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April 7, 2021

VIA E-FILING

Will Seuffert Executive Secretary Minnesota Public Utilities Commission 121 7th Place East, Suite 350 St. Paul, MN 55101-2147

## Re: In the Matter of the Application of Minnesota Power for a Certificate of Need for the Duluth Loop Reliability Project MPUC Docket No. E015/CN-21-140 **Reply Comments – Notice Plan Petition**

Dear Mr. Seuffert:

Minnesota Power respectfully submits these Reply Comments in response to the comments submitted on March 22, 2021, by the Minnesota Department of Commerce, Division of Energy Resources regarding Minnesota Power's Notice Plan Petition in the above-referenced docket. If you have any questions regarding this filing, please contact me at (218) 723-3963 or <u>dmoeller@allete.com</u>.

Yours truly,

Danis R. Malle

David R. Moeller Senior Attorney and Director of Regulatory Compliance

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

In the Matter of the Application of Minnesota Power for a Certificate of Need for the Duluth Loop Reliability Project Docket No. E015/CN-21-140

#### MINNESOTA POWER'S REPLY COMMENTS

#### I. INTRODUCTION

On February 26, 2021, Minnesota Power ("Minnesota Power" or the "Company") submitted its proposed Notice Plan for approval by the Minnesota Public Utilities Commission ("Commission"). This Notice Plan outlines the type and form of outreach that will be used by Minnesota Power to communicate with the public and interested stakeholders about the Company's upcoming Certificate of Need application for its Duluth Loop Reliability Project ("Duluth Loop Project" or Project"). The Duluth Loop Project involves the construction of: (1) a new 115 kV transmission line connecting the existing Hilltop Substation, located in southwest of Duluth, and the Ridgeview Substation, located in the northeast portion of Duluth; (2) an approximately one-mile long extension of the existing Hilltop 230 kV Tap to the Arrowhead Substation; (3) expansion and transmission line reconfigurations at the existing Hilltop and Ridgeview substations; and (4) associated upgrades at the existing Haines Road and Arrowhead substations.

On March 21, 2021, the Department of Commerce, Division of Energy Resources ("Department") submitted comments recommending approval of Minnesota Power's proposed Notice Plan. However, the Department also recommends that the Commission deny Minnesota Power's request for a variance from Minn. R. 7829.2500, Subp. 5 that requires notice to be published in a newspaper of statewide circulation after the filing of a Certificate of Need application. As publishing this additional notice in a statewide newspaper would be costly and is unlikely to reach persons impacted by or interested in the proposed regional transmission project, Minnesota Power requests that the Commission to grant the requested variance.

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#### II. REPLY COMMENTS

Minnesota Rule 7829.2500, Subp. 5 requires that, after a Certificate of Need application is filed, the applicant publish notice of the filing in a newspaper of general circulation throughout the state. In its Notice Plan Petition, Minnesota Power requested a variance of this rule as notice would be published in three regional newspapers at most, 60 days prior to the filing of the Certificate of Need application pursuant to the proposed Notice Plan. The three requirements for a rule variance, as set forth in Minn. R. 7829.3200, Subp. 1, are: (1) enforcement of the rule would impose an excessive burden upon the applicant or others affected by the rule; (2) granting the variance would not adversely affect the public interest; and (3) granting the variance would not conflict with standards imposed by law. The Department opposes the requested variance contending that Minnesota Power has not proven the first two requirements, namely that the rule imposes an excessive burden on the Company and that granting the variance would not adversely affect the public interest.<sup>1</sup>

Requiring the Minn. R. 7829.2500, Subp. 5 notice to be published in a newspaper with statewide circulation is an excessive burden due to the cost. The *Star Tribune* is a newspaper with statewide circulation and the cost to place a notice in this newspaper ranges from approximately \$20,000 for a full page ad, \$10,000 for a half-page ad, and \$6,000 for a quarter page ad. Not only that, but publishing notice in the *Star Tribune* is unlikely to reach the target audience for this notice – persons interested in the Project, persons located in or near the Project area, or persons who want to participate in the upcoming Certificate of Need proceeding. While the *Star Tribune* has 250,000 weekday subscribers, they are mostly located in the Twin Cities metro area.<sup>2</sup> In fact, the *Star Tribune*'s designated newspaper market does not even include St. Louis County, where the Project is located.<sup>3</sup> As such, the subscribers of the *Star Tribune* are unlikely to be potentially impacted by or interested in the Duluth Loop Project which is proposed to be constructed in the cities of Duluth, Hermantown, and Proctor in St. Louis County.

