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**JUL 28 2016**

**ADMINISTRATIVE  
HEARINGS**

July 27, 2016

The Honorable Jeanne M. Cochran  
Administrative Law Judge  
Office of Administrative Hearings  
PO Box 64620  
St. Paul, MN 55164-0620

Re: In the Matter of a Petition by Minnesota Energy Resources Corporation for Evaluation and Approval of Rider Recovery for Its Rochester Natural Gas Extension Project

MPUC Docket No. G011/M-15-895  
OAH Docket No. 68-2500-33191

Dear Judge Cochran,

With energy being a finite resource, we recognize that we need to equip our community with the energy infrastructure necessary to keep our plant and our employees working. With this in mind, I encourage you to approve the new pipeline and new rate as proposed by Minnesota Energy Resources.

The construction of this pipeline will allow us to continue to be an engaged community member, a dedicated employer to the Rochester community, and a provider of safe and nutritious food to people around the world.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Elfstrand", with a stylized flourish at the end.

Dave Elfstrand  
Rochester Plant Manager  
Seneca Foods Corporation



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JUL 28 2016

Office of the School Board • Telephone (507) 328-4224 • FAX (507) 328-4212

**ADMINISTRATIVE  
HEARINGS**

July 17, 2016

The Honorable Jeanne M. Cochran  
Administrative Law Judge  
Office of Administrative Hearings  
PO Box 64620  
St. Paul, MN 55164-0620

Re: In the Matter of a Petition by Minnesota Energy Resources Corporation for Evaluation and Approval of Rider Recovery for Its Rochester Natural Gas Extension Project

MPUC Docket No. G011/M-15-895  
OAH Docket No. 68-2500-33191

Dear Judge Cochran:

As the School Board Chair of the Rochester Public Schools, we believe our mission is to inspire, challenge, and empower all students with the knowledge and skills required to reach their full potential, to contribute to future generations, and to become an involved member of a global community. In order to achieve this, we've worked to develop relationships and create partnerships between schools, businesses, and community leaders in the Rochester area.

I understand that for the Rochester Public Schools to be successful, our community has to be thriving. In order for Rochester to continue to succeed, we need to be able to adequately serve the needs of our citizens, schools, and businesses.


That need is the basis for my decision to write to you today. I believe it is imperative for the Public Utilities Commission to approve the proposal submitted by Minnesota Energy Resources (otherwise known as MERC) proposed upgrades to Minnesota Energy Resources' Rochester-area distribution system and the interstate pipeline serving Rochester and surrounding communities, as well as to approve the proposed cost recovery for those upgrades.

Given the demands of Rochester's growing population, we must have a more stable supply of natural gas for the schools where our students learn and faculty work nearly every day. When natural gas service is curtailed to our district, it adds costs to the district and to our local property taxpayers. The cost to store additional stand-by fuel when natural gas service is curtailed is also a heavy expense to the district – especially considering the labor needed to monitor and implement a curtailment. It becomes an even greater expense when we have to pay penalties if the standby system unexpectedly fails. Paying for alternative fuels is also a costly endeavor when we are unable to secure gas supply to new buildings.

Providing natural gas is a critical service for any community. It draws businesses – meaning more economic activity and jobs – because of its low cost, convenience, and clean quality as a fuel.

On behalf of Rochester Public Schools, I encourage you to approve MERC's request to bring more natural gas to our community. We cannot continue to build upon our success as an institution of education without it.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Smith", with a large, stylized loop at the end.

Gary Smith

School Board Chair

Rochester Public Schools

---

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July 28, 2016

The Honorable Jeanne M. Cochran  
Administrative Law Judge  
Office of Administrative Hearings  
PO Box 64620  
St. Paul, MN 55164-0620

JUL 28 2016

**ADMINISTRATIVE  
HEARINGS**

Re: In the Matter of a Petition by Minnesota Energy Resources Corporation for Evaluation and Approval of Rider Recovery for Its Rochester Natural Gas Extension Project

MPUC Docket No. G011/M-15-895  
OAH Docket No. 68-2500-33191

Judge Cochran,

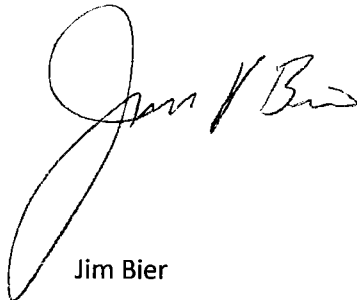
As a member of the Olmsted County Board of Commissioners, I write to you in support of the plan proposed by Minnesota Energy Resources for the development of a new pipeline and a rate adjustment. The proposed pipeline would travel through parts of District 5, which I represent.

