

# APPENDICES

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# **APPENDIX A**

## **Notice of Project Open House (Local Governmental Unit Example Letter)**

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GREAT RIVER  
ENERGY®

12300 Elm Creek Boulevard • Maple Grove, Minnesota 55369-4718 • 763-445-5000 • Fax 763-445-5050 • [greatriverenergy.com](http://greatriverenergy.com)

September 19, 2014

Menahga Area 115 kV  
WO #202971

Deana Malone  
Wadena County Planning & Zoning Administrator  
415 Jefferson St. S  
Wadena, MN 56482

SUBJECT: Proposed Menahga Area 115 kV Transmission Project

You are receiving this letter and the enclosed project fact sheet because you are an elected official or a government agency representative who may want to know more about a proposed 115 kilovolt electric transmission project in the Menahga area. Great River Energy and Todd-Wadena Electric Cooperative will host a project information open house from 4:00 p.m. to 7:00 p.m. on Tuesday, September 30th at the Menahga Senior Center, 19 Cedar Avenue NE, Menahga, MN. Meeting notifications will be mailed to all property owners located within 500 feet of the project area. There will also be public meeting notices published in four Menahga-area newspapers around September 24<sup>th</sup>.

*You were previously notified by our environmental department of this project and now we would like to inform you of our public meeting. The details are listed above. Should permits be needed from your agency a formal application will be submitted to your office.*

This project requires approval by the Minnesota Public Utilities Commission (PUC). The permitting process will begin early in 2015 and affected property owners and other interested parties will be notified by State Department of Commerce or PUC staff and are encouraged to participate in the permitting process.

If you have any questions regarding the project or the open house meeting, please contact me directly by phone or email, or visit our project website at [greatriverenergy.com/menahga](http://greatriverenergy.com/menahga).

Sincerely,  
GREAT RIVER ENERGY

Michelle Lommel  
Sr. Field Representative

Enclosure

ML:jh:s:\trans\caproj\202970Menahga\202971Hubbard\ENV\LR\LR\Notifications\OpenHouse9.30\Agencyopenhousenotice.doc

Direct Dial (763) 445-5977

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# **APPENDIX B**

## **Exemption Order**

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BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger  
David Boyd  
Nancy Lange  
Dan Lipschultz  
Betsy Wergin

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

Donna L. Stephenson  
Associate General Counsel  
Great River Energy  
12300 Elm Creek Blvd.  
Maple Grove, MN 55369

SERVICE DATE: December 3, 2014

DOCKET NO. E-015/CN-14-787

In the Matter of the Application of Great River Energy and Minnesota Power for a Certificate of Need for the Menahga Area 115 kV Transmission Line Project in Hubbard, Wadena and Becker Counties, Minnesota – Exemption Request

The above entitled matter has been considered by the Commission and the following disposition made:

**Approved, conditioned on GRE providing the alternative data as specified.**

The Commission agrees with and adopts the recommendations of the Department of Commerce, which are attached and hereby incorporated into the Order. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION



Burl W. Haar  
Executive Secretary



This document can be made available in alternative formats e.g., large print or audio) by calling 651.296.0406 (voice). Persons with hearing loss or speech disabilities may call us through their preferred Telecommunications Relay Service.

October 14, 2014

Burl W. Haar  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
St. Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**  
Docket No. E015/CN-14-787

Dear Dr. Haar:

Attached are the comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) in the following matter:

Exemption Request Petition for the Application of Great River Energy and Minnesota Power for a Certificate of Need for the Menahga Area 115 kV Transmission Line Project in Hubbard, Wadena and Becker Counties, Minnesota.

The petitioner is:

Donna L. Stephenson  
Associate General Counsel  
Great River Energy  
12300 Elm Creek Blvd.  
Maple Grove, MN 55369

The Department recommends **approval**, and is available to answer any questions the Minnesota Public Utilities Commission may have.

Sincerely,

/s/ MICHAEL N. ZAJICEK  
Rates Analyst

MNZ/lt  
Attachment

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE  
MINNESOTA DEPARTMENT OF COMMERCE  
DIVISION OF ENERGY RESOURCES

DOCKET No. E015/CN-14-787

**I. BACKGROUND**

On September 18, 2014, Great River Energy (GRE), on behalf of itself and Minnesota Power (Applicants) filed a *Notice Plan Petition for the Application of Great River Energy and Minnesota Power for a Certificate of Need for the Menahga Area 115 kV Transmission Line Project in Hubbard, Wadena and Becker Counties, Minnesota* (Notice Petition). The Notice Petition provided a plan to notify potentially affected members of the public about the proposal under Minnesota Rules part 7849.2550. In response to the Notice Petition, comments were filed by the Minnesota Department of Commerce, Division of Energy Resources (Department) on October 8, 2014. The Minnesota Public Utilities Commission (Commission) has yet to rule on the Notice Petition.

