



STATE OF MINNESOTA

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July 20, 2018

Mr. Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 55101

**Re: In the Matter of the Application of Enbridge Energy, Limited Partnership for a Certificate of Need for the Line 3 Replacement Project in Minnesota from the North Dakota Border to the Wisconsin Border
MPUC Docket No. PL9/CN-14-916
OAH Docket No. 65-2500-32764**

Dear Mr. Wolf:

The Minnesota Public Utilities Commission (Commission) issued a decision on June 28, 2018 and a notice on July 11, 2018 that required Enbridge Energy, Limited Partnership (Enbridge) to submit a compliance filing regarding the five conditions to the Certificate of Need for the Line 3 Replacement Project by July 16, 2018. In its July 11, 2018 Notice, the Commission required the Minnesota Department of Commerce, Division of Energy Resources (DOC DER) to file its recommendations to Enbridge's compliance filing by July 30, 2018.

The Commission required Enbridge to establish a decommissioning trust fund as a condition of obtaining a certificate of need. A decommissioning trust fund condition is an important protection for Minnesotans and the State of Minnesota, and is in the public interest.

On July 16, Enbridge provided a decommissioning trust fund proposal that would require changes to federal and state law. It is DOC DER's understanding that the Commission ordered the Company to establish a trust fund for the purposes of this Project. DOC DER understands that there are acceptable forms of trust arrangements that can be implemented without the need for changes in Minnesota or federal law.

Finally, DOC DER understands that the scope of the trust fund should include the costs for deactivating, monitoring, removal, and in our view remediation of the soil, in order to protect

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the public from incurring such expenses in the future if Enbridge is unable or unwilling to do so. Enbridge witness Mr. Johnston confirmed the present cost of pipeline removal is about \$855 per foot, and removal of the expected 337 miles of the proposed Line 3 in Minnesota would cost today about \$1.5 billion (USD).¹ The trust should be designed to collect this sum over the expected 50-year life of proposed Line 3, as adjusted for inflation.

DOC DER recommends that the Commission not approve the Enbridge July 16 compliance filing as it relates to the decommissioning trust fund condition and order Enbridge to propose a revised decommissioning trust fund proposal that:

- Is consistent with, and requires no changes to, existing Minnesota and federal law;
- Includes collections over the expected 50-year life of Line 3 project in Minnesota at least to equal approximately \$1.5 billion (USD), as adjusted for inflation;
- Is not controlled by Enbridge Inc. or any present or future affiliated entity;
- Is established only for the purpose of deactivating, monitoring, and removing the pipeline together with remediation of the soil at the time Line 3 is taken out of service in Minnesota; and
- Includes other provisions as required by the Commission.

Sincerely,

/s/ **Peter E. Madsen**

PETER E. MADSEN

Assistant Attorney General

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*Attorney for Minnesota Department of Commerce,
Division of Energy Resources*

Enclosures

¹ Evid. Hrg. Tr. Vol. 6A (Nov. 9, 2017) at 125-127 (Johnston).

AFFIDAVIT OF SERVICE

Re: *In the Matter of the Application of Enbridge Energy, Limited Partnership for a Certificate of Need for the Line 3 Replacement Project in Minnesota from the North Dakota Border to the Wisconsin Border*
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[illegible]

I, Cynthia Ransom, hereby state that on July 20, 2018, I filed by electronic eDockets the attached Letter of the Minnesota Department of Commerce, Division of Energy Resources, and eServed or sent by US Mail, as noted, to all parties on the attached service list.

See attached service list.

/s/ C. O. RANSOM

Subscribed and sworn to before me
on July 20, 2018.

/s/ RENEE E RUDER
Notary Public - Minnesota
My Commission Expires on January 31, 2020

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