Minnesota Energy Resources has provided natural gas service for our community for 87 years. The residential and commercial growth in our community has outpaced the ability of the current NNG pipeline – currently utilized by Minnesota Energy Resources – to provide natural gas service to homes and businesses in Rochester and surrounding towns.

Because of this challenge, new natural gas infrastructure is the only practical option to adapt to Rochester's growth of residents and businesses. Without this new pipeline, our community – renowned for its world-class stature – will be put in a position of becoming incapable of providing basic energy services for those living and working among us. After having studied the request put forward by Minnesota Energy Resources, I am confident the route proposed is the most practicable and efficient way to deliver natural gas to Rochester-area consumers and the prospective rate revision is necessary to supply the needs of a growing community provide critical energy services to our citizens and businesses.

Because of the importance of natural gas service to our county, I respectfully request that you approve the proposed pipeline route and the new rate in accordance with the proposal submitted by Minnesota Energy Resources.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Bier". The signature is stylized with a large, looping initial "J" and a long, sweeping underline that extends to the left.

Jim Bier

Commissioner, Olmsted County



**Rochester Area  
Builders Inc.**

108 Elton Hills Lane NW  
Rochester, MN 55901

July 27, 2016

Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
St. Paul, MN 55101

Re: Docket No. G011/M-14-895

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**JUL 28 2016**

**ADMINISTRATIVE  
HEARINGS**

Dear members of the Minnesota Public Utilities Commission,

The Rochester Area Builders Association – chartered in 1953 – consists of commercial and residential builders, remodelers, developers, and associated businesses dedicated to advancing the building industry in Southeast Minnesota. We are the trusted voice of the industry, providing leadership, education, networking, and information resources to our members, community, and government officials.

Our organization is made up of businesses involved in construction and all aspects of home improvement throughout Rochester and all of Southeastern Minnesota. Given that background and expertise, we have seen firsthand the increase in demand for new homes in the Rochester area.

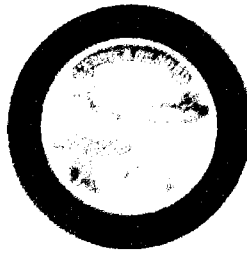
Building a home isn't simply about constructing four walls and a roof. In order for a house to become a home, it needs to be able to provide shelter, warmth, and food to its residents. This requires natural gas service.

With the current MERC natural gas pipeline at capacity, Rochester needs to move forward with a new pipeline route in Rochester and the new rate to help finance its construction. **Our Board of Directors have voted to support this new project and urges the commission to approve both the new route and the new rate.** Without this new pipeline providing natural gas to houses, construction and improvement of homes in our community becomes a challenging endeavor.

Thank you for your consideration.

Sincerely,

John Eischen  
Executive Director  
Rochester Area Builders Association



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**JUL 28 2016**

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HEARINGS**

July 28, 2016

The Honorable Jeanne M. Cochran  
Administrative Law Judge, Office of Administrative Hearings  
PO Box 64620  
St. Paul, MN 55164-0620

Re: In the Matter of a Petition by Minnesota Energy Resources Corporation for Evaluation and Approval of Rider Recovery for Its Rochester Natural Gas Extension Project, MPUC Docket No. G011/M-15-895, OAH Docket No. 68-2500-33191

Dear Judge Cochran:

As members of the Minnesota House of Representatives and Minnesota Senate serving constituents in both Olmsted and Dodge counties, we write to urge your approval of the request from Minnesota Energy Resources in this proceeding. Approval of the proposed upgrades to Minnesota Energy Resources' Rochester-area distribution system and the interstate pipeline serving Rochester and surrounding communities, as well as approval of the proposed cost recovery for those upgrades, is essential to ensure continued adequate and reliable natural gas service for customers in and around Rochester now and in the future.

