ evaluation of the transmission capacity for the Project is based on the annual coincident peak of the affected load area rather than the annual peak demand on our overall system.

E. Peak Demand by Month (Minn. R. 7849.0270, Subp. 2(D))

Minnesota Rule 7849.0270, Subpart 2(D) requires an applicant to provide monthly peak demand data for its system. Instead of the information called for in this rule, Applicants propose to provide information on the reliability risks faced by providing demand projections for the Minnesota Power substations and Great River Energy member cooperative substations within the affected load area. These data will demonstrate when overall power demand in the affected load area exceeds the transmission system’s capacity. Applicants also propose to describe how the substation demand forecasts were prepared. For each Great River Energy member cooperative substation and Minnesota Power substation within the affected load area,

⁴ *In the Matter of The Otter Tail Power Company Application for a Certificate of Need for a 115 kV Transmission Line Between Appleton and Canby Substations*, ORDER GRANTING EXEMPTIONS AND APPROVING NOTICE PLAN AS MODIFIED, Docket No. E-017/CN-06-677 (Aug. 1, 2006).

Applicants propose to provide historical summer and winter peak power demand data and a forecast of power demand at each substation. The sum of demand data from the substations in the affected load area can be compared to the power delivery capacity of the transmission system to determine the service reliability need. If the system has adequate capacity under peak conditions, in most circumstances, it can operate reliably during periods of lower demand.

Great River Energy's request for an exemption to the requirements of Rule 7849.0270, Subpart 2(D) and to substitute substation data is consistent with prior Commission orders.⁵

F. System Revenue Requirements (Minn. R. 7849.0270, Subp. 2(E))

Great River Energy requests an exemption from Minnesota Rule 7849.0270, Subpart 2(E), which requires an estimate of the annual revenue requirement per kilowatt-hour for the system in current dollars as a result of the Project. Instead, Applicants propose to provide an explanation of how wholesale electricity costs are spread among users of the transmission grid and the general financial effect of the Project on Great River Energy's member cooperatives and on Minnesota Power. The Commission has previously granted a similar request.⁶

G. Weekday Load Factor (Minn. R. 7849.0270, Subp. 2(F))

Minnesota Rule 7849.0270, Subpart 2(F) requests the applicant's average system weekday load factor for each month. Great River Energy requests an exemption from this requirement because load factor is not a relevant measure when evaluating the need for a transmission facility. The Commission has previously granted similar requests.⁷

⁵ *In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy for a Certificate of Need for the Upgrade of the Southwest Twin Cities Bluff Creek - Westgate Area 69 kV Transmission Line to 115 kV Capacity*, ORDER GRANTING APPLICANT'S EXEMPTION REQUEST, Docket No. E002/CN-11-332 (Nov. 16, 2011); *In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy and Great River Energy for a Certificate of Need for the Upgrade of the Southwest Twin Cities (SWTC) Chaska Area 69 kV Transmission Line to 115 kV Capacity*, ORDER GRANTING APPLICANTS' EXEMPTION REQUEST, Docket No. E002/CN-11-826 (Nov. 4, 2011); *In the Matter of the Application of Northern States Power, a Minnesota Corporation for Certificates of Need for Two 161 kV Transmission Lines in the Greater Rochester Area*, ORDER APPROVING EXEMPTION REQUEST AS MODIFIED, Docket No. E002/CN-08-992 (Dec. 16, 2008); *In the Matter of The Otter Tail Power Company Application for a Certificate of Need for a 115 kV Transmission Line Between Appleton and Canby Substations*, ORDER GRANTING EXEMPTIONS AND APPROVING NOTICE PLAN AS MODIFIED, Docket No. E-017/CN-06-677 (Aug. 1, 2006).

⁶ *In the Matter of the Application of Great River Energy and Minnesota Power for a Certificate of Need for a 115 kV High Voltage Transmission Line in St Louis and Carlton Counties*, ORDER GRANTING EXEMPTION REQUEST, Docket No. E002/CN-10-973 (Nov. 2, 2010).

⁷ *In the Matter of the Application of Great River Energy and Minnesota Power for a Certificate of Need for a 115 kV High Voltage Transmission Line in St Louis and Carlton Counties*, ORDER GRANTING EXEMPTION REQUEST, Docket No. E002/CN-10-973 (Nov. 2, 2010); *In the Matter of the Request for a Certificate of Need for High-Voltage Transmission Line From the Mud Lake Substation to the Wilson Lake Substation*, ORDER GRANTING AND DENYING EXEMPTIONS, Docket No. ET2/CN-06-367 (May 15, 2006).