On September 24, 2014 the Applicants submitted their *Exemption Request Petition for the Application of Great River Energy and Minnesota Power for a Certificate of Need for the Menahga Area 115 kV Transmission Line Project in Hubbard, Wadena and Becker Counties, Minnesota* (Exemption Petition) in order to obtain exemption from certain data requirements of Minnesota Rules part 7849. In response to the Exemption Petition, on October 1, 2014 the Commission issued a notice specifying that comments on the Exemption Petition are due October 15, 2014 and reply comments are due October 28, 2014.

Below are the comments of the Department regarding the Exemption Petition.

**II. DEPARTMENT ANALYSIS**

**A. BACKGROUND**

The Applicants propose to construct a 115 kW transmission line in Hubbard, Wadena, and Becker counties (Project). According to the Applicants the proposed project would serve a proposed new Minnesota Pipe Line Company pumping station as well as relieve overloaded

lines that already exist on the Hubbard-Verndale 34.5 kV system. As listed in the Exemption Petition, the proposed project involves:

- 4.5 miles of double-circuit and 2.5 miles of single-circuit 115 kV transmission line going east-west from the existing Great River Energy Hubbard substation and the existing Minnesota Power Pipeline Substation;
- 15.5 miles of single-circuit 115 kV transmission line going north-south between the existing Minnesota Power Pipeline Substation and the proposed new Todd-Wadena Red Eye distribution substation;
- a new Great River Energy Blueberry Substation in the vicinity of the existing Menahga Substation;
- a new Todd-Wadena Red Eye Substation to serve the new Minnesota Pipeline Company pumping station; and
- modifications to the existing Todd-Wadena Menahga Substation and the Minnesota Power Pipeline Substation.

Minnesota Statutes §216B.2421, subd. 2 (3) defines a large energy facility (LEF) as “any high voltage transmission line with a capacity of 100 kilovolts or more with more than ten miles of its length in Minnesota or that crosses a state line.” In turn, Minnesota Statutes §216B.243, subd. 2 states “No large energy facility shall be sited or constructed in Minnesota without the issuance of a certificate of need by the Commission.” Since the project calls for over 10 miles of transmission line construction with a capability of operating at 115 kV, the Department concludes that the proposed project qualifies as a LEF and a Certificate of Need (CN) is required. Minnesota Rules part 7849 includes the filing requirements for a CN for an electric transmission facility.

The Exemption Petition states that the proposed 115 kV lines will:

- relieve projected overloaded lines in 2017 on the Hubbard-Verndale 34.5 kV system; and
- provide power to the proposed Sebeka pumping station to be built by the Minnesota Pipeline Company as part of the Minnesota Pipe Line Reliability Project.

#### *B. APPLICANTS' REQUEST*

In the Exemption Petition, the Applicants request exemption from providing data relevant to the following portions of Minnesota Rules:

- 7849.0260, subp. A(3) and C(6);
- 7849.0270, subps. 1 and 2, System Wide Data;
- 7849.0270, subps. 2(B) and 2(C), Customer Class Information;
- 7849.0270, subp. 2(C), Annual Peak Demand;
- 7849.0270, subp. 2(D), Monthly Peak Demand;
- 7849.0270, subp. 2(E), Revenue Requirements;

- 7849.0270, subp. 2(F), Weekly Load Factor;
- 7849.0270, subps. 3-5, Forecast Methodology;
- 7849.0280, subps. (A) and (I), System Capacity;
- 7849.0290; and
- 7849.0300, Consequences of Delay, 7849.0340, Alternative of No Facility.

Minnesota Rules 7849.0200, subp. 6 states:

Before submitting an application, a person is exempted from any data requirement of this chapter if the person (1) requests an exemption from specified rules, in writing to the commission and (2) shows that the data requirement is unnecessary to determine the need for the proposed facility or may be satisfied by submitting another document.

The Department examines each specific exemption request separately. The required criterion is whether the Applicants have shown that “the data requirement is unnecessary to determine the need for the proposed facility or may be satisfied by submitting another document” as noted above.

### C. ANALYSIS OF EXEMPTION REQUESTS

#### 1. Minnesota Rules 7849.0260, subp. A(3) and C(6)

These rules require an applicant to provide estimated “losses under projected maximum loading and under projected average loading in the length of the transmission line and at the terminals or substations.” Instead, the Applicants proposed to supply system loss information in lieu of line specific losses.

The Department agrees that line losses for the system are more relevant to the analysis than line losses for individual lines. The Department notes that, to make the proper decisions in a societal framework, it is necessary to know what happens to system losses when a line is added. To count only the losses on the line in question might lead to the selection of one alternative because it has lower losses on that line but has higher system line losses; therefore selection of such an alternative would force the system to produce more energy than some other alternative. Thus, the proposal to use data for the system as a whole in this proceeding is appropriate.

In summary, the Department recommends that the Commission approve the Applicants’ proposed exemption to Minnesota Rules 7849.0260 A(3) and C(6) conditioned upon the provision of the proposed alternative data.

*2. Minnesota Rules 7849.0270, subps. 1 and 2 System Wide Data*

These rules require an applicant to provide information regarding peak demand, annual consumption, weekday load factors, and forecasts for the applicant's entire system. The Applicants request this exemption because the proposed facility is designed to serve customers in the local area rather than the Applicants' systems. Instead, the Applicants' propose to provide demand data supporting the need in the affected area.

The Department agrees that the data the Applicants propose to provide, "data supporting the need in the affected load area," is the appropriate data regarding the need to address reliability in the Menahga area. Information specific to the load area is more relevant to the claimed need than system-wide information.

In summary, the Department recommends that the Commission approve the Applicants' proposed exemption to Minnesota Rules 7849.0270, subp. 1 and 2 conditioned upon the provision of the proposed alternative data.

*3. Minnesota Rules 7849.0270, subps. 2(B) and 2(C), Customer Class Information*

These rules require an applicant to predict the amount of energy consumed and demanded for nine classes of customers and at various times of year. These requirements were crafted to examine the construction of new transmission lines to connect new sources of electricity to new sources of demand. This clearly includes the southern half of the project (Menahga Substation to Red Eye Substation) as the proposed transmission lines are to serve the new Minnesota Pipeline Company pumping station. However, the Applicants asserted that, for the northern half of the project (Hubbard Substation to Menahga Substation), customer class categories have no direct bearing on the application due to existing aggregate customer demand. The Applicants requested an exemption to Minnesota Rules 7849.0270, subps. 2(b) and 2(c), proposing to instead use a forecast methodology based on historic loading and system forecast growth rates for the northern half of the Project.

The Department agrees that the methodology that the Applicants propose to use is appropriate and that the marginal benefit of the full customer class data does not justify the effort required to gather it for the northern half of the project. Information showing the aggregate customer demand is sufficient to support the claimed need for the northern half of the Menahga project.

In summary, the Department recommends that the Commission approve the Applicants' proposed exemption to Minnesota Rules 7849.0270, subps. 2(B) and 2(C) with respect to the northern half of the Menahga project, conditioned upon the provision of the proposed data based on an historic loading and system forecast growth rates methodology.

*4. Minnesota Rules 7849.0270, subp. 2(C), Annual Peak Demand*

This rule requires an applicant to estimate the demand for power in the applicant's system at the time of the annual system peak demand, provided by customer class. The Applicants noted that, as discussed above, they have already requested exemptions from the system wide data requirement and the customer class data requirement. The Applicants indicated that sufficient transmission capacity within the affected load area is based on the maximum demand in the affected load area. Therefore, the Applicants proposed to provide data on the annual coincident peak of the affected load area, rather than on the annual peak demand of the overall system.

The Department agrees that the data on the annual coincident peak of the affected area is more appropriate for evaluating the claimed need than annual system peak data. The proposed project is intended to provide sufficient transmission capacity within the affected load area based on the maximum demand in the affected load area. Therefore, information on the annual coincident peak in the area is more relevant to the claimed need than annual peak data for the system.

In summary, the Department recommends that the Commission approve the Applicants' proposed exemption to Minnesota Rules 7849.0270, subp. 2(C) with respect to the annual system peak demand data requirements conditioned upon the provision of the area's annual coincident peak data.

*5. Minnesota Rules 7849.0270, subp. 2(D), Peak Demand by Month*

This rule requires an applicant to provide monthly peak demand data for its system. The Applicants requested this exemption since the proposed facility is designed to serve customers in the local area rather than the Applicants' systems. The Applicants proposed to instead supply information on the reliability risks faced using demand projections for the Minnesota Power substations and Great River Energy member cooperative substations within the affected load area. To this end the Applicants proposed to provide historical summer and winter peak power demand data and forecasts of power demand for each substation within the affected load area.

The Department agrees that the data the Applicants proposed to provide on the historical summer and winter peak power demand data and forecasts of power demand is appropriate data regarding the need to address reliability in the Menahga area. Information specific to the load area is more relevant to the claimed need than system-wide information and data on peak winter and summer demand is sufficient to demonstrate reliability issues.

In summary, the Department recommends that the Commission approve the Applicants' proposed exemption to Minnesota Rules 7849.0270, subp. 2(D) conditioned upon the provision of the proposed alternative data.

*6. Minnesota Rules 7849.0270, subp. 2(E), System Revenue Requirements*

This rule requires “the estimated annual revenue requirement per kilowatt hour for the system in current dollars” for each forecast year. The Applicants proposed to provide a description of how wholesale electricity costs are spread among users of the transmission grid and the general financial effects of the Project on Great River Energy’s member cooperatives and on Minnesota Power.

The Department agrees that the data the Applicants propose to provide is a reasonable substitute to the