As you know, natural gas provides residential customers with essential heating, hot water, and cooking capability. Additionally, natural gas service is essential for all varieties of businesses from restaurants, theaters, and hotels, to manufacturing. Minnesota Energy Resources is the sole provider of these essential natural gas services to Rochester and the surrounding local communities. Rochester has experienced continued population growth over the last ten years and currently, the natural gas system in and around Rochester is at capacity and needs to be expanded. Even under present demand, the Rochester area is at risk of supply shortages. The proposed Destination Medical Center development adds another layer of demand and supply pressure.

The increase in natural gas demand requires Minnesota Energy Resources to increase the natural gas transmission capacity and upgrade its distribution system to continue to provide reliable natural gas service to existing customers and to be able to offer new or expanded services to residential, commercial and industrial customers in the Rochester area. Without this capacity expansion and system upgrade current customers will experience greater risk of interruption and new customers may be denied natural gas service.

After reviewing the proposal, we believe Minnesota Energy Resources' upgrades and contract with Northern Natural Gas are prudent and appropriate and should be approved. We appreciate the opportunity to provide input and urge your support of Minnesota Energy Resources' request in this proceeding.

Sincerely,

Senator Dave Senjem  
Senate District 25

Senator Carla Nelson  
Senate District 26

Representative Duane Quam  
House District 25A

Representative Kim Norton  
House District 25B

Representative Nels Pierson  
House District 26B





200 First Street SW  
Rochester, Minnesota 55905  
507-284-2511

July 28, 2016

The Honorable Jeanne M. Cochran  
Administrative Law Judge  
Office of Administrative Hearings  
PO Box 64620  
St. Paul, MN 55164-0620

Re: In the Matter of a Petition by Minnesota Energy Resources Corporation for Evaluation and Approval of Rider Recovery for Its Rochester Natural Gas Extension Project

MPUC Docket No. G011/M-15-895  
OAH Docket No. 68-2500-33191

Dear Judge Cochran,

Mayo Clinic in Rochester is made up of numerous facilities within the city limits. The majority of the buildings are located on the Mayo Clinic Downtown campus, Mayo Clinic Hospital – Saint Marys Campus and Mayo Clinic Hospital – Methodist Campus. These facilities form an integrated medical center dedicated to providing comprehensive diagnosis and treatment in virtually every medical and surgical specialty.

Many of the facilities on Mayo Clinic's campuses are operated 24 hours a day, 7 days a week to support patient care and medical research. The hospital also provides emergency care on a continual basis. The infrastructure systems that serve these facilities are critical to support all of the patient care functions within the Mayo Clinic facilities.

The Mayo Clinic Downtown campus along with both hospital campuses are served by central utility plants. These plants provide electricity, steam, and chilled water to all of the buildings on these campuses. The primary source of fuel for the utility plants is natural gas which is delivered to each plant through Minnesota Energy Resources' distribution system. A reliable source of natural gas is vital to the operations of the central plants and consequently the facilities served by the plants. As the Mayo Clinic campuses grow the energy needs will grow as well. The natural gas distribution system needs to be reliable 100% of the time and have the capacity to serve its customers for many years to come.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brett Gorden'.

Brett Gorden  
Section Head Facilities Operations  
Mayo Clinic

A handwritten signature in black ink, appearing to read 'Doug Holtan'.

Douglas Holtan  
Chair of the Department of Facilities and  
Support Services  
Mayo Clinic



# ROCHESTER

*Minnesota*



July 26, 2016

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**JUL 28 2016**

**ADMINISTRATIVE  
HEARINGS**

The Honorable Jeanne M. Cochran  
Administrative Law Judge  
Office of Administrative Hearings  
PO Box 64620  
St. Paul, Minnesota 55164-0620

Re: in the matter of a petition by Minnesota Energy Resources Corporation for evaluation and approval of Rider Recovery for its Rochester Natural Gas Extension Project

Dear Judge Cochran:

For the last several decades the City of Rochester has been one of the faster growing cities in the State of Minnesota. According to the projections from the Olmsted County Planning Department and others that trend is projected to continue. The current population of Rochester is approximately 115,000 and it is projected that the city will grow to approximately 160,000 by 2040. The growth in Rochester is driven by a projected growth in jobs in Rochester. It has been estimated that 35,000 to 50,000 new jobs may be created in Rochester by 2040. This growth in jobs in Rochester benefits the entire area of Southeastern Minnesota since about 40% of the jobs that currently exist in Rochester and 40% of those that are projected to be created are filled by individuals who do not live in the City of Rochester. The job creation impacts in Rochester primarily affect the City plus a large surrounding area with a radius of 50 to 70 miles.


The projected growth in jobs and population in this large area of southeastern Minnesota will require that there are sufficient natural gas resources available to serve the new homes and businesses that will be constructed to serve the increased population in this area. It is our understanding that the proposed Minnesota Energy Resources Corporation Project would help assure that a much larger area of southeastern Minnesota, of which Rochester and its larger workforce area comprises a portion, has sufficient natural gas resources for the future.

The City has and will continue to take steps to be more energy-efficient in all areas of energy supply. However, we do believe that additional natural gas resources are and will be needed to serve this area of Southeastern Minnesota and the City of Rochester. We do not see that changing in the future due to the growth in population and employment that is projected to occur not just in Rochester but in all of Southeastern Minnesota. The most recent energy plan for the City of Rochester includes a goal to



have 25% of our energy supply provided from renewable resources by 2025. We will strive to achieve that goal, but that will not negate the need for additional natural gas resources either for the City of Rochester or this growing area of southeastern Minnesota. There are many other growing cities and counties in this area that will also need this natural gas resource.

Sincerely

A handwritten signature in black ink, reading "Ardell F. Brede". The signature is fluid and cursive, with the first name being the most prominent.

Ardell F. Brede, Mayor  
City of Rochester, Minnesota

A handwritten signature in black ink, reading "Randy Staver". The signature is fluid and cursive, with the first name being the most prominent.

Randy Staver, Council President  
City of Rochester, Minnesota

July 23, 2016

The Honorable Jeanne M. Cochran  
Administrative Law Judge  
Office of Administrative Hearings  
PO Box 64620  
St. Paul, MN 55164-0620

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Judge Cochran,

For Minnesotans, energy is life-sustaining both in summer and in the winter. People will die more quickly from lack of utilities to their homes than they will from lack of food or water. Consequently, they will take unsafe actions when they are trying to heat or power their homes.

It's important to note that the loss of natural gas service at any time of the year would likely cause wide spread power outages in our region of the state. Inadequate natural gas service would increase the demand for electrical power as individuals would attempt to heat their homes with electric heaters – likely leading to a collapse of the electric grid.

The ability to heat and power one's home is a basic need. Without sufficient natural gas service, people will likely freeze to death given the harsh climate we experience in this state.

As a customer of Minnesota Energy Resources and based on my extensive experience as a power engineer, I firmly support the new pipeline and rate increase requests from Minnesota Energy Resources (MERC) that is currently being considered by the Minnesota Public Utilities Commission. I believe the funds generated from the rate increase will be well utilized by MERC to enhance the dependability of gas service in southeastern Minnesota and to serve thousands of new customers in decades to come.

Sincerely,



Thomas A. DeBoer  
CPE and Chief Engineer, Retired  
626 15<sup>th</sup> Street NE  
Rochester, MN 55906

*Textile Care Services*

May 5, 2016

The Honorable Jeanne M. Cochran  
Administrative Law Judge  
Office of Administrative Hearings  
PO Box 64620  
St. Paul, MN 55164-0620

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JUL 28 2016

**ADMINISTRATIVE  
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Re: In the Matter of a Petition by Minnesota Energy Resources Corporation for Evaluation  
and Approval of Rider Recovery for Its Rochester Natural Gas Extension Project