H. Forecast Methodology (Minn. R. 7849.0270, Subps. 3-5)

Minnesota Rule 7849.0270, Subparts 3 to 5 require that an Application for a Certificate of Need provide detailed information on the forecast methodology employed, identification of databases, and details on the assumptions made in preparing the forecasts provided under Subpart 2 of the same rule. As discussed above, the Project is not prompted by electrical consumption. Instead, the need is prompted by growing consumer demand during peak times. Instead of providing consumption forecasts, Applicants believe that providing substation load forecasts and line operation data will better enable an evaluation of the proposed Project.

Similar exemption requests have been granted by the Commission.⁸ With these proposed substitute data, the Commission can evaluate the proposal based on information tailored to the affected load area to determine whether the Project is needed to maintain reliable service in the affected load area.

I. System Capacity Information (Minn. R. 7849.0280)

Data required by Minnesota Rule 7849.0280 address system capacity. Limited portions of the rule have meaningful application for the Project, if the rule were applied on a load center or Project area basis. Specifically, Great River Energy seeks confirmation that these filing requirements should be satisfied using the affected load area. The initial paragraph of Minnesota Rule 7849.0280 references back to the forecast provided in response to Minnesota Rule 7849.0270. Just as Minnesota Rule 7849.0270 is applied on a load center basis, as discussed above, so too should Minnesota Rule 7849.0280. Therefore, Great River Energy seeks confirmation that the filing requirements of Minnesota Rule 7849.0280(A) and (H) would be satisfied by providing information related to the affected load area for the Project.

Further, Great River Energy requests clarification that Minnesota Rule 7849.0280(B) through (G) and (I) are necessary only as related to an examination of generation adequacy and do not address transmission planning considerations and requests an exemption from these subparts.

The Commission previously granted similar exemption requests from Minnesota Rule 7849.0280, as discussed above, in several other transmission line Certificate of Need dockets.⁹

⁸ See *In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy and Great River Energy for a Certificate of Need for the Upgrade of the Southwest Twin Cities (SWTC) Chaska Area 69 kV Transmission Line to 115 kV Capacity*, ORDER GRANTING APPLICANTS' EXEMPTION REQUEST, Docket No. E002/CN-11-826 (Nov. 4, 2011).

⁹ *In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy and Great River Energy for a Certificate of Need for the Upgrade of the Southwest Twin Cities (SWTC) Chaska Area 69 kV Transmission Line to 115 kV Capacity*, ORDER GRANTING APPLICANTS' EXEMPTION REQUEST, Docket No. E002/CN-11-826 (Nov. 4, 2011); *In the Matter of the Application of Great River Energy and Minnesota Power for a Certificate of Need for a 115 kV High Voltage Transmission Line in St Louis and Carlton Counties*, ORDER APPROVING EXEMPTIONS AND PROPOSED PROVISION OF ALTERNATIVE DATA, Docket No. E002/CN-10-973 (Nov. 2, 2010); *In the Matter of the Request for a Certificate of Need for High-Voltage Transmission Line From the Mud Lake Substation to the Wilson Lake Substation*, ORDER GRANTING EXEMPTIONS, Docket No. ET2/CN-06-367 (May 15, 2006).

J. Conservation Programs (Minn. R. 7849.0290)

Great River Energy requests confirmation that the information required by Minnesota Rule 7849.0290 on conservation and efficiency programs should be provided on a load center basis. These rule provisions require an application for a Certificate of Need to provide analyses of how existing and anticipated conservation programs affect forecasted demand and the need for the proposed facility. Because the need for the Project is based on the demand within the affected load area, information concerning conservation and efficiency programs should focus on those programs available to Minnesota Power and to Great River Energy member cooperatives that serve customers in the affected load area. Impacts of the conservation improvement programs are assumed to be in proportion to the amount of load in the affected load area.

This is supported by Minnesota Rule 7849.0290, Subpart F, which requires that an application for a Certificate of Need include “quantification of the manner by which [conservation and efficiency] programs affect or help determine the forecast provided in response to part 7849.0270, subpart 2,” for which Great River Energy has also requested an exemption. Therefore, the referenced forecast should be determined on a load center basis. The Commission has granted similar requests related to conservation information.¹⁰

K. Consequences of Delay (Minn. R. 7849.0300) and No Facility Alternative (Minn. R. 7849.0340)

Minnesota Rule 7849.0300 requires an applicant to provide a discussion of the consequences of delay in developing the proposed project. Such a discussion is an important element of a determination of the need for new transmission infrastructure. Applicants fully intend to discuss issues of delay and variations in actual demand from forecast. There is one specific requirement, however, that Great River Energy requests the Commission vary: the requirement that the examination of delay incorporate three specific statistically based levels of demand.¹¹ Minnesota Rule 7849.0340 requires a discussion of the alternative of “no facility” and requires that analysis using the same three levels of demand.

¹⁰ *In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy and Great River Energy for a Certificate of Need for the Upgrade of the Southwest Twin Cities (SWTC) Chaska Area 69 kV Transmission Line to 115 kV Capacity*, ORDER GRANTING APPLICANTS’ EXEMPTION REQUEST, Docket No. E002/CN-11-826 (Nov. 4, 2011); *IN THE MATTER OF THE APPLICATION OF GREAT RIVER ENERGY AND MINNESOTA POWER FOR A CERTIFICATE OF NEED FOR A 115 kV HIGH VOLTAGE TRANSMISSION LINE IN ST LOUIS AND CARLTON COUNTIES*, ORDER APPROVING EXEMPTIONS AND PROPOSED PROVISION OF ALTERNATIVE DATA, Docket No. E002/CN-10-973 (Nov. 2, 2010); *In The Matter of The Application of Northern States Power, a Minnesota Corporation for Certificates OF Need For Two 161 kV Transmission Lines in the Greater Rochester Area*, ORDER APPROVING EXEMPTION REQUEST AS MODIFIED, Docket No. E002/CN-08-992 (Dec. 16, 2008); *In the Matter of the Application for Certificates of Need for Three 115 kV Transmission Lines in Southwestern Minnesota*, Order Granting Exemptions, Docket No. E-002/CN-06-154 (June 24, 2006).

¹¹ These three confidence levels are called for by the expected demand provided in response to Minnesota Rule 7849.0270, Subpart 2 and the upper and lower confidence levels provided in response to Minnesota Rule 7849.0270, Subpart 3(E).

Applicants propose to evaluate the consequences of delay and the no build alternative based on potential impacts to community service reliability in the affected load area. There is a threshold peak demand level at which service to an area is at risk. Once that peak demand level is surpassed, variations in growth alter the amount of time that service is at risk. Applicants propose to identify the threshold level of demand that places service at risk and the effect of incremental change in growth rather than evaluate system performance at three discrete demand levels.

Applicants believe this information will fully support the Application and better inform the analysis performed by the Commission. Similar requests for exemptions from the requirements of Minnesota Rules 7840.0300 and 7840.0340 were approved by the Commission in other recent transmission line Certificate of Need dockets.¹²

V. CONCLUSION

Applicants believe the Commission's Certificate of Need process would best be served by a focused Application that presents the information needed to evaluate the need for the proposed transmission upgrades. Therefore, Great River Energy, on behalf of Applicants, respectfully requests that the Commission provide the requested clarifications and exemptions, allowing the Applicants to provide the information reasonably needed to make a need determination on the merits of the Certificate of Need Application for the Project using the most useful and beneficial information without imposing unnecessary filing burdens.

Dated: October 30, 2014

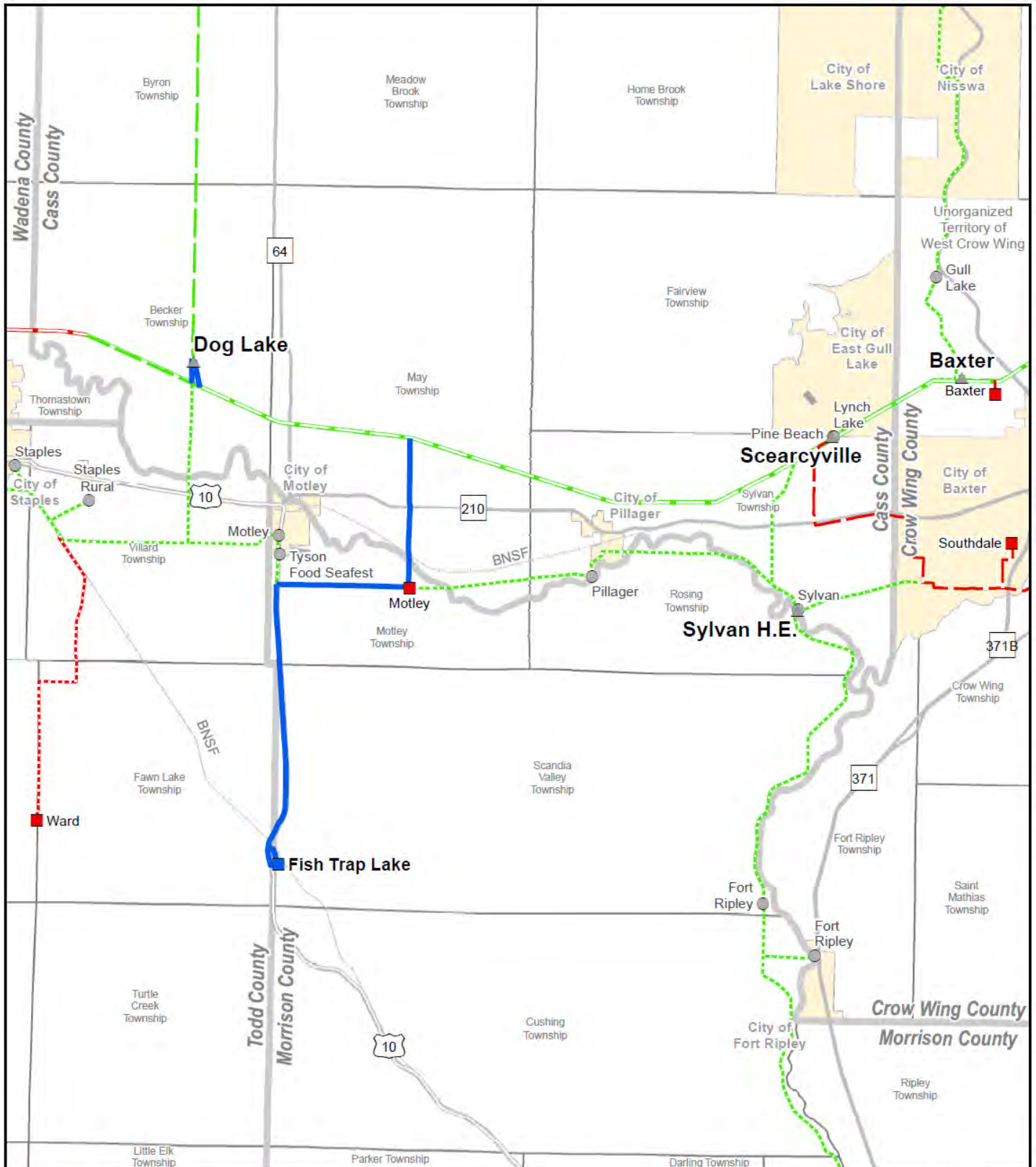
Respectfully submitted,

GREAT RIVER ENERGY

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Attorney for Great River Energy

¹² *In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy for a Certificate of Need for the Upgrade of the Southwest Twin Cities Bluff Creek - Westgate Area 69 kV Transmission Line to 115 kV Capacity*, ORDER GRANTING APPLICANT'S EXEMPTION REQUEST, Docket No. E002/CN-11-332 (Nov. 16, 2011); *In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy and Great River Energy for a Certificate of Need for the Upgrade of the Southwest Twin Cities (SWTC) Chaska Area 69 kV Transmission Line to 115 kV Capacity*, ORDER GRANTING APPLICANTS' EXEMPTION REQUEST, Docket No. E002/CN-11-826 (Nov. 4, 2011); *In the Matter of the Application of Northern States Power, a Minnesota Corporation for Certificates OF Need for Two 161 kV Transmission Lines in the Greater Rochester Area*, ORDER APPROVING EXEMPTION REQUEST AS MODIFIED, Docket No. E002/CN-08-992 (Dec. 16, 2008); *In the Matter of the Application for Certificates of Need for Three 115 kV Transmission Lines in Southwestern Minnesota*, ORDER GRANTING EXEMPTIONS, Docket No. E-002/CN-06-154 (June 24, 2006).



- Proposed Project
 - Existing Great River Energy
 - Existing Cooperative
- | | |
|---|---|
| — 115 kV Transmission Line | ■ Distribution Substation |
| - - - 34.5 Transmission Line | ■ Distribution Substation |
| — 115 kV Transmission Line | |
| - - - 230 kV and above Transmission Line | |

- | | |
|---|---|
| Proposed Cooperative | Non-Great River Energy |
| — 115 kV Transmission Line | — 34.5 Transmission Line |
| - - - 230 kV and above Transmission Line | - - - 115 kV Transmission Line |
| ● Distribution Substation | ● Distribution Substation |
| ▲ Transmission Substation | ▲ Transmission Substation |

**Motley Area 115 kV
Transmission Project
System Map
Attachment A**

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

