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February 19, 2014

VIA ELECTRONIC FILING AND U.S. MAIL

Dr. Burl W. Haar Executive Secretary Minnesota Public Utilities Commission 350 Metro Square Building, Suite 350 St. Paul, MN 55101

Re: In the Matter of the Route Permit Application for the Hollydale 115 kV Transmission

Line Project in the Cities of Plymouth and Medina, Hennepin County, Minnesota

PUC Docket No. E002/TL-11-152 OAH Docket No. 8-2500-22806-2

In the Matter of the Application for a Certificate of Need for the Hollydale 115 kV

Transmission Line Project in the Cities of Plymouth and Medina

MPUC Docket No. E002, ET2/CN-12-113

OAH Docket No.: 8-2500-23147-2

Dear Dr. Haar:

Enclosed please find Northern States Power Company, doing business as Xcel Energy, and Great River Energy's Reply Comments on Withdrawal of Certificate of Need and Route Permit Applications for the Hollydale Project filed today in the above-referenced dockets through www.edockets.state.mn.us. A copy of this filing is also being served via e-mail or mail upon the persons on the Official Service Lists. Thank you.

Sincerely,

Mara N. Koeller

MaraKællin

cc: Service Lists

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STATE OF MINNESOTA BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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

IN THE MATTER OF THE APPLICATION OF NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION, AND GREAT RIVER ENERGY, A NOT-FOR-PROFIT COOPERATIVE, FOR A ROUTE PERMIT FOR THE HOLLYDALE 115 KV TRANSMISSION LINE PROJECT IN THE CITIES OF PLYMOUTH AND MEDINA, HENNEPIN COUNTY, MINNESOTA

Docket No. E002/TL-11-152 Docket No. E002, ET2/CN-12-113 OAH Docket No. 8-2500-23147-2

XCEL ENERGY AND GREAT RIVER ENERGY'S REPLY COMMENTS ON WITHDRAWAL OF CERTIFICATE OF NEED AND ROUTE PERMIT APPLICATIONS FOR HOLLYDALE PROJECT

IN THE MATTER OF THE APPLICATION FOR A CERTIFICATE OF NEED FOR THE HOLLYDALE 115 KV TRANSMISSION LINE PROJECT IN THE CITIES OF PLYMOUTH AND MEDINA

INTRODUCTION

Northern States Power Company, doing business as Xcel Energy, on behalf of itself and its co-applicant Great River Energy, a cooperative corporation, respectfully submit these reply comments to the initial comments filed by: (1) the Department of Commerce-Division of Energy Resources (Department); (2) Western Plymouth Neighborhood Alliance (WPNA); (3) the Barry Family; and (4) concerned residents regarding our petition to withdraw our pending applications for the Hollydale Project.

DISCUSSION

A. Preservation of Current Hearing Record

As evidenced by the hundreds of comments filed to date, the Hollydale Project continues to prompt active participation from parties and concerned residents. The comments from the Department, intervenors, and concerned residents demonstrate that there is consensus on several key matters related to our request to withdraw our pending certificate of need and route permit applications for the Hollydale Project. First, all commentators agree that it is important to preserve the extensive hearing record that has been developed during these lengthy proceedings. And, all agree that the appropriate method to preserve this record is for the Commission to request that the Office of Administrative Hearings (OAH) prepare a summary of the comments and testimony developed during the public hearing process in these proceedings.

B. Conditions on Withdrawal

There is also consensus among the parties and concerned residents that the Commission should allow withdrawal of the pending applications for the Hollydale Project. There is, however, disagreement as to whether the Commission should impose conditions on this withdrawal. We agree with the recommendations of the Department and the Administrative Law Judge that conditions should not be imposed. Intervenors and concerned residents have requested that the Commission impose the following three conditions:

- (1) prohibit Xcel Energy and Great River Energy from resubmitting a variation of the Hollydale 115 kV transmission project, a rebuild project or an upgrade project along the existing 69 kV corridor;
- (2) require use of the full certificate of need process, applying the "clear and convincing" standard from the Hollydale law, before building transmission in Plymouth or Medina; and
- (3) require compliance filings to show that distribution improvements are being promptly made to meet distribution needs in the area.

The first condition prohibits resubmittal of any new transmission proposal that utilizes the existing 69 kV transmission line corridor in Medina and Plymouth. The second suggested condition requires any future transmission proposal in this area to

be subject to both the full certificate of need process and to the requirements imposed by the Hollydale law.¹

We intend to work with the community and stakeholders on developing a more widely supported electrical solution to meet the needs of this area and we do not want to prejudge the outcome of these public outreach efforts by removing route alternatives from consideration. We have also agreed to carry forward the numerous distribution alternatives developed in this proceeding in any future certificate of need application. We therefore believe conditions one and two are not appropriate.

As for the third condition, intervenors and concerned residents request that the Commission require compliance filings showing that distribution improvements are being made in the area. We are committed to providing safe and adequate electric service to our customers in Plymouth and Medina. To that end, Xcel Energy intends to submit an informational filing on November 14, 2014 which will update the Commission on public outreach efforts, provide Xcel Energy's summer peak information, and detail any distribution improvements that are made by Xcel Energy in the area.² This filing will be made in addition to the annual safety, reliability, and service quality report that Xcel Energy provides to the Commission each year. This annual report includes information related to the reliability performance of Xcel Energy's distribution system compared to established metrics.³ Xcel Energy and Great River Energy believe that these filings will allow the Commission sufficient information to evaluate distribution reliability in this area.

CONCLUSION

Xcel Energy and Great River Energy respectfully request that the Commission grant their request to withdraw their pending applications for the Hollydale Project without conditions and request that the OAH prepare a summary of public hearing record.

³ See MPUC Docket No. E002/M-13-255.

3

¹ 2013 Minn. Laws, Ch. 57, Sec. 2.

² Note that Great River Energy's distribution information will not be included because the distribution improvements being made by the proposed project only serve Xcel Energy's distribution system needs. Great River Energy's participation in the proposed project is only at the transmission system level.

Dated: February 19, 2014

Northern States Power Company

Respectfully submitted by:

/s/ Mara Koeller

Mara Koeller

ASSOCIATE ATTORNEY

IN THE MATTER OF THE ROUTE PERMIT APPLICATION FOR THE HOLLYDALE 115 KV TRANSMISSION LINE PROJECT IN THE CITIES OF PLYMOUTH AND MEDINA, HENNEPIN COUNTY, MINNESOTA PUC DOCKET NO. E002/TL-11-152 OAH DOCKET NO. 8-2500-22806-2

IN THE MATTER OF THE APPLICATION FOR A CERTIFICATE OF NEED FOR THE HOLLYDALE 115 KV TRANSMISSION LINE PROJECT IN THE CITIES OF PLYMOUTH AND MEDINA

PUC DOCKET NO. E002, ET2/CN-12-113 OAH DOCKET NO.: 8-2500-23147-2

Theresa A. Senart hereby certifies that on the 19th day of February, 2014, she filed a true and correct copy of Northern States Power Company and Great River Energy's Reply Comments on Withdrawal of Certificate of Need and Route Permit Applications for Hollydale Project by posting the same on www.edockets.state.mn.us in the above-referenced dockets. Said Reply Comments is also served via U.S. Mail or e-mail as designated on the attached Official Service Lists on file with the Minnesota Public Utilities Commission in the above-referenced dockets.

s/Theresa A. Senart

Theresa Senart

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