MPUC Docket No. G011/M-15-895  
OAH Docket No. 68-2500-33191

Dear Judge Cochran,

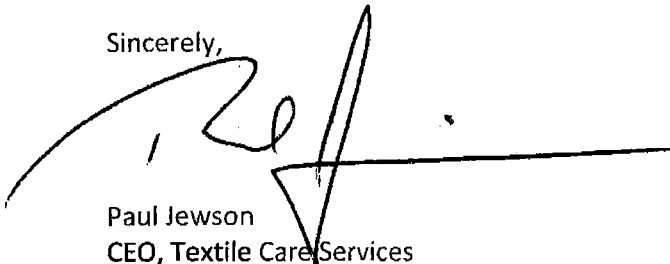
As the CEO of Textile Care Services, I'm proud our company has been providing high quality linen services for the healthcare and hospitality industry for our community since 1915. Textile Care Services is one of the most modern commercial laundries in the world. We offer not only world class service to our customers but also provide them with the knowledge that their linens arrive with the top quality of infection prevention.

As a business with over 200 employees, we work with many other companies – both in the Rochester area and beyond. We are a transport customer with Constellation and the largest commercial laundry in the tri state area. Additionally, we are a primary customer with Mayo Clinic including all of the satellite facilities in Mayo's network including the hotels in and around the Rochester area.

Given the demands of our growing business, I believe it's necessary to strengthen Rochester's natural gas capacity. Our company, for one, is very much dependent upon natural gas service to be competitive. If service is curtailed to our company, the cost of business will go up – putting us in a difficult position as it relates to our employees and our customers. Curtailment also makes it more challenging to develop an accurate bid – thus putting our company at a competitive disadvantage.

For the long-term viability of our company and community, we need to expand our natural gas capacity. I encourage you to approve the proposed new route and new rate so the Rochester area can meet the needs of our unique community.

Sincerely,



Paul Jewson  
CEO, Textile Care Services



3400 East River Road NE, Rochester, MN 55906

Phone: (507) 285-9833

FAX: (507) 282-2450

SEMnRealtors.com

July 22, 2016

The Honorable Jeanne M. Cochran  
Administrative Law Judge  
Office of Administrative Hearings  
PO Box 64620  
St. Paul, MN 55164-0620

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**JUL 28 2016**

**ADMINISTRATIVE  
HEARINGS**

Re: In the Matter of a Petition by Minnesota Energy Resources Corporation for  
Evaluation and Approval of Rider Recovery for Its Rochester Natural Gas  
Extension Project

MPUC Docket No. G011/M-15-895  
OAH Docket No. 68-2500-33191

Dear Judge Cochran:

The Southeast Minnesota Association of REALTORS® (SEMAR) is the leading regional advocate and provider of information services and research on the real estate industry for brokers, real estate professionals and the public in an 11-county area in southeast Minnesota.

Rochester and its surrounding communities have seen persistent residential growth for the past 20 years and expect to see the same level of growth for the next 20.

This growth is a positive development for our community. It does, however, require some critical steps from different units of government so we are prepared to address this population increase. One of those steps is providing for an additional natural gas supply so residents can heat their homes and have electricity.

We are seeking your support as you deliberate on a new route and a rate change as put forward by Minnesota Energy Resources for an additional pipeline. Having votes in approval of both a new route and new rate are essential as we accommodate the growth of Rochester.

Sincerely,

Patrick Sexton  
Government Affairs Director  
SEMAR

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Rochester Area Economic Development, Inc.

JUL 28 2016

**ADMINISTRATIVE  
HEARINGS**

June 23, 2016

The Honorable Jeanne M. Cochran, Administrative Law Judge  
Office of Administrative Hearings  
P.O. Box 64620  
St. Paul, MN 55164-0620

Re: In the Matter of a Petition by Minnesota Energy Resources Corporation for Evaluation and Approval of Rider Recovery for its Rochester Natural Gas Extension Project

MPUC Docket No. G011/M-15-895  
OAH Docket No. 68-2500-33191

Dear Judge Cochran:

I am proud to serve as the President of Rochester Area Economic Development, Inc. (RAEDI). Our organization's primary goal is to attract, retain, and assist the growth and expansion of base businesses within the Rochester area. We assist businesses and entrepreneurs in securing the private and/or public resources needed to execute their business plans.

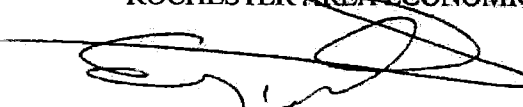
Rochester, Minnesota, is a center for medicine, technology, and bioscience and is a premier world destination for development of individualized medicine. We are one of Minnesota's fastest growing communities – rich in a culture and tradition of innovation and collaboration. Our highly-regarded quality of life is well-documented. Without adequate natural gas service, Rochester will stumble on its trajectory upward as a premier regional economic hub. As our community has surpassed expectations in population growth, it is essential to have natural gas service to accommodate the increase in residential and commercial activity.

Given the importance of being able to heat and power a building, critical for any successful business, we encourage you to approve the plan presented by Minnesota Energy Resources for a new pipeline route for natural gas delivery. In addition, we request that you approve the rate change in order for Minnesota Energy Resources to have the resources to construct the pipeline.

As our organization continues its work to recruit and retain high-caliber businesses and talent for our community, we strongly believe that the plan put forth by Minnesota Energy Resources will unquestionably advance those efforts. We are eager for our community to share in the benefits of this endeavor.

Respectfully,

ROCHESTER AREA ECONOMIC DEVELOPMENT, INC.



Gary W. Smith, CEcD  
President

A Public and Private Partnership for Economic Development

# ROCHESTER AREA

## CHAMBER OF COMMERCE

July 27, 2016

The Honorable Jeanne M. Cochran  
Administrative Law Judge  
Office of Administrative Hearings  
PO Box 64620  
St. Paul, MN 55164-0620

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Re: In the Matter of a Petition by Minnesota Energy Resources Corporation for Evaluation and Approval of Rider Recovery for Its Rochester Natural Gas Extension Project

MPUC Docket No. G011/M-15-895  
OAH Docket No. 68-2500-33191

Dear Judge Cochran,

The Rochester Area Chamber of Commerce supports the plan by Minnesota Energy Resources – also known as MERC – for a new proposed pipeline route to deliver natural gas service to homes and businesses in our community and supports the proposed rate change. Our chamber organization has over 1500 members throughout southern Minnesota. As the director of government affairs for this local chamber, I have a unique perspective on the impacts of this proposal on businesses in my area.

We support the proposal by MERC and believe that in the long term the businesses in the Rochester area will benefit from this new source of natural gas service. Given the growth in economic activity and commercial business in our community, it's imperative to have natural gas service. With the current NNG interstate pipeline at capacity for natural gas delivery, the proposal presented by MERC is the most sensible solution for commerce to continue to flow and build in our community so we can provide electricity and heat for our businesses.

MERC is the sole natural gas provider in and around the city of Rochester. Because the existing system has limited growth capabilities, we need reliable natural gas service for our community for new commercial, industrial, and residential customers as well as to meet the increased demand of existing customers.

I urge you to approve MERC's proposal for a new pipeline route and new rate for customers. It's vital to the health and growth of our local business community.

Sincerely,



Julie Fiesel  
Director of Government Affairs  
Rochester Area Chamber of Commerce



July 28, 2016

The Honorable Jeanne M. Cochran  
Administrative Law Judge  
Office of Administrative Hearings  
PO Box 64620  
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Re: In the Matter of a Petition by Minnesota Energy Resources Corporation for Evaluation and Approval of Rider Recovery for Its Rochester Natural Gas Extension Project

MPUC Docket No. G011/M-15-895  
OAH Docket No. 68-2500-33191

Dear Judge Cochran:

In 2013 Minnesota enacted legislation promoting development in Rochester. With Mayo Clinic at its heart, the Destination Medical Center (DMC) initiative is the catalyst to position Rochester, Minnesota as the world's premier destination for health and wellness; attracting people, investment opportunities, and jobs to America's City for Health and supporting the economic growth of Minnesota, its bioscience sector, and beyond. The DMC initiative is a one-of-a-kind, \$5.6 billion economic development initiative in Rochester, Minnesota. It is the largest public-private partnership in state history, designed to position Minnesota as a global center for the highest quality medical care and to generate high-value jobs, new tax revenue, and businesses.

Successful expansion of Minnesota Energy Resources' system in and around Rochester will be beneficial to the community and will support efforts to capitalize on economic development associated with the DMC initiative. The DMC goals include development of medical facilities, commercial, hotel and residential properties in six specified zones within the City of Rochester.

Additionally, DMC planning estimates that up to 35,000 new jobs may be created in Rochester by 2040. The job creation impacts in Rochester primarily affect the City and a large surrounding area. Sufficient natural gas resources will be required to serve new homes and businesses and it is our understanding that Minnesota Energy Resources Corporation Project would help assure that a much larger area of southeastern Minnesota, has sufficient natural gas resources for the future.

The most recent energy plan for the City of Rochester includes a goal to have 30% of our energy supply provided by renewable resources by 2030. The Destination Medical Center Economic Development Agency, City, and community partners will strive to achieve that goal, but that will not entirely alleviate the need for additional natural gas resources in southeastern Minnesota. There are many other growing cities and counties in this area, including Rochester, that will need this resource.

Approval of Minnesota Energy Resources' proposed upgrades to the Rochester-area natural system and the interstate pipeline is important to ensure continued adequate and reliable natural gas service for customers in and around the City of Rochester now and in the future.

Sincerely,

Lisa Clarke  
Executive Director



**LABORERS DISTRICT COUNCIL  
MINNESOTA AND NORTH DAKOTA**

Affiliated with Laborers International Union  
of North America

81 E Little Canada Road • St Paul, Minnesota 55117  
council@mnlcdc.org

Phone (651) 653-9776

Fax (651) 653-9745

Todd T. Pufahl  
President  
Business Manager

May 20, 2016

The Honorable Jeanne M. Cochran  
Administrative Law Judge  
Office of Administrative Hearings  
PO Box 64620  
St. Paul, MN 55164-0620

Re: In the Matter of a Petition by Minnesota Energy Resources Corporation for Evaluation and  
Approval of Rider Recovery for Its Rochester Natural Gas Extension Project

MPUC Docket No. G011/M-15-895

OAH Docket No. 68-2500-33191

Dear Judge Cochran,

The Laborers District Council of Minnesota & North Dakota urges you to accept the proposal submitted by Minnesota Energy Resources for infrastructure upgrades and a rate change to provide natural gas service to Rochester and the surrounding communities.

Minnesota faces a looming energy crisis. President Obama's plan requires Minnesota to reduce carbon pollution by nearly 20% over the next decade while demand is expected to continue to increase. Minnesota currently generates 43% of its power from high-carbon energy sources. While we favor an "all of the above" energy policy, renewables alone cannot fill the anticipated need. Expanding and improving natural gas distribution systems will provide a cheap, abundant and cleaner source of energy to southeast Minnesota consumers. Our members support energy infrastructure development and improvements to create good paying jobs, lower energy bills and reduce carbon emissions. In particular, the anticipated growth in population and economic activity in the Rochester area necessitate added capacity for natural gas service. It addresses a critical need for southeast Minnesota, and provides economic growth opportunities as well as job and wage growth for members of the Laborers District Council of MN & ND.

The Laborers District Council of MN & ND was chartered in 1968 by the Laborers International Union of North America. Our five affiliated local unions represent approximately 12,000 workers in Minnesota, North Dakota, and northwestern Wisconsin.

Sincerely,

Todd Pufahl  
President & Business Manager  
Laborers District Council of Minnesota and North Dakota





VISION  
We will set the standard for service.  
CORE VALUES  
Safety Integrity Service

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July 26, 2016

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Dear Judge Cochran:

Rochester Public Utilities ("RPU") is a division of the City of Rochester, Minnesota. RPU is the largest municipal utility in the state of Minnesota, serving approximately 50,000 electric customers as well as 39,000 water customers. RPU is a natural gas customer of Minnesota Energy Resources, taking firm retail service for our office and warehouse space, and a substantial amount of firm and interruptible transportation service to provide gas to RPU's power plants and steam facility. I submit this letter in support of Minnesota Energy Resources' Petition to the Minnesota Public Utilities Commission ("Commission") for approval of its proposed project to upgrade and increase the capacity of its natural gas delivery system in Rochester ("Project"). Successful expansion of Minnesota Energy Resources' system in and around Rochester will be beneficial to the community as well as facilitating RPU's future plans.

As the electric utility serving Rochester, RPU is sensitive to the need for adequate infrastructure to be in place to ensure that all of our customers' requirements can be met. The Rochester area has seen robust growth and is forecast to continue growing in the coming years. RPU anticipates the need for additional electric generating capacity and steam to meet its increasing electric demand.

I note that Rochester is committed to emphasizing renewable energy sources as part of a long-term strategy to phase out fossil fuels and the City is committed to increased presence of renewable energy sources. Nevertheless, use of natural gas for electric generation and production of steam remains an important part of RPU's portfolio and will remain so for the foreseeable future. Natural gas provides a reliable and relatively clean (compared to alternatives) source of electricity and heat.

RPU is a substantial consumer of natural gas and anticipates its need for natural gas to increase in the coming years. Overall, RPU anticipates that its firm natural gas usage from Minnesota Energy Resources will remain relatively constant for the next decade. However, RPU's use of interruptible transportation service is likely to increase dramatically in the coming years.

RPU maintains four firm retail meters with Minnesota Energy Resources for office and warehouse space in Rochester, utilizing about 28,000 therms per year. In addition, RPU utilizes several million therms of gas to generate electric energy and steam heat for our customers. RPU obtains delivery of this substantial amount of gas from Minnesota Energy Resources utilizing firm and interruptible transportation service.

RPU's existing facilities that utilize interruptible transport service include the following:

- Cascade Creek is a two-unit natural gas combustion turbine facility that collectively consumes about 2.2 million therms of natural gas per year.
  - Unit 1, an older 27 MW natural gas-fired combustion turbine. Unit 1 provides needed capacity to the RPU system. It is classified as a peaking energy resource in the Midcontinent Independent System Operator ("MISO") market, providing energy approximately three-to-five percent of the time, mainly on the hottest days of the summer. Cascade Creek Unit 1 is likely to be retired in the next few years and the capacity will need to be replaced.
  - Unit 2 is a newer 48 MW natural gas combustion turbine. Unit 2 provides needed capacity to the RPU system. It is classified as a peaking energy resource in the MISO market, providing energy approximately three-to-five percent of the time, mainly on the hottest days of the summer. Overall, peaking units generally will only operate three-to-five percent of the hours of the year and generally during the summer when natural gas is generally readily available on an interruptible basis.
- Silver Lake is an older boiler facility that was originally operated on coal. In 2015, RPU converted this steam facility to natural gas. RPU provides 50,000 pounds per hour ("pph") of steam to the Mayo Clinic from Silver Lake on a steady state basis and additional incremental steam in addition to that amount as needed. Silver Lake consumes approximately 6.4 million therms of natural gas annually. While Silver Lake is scheduled for retirement, RPU anticipates that it will continue to provide 50,000 pph of steam to the Mayo Clinic through 2025.

Because of RPU's demand growth plus the age of some of our resources, RPU has determined that it is necessary to add additional generating capacity. This new plant will be an approximately 50 MW natural gas-fired combustion turbine unit to be called the Westside Energy Station, which will be located on the northwestern part of Rochester. We anticipate that this new unit will interconnect to the Minnesota Energy Resources system at Town Border Station 1D and will take interruptible transportation service from Minnesota Energy Resources.

RPU anticipates that the Westside Energy Station will consume approximately 4 million therms per year to operate in peaking mode.

Approval of Minnesota Energy Resources' proposed upgrades to the Rochester-area natural system and the interstate pipeline is important to ensure continued adequate and reliable natural gas service for customers in and around Rochester now and in the future. These upgrades are also important to RPU to ensure adequate natural gas capacity is available to serve RPU's evolving energy needs. As a result, RPU supports approval of the Petition.

RPU believes Minnesota Energy Resources' proposed upgrades are prudent, reasonable, and appropriate and should be approved.

We appreciate the opportunity to provide input and urge your support of Minnesota Energy Resources' request in this proceeding.

Sincerely,

A handwritten signature in black ink, appearing to read "Walter D. Schlink". The signature is fluid and cursive, with the first name "Walter" and last name "Schlink" clearly distinguishable.

Walter D. Schlink  
Chief Energy Supply Officer  
Director of Power Resources  
Rochester Public Utilities  
Rochester, Minnesota