<sup>&</sup>lt;sup>1</sup> Department Comments at 4.

<sup>&</sup>lt;sup>2</sup> https://mediakit.startribunecompany.com/wp-content/uploads/2017/08/Display-Rate-Book.pdf at 2.

<sup>&</sup>lt;sup>3</sup> https://mediakit.startribunecompany.com/wp-content/uploads/2017/08/Display-Rate-Book.pdf at 2.

Granting this variance will also not adversely affect the public interest given the other newspaper notices that will be published by Minnesota Power. As part of the proposed Notice Plan, Minnesota Power will publish notice in three regional newspapers: (1) the *Duluth News Tribune*; (2) the *Hermantown Star*, and (3) *Proctor Journal* at most, 60 days prior to the filing of the Certificate of Need application. These three newspapers serve the communities within the Duluth Loop Project area and are widely circulated. The *Duluth News Tribune* is a daily newspaper that has the third highest circulation in the state with more than 40,000 weekday subscribers. Both the *Hermantown Star* and *Proctor Journal* are weekly newspapers with nearly 1,800 subscribers each. Publishing notice in these three newspapers prior to the filing of the Certificate of Need application will provide sufficient newspaper notice.

Moreover, because Minnesota Power will be filing a joint Certificate of Need and Route Permit, Minnesota Power is required to publish notice in a newspaper of general circulation in the county where the proposed Project will be located within 15 days after submission of the application.<sup>4</sup> Minnesota Power proposes to file this notice in the *Duluth News Tribune*, a widely-read regional paper, as described above. Requiring an additional notice in the *Star Tribune*, as the Department recommends, is unlikely to reach interested persons located in the Project area, particularly given that St. Louis County is not included in the *Star Tribune*'s designated newspaper market.

Within this same timeframe, Minnesota Power is also required to provide direct mail notice to landowners, local government units, and persons on the Commission's general service list.<sup>5</sup> This direct mail notice will include information about the proposed Duluth Loop Project and information about how to participate in the state regulatory process.<sup>6</sup> In addition to these required notices, Minnesota Power has also been providing Project information via a Project website.<sup>7</sup> Given the ample notice that will be provided to potentially impacted persons and interested stakeholders about the Duluth Loop

<sup>&</sup>lt;sup>4</sup> Minn. R. 7850.2100, Subp. 4.

<sup>&</sup>lt;sup>5</sup> Minn. R. 7850.2100, Subp. 2.

<sup>&</sup>lt;sup>6</sup> Minn. R. 7850.2100, Subp. 3.

<sup>&</sup>lt;sup>7</sup> <u>https://www.duluthloop.com</u>.

Project and the state regulatory proceeding, granting a variance to the statewide newspaper requirement will not adversely affect the public interest.

If the Commission determines that the criteria for a rule variance are not met here and that newspaper notice needs to be provided in a statewide newspaper after the filing of the Certificate of Need application, Minnesota Power requests that the Commission allow a quarter page notice to be published in the *Star Tribune* to reduce the cost of this publication.

### III. CONCLUSION

Minnesota Power respectfully requests that the Commission approve its proposed Notice Plan and grant a variance to the requirement under Minn. R. 7829.2500, Subp. 5 that notice of the Certificate of Need Application be published in a newspaper of statewide circulation. If this variance is not granted, Minnesota Power requests the ability to provide a smaller-sized notice in a statewide newspaper to reduce the costs of this ad.

Dated: April 7, 2021

Respectfully submitted,

**MINNESOTA POWER** 

Danis R Malle

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ATTORNEYS FOR MINNESOTA POWER

IN THE MATTER OF THE APPLICATION OF MINNESOTA POWER FOR A CERTIFICATE OF NEED FOR THE DULUTH LOOP RELIABILITY PROJECT

# **CERTIFICATE OF SERVICE**

Theresa A. Senart certifies that on the 7th day of April, 2021, she filed and served a true and correct copy of Minnesota Power's **Reply Comments to the Department of Commerce, Division of Energy Resource, Comments to Notice Plan Petition** via eDockets (<u>www.edockets.state.mn.us</u>). Said document is also served via U.S. Mail or email as designated on the attached Service List on file with the Minnesota Public Utilities Commission in the above-referenced docket.

/s/ Theresa A. Senart

Theresa A. Senart

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Generic Notice	Commerce Attorneys	commerce.attorneys@ag.st ate.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_21-140_Official Service List 21-140

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Generic Notice	Residential Utilities Division	residential.utilities@ag.stat e.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_21-140_Official Service List 21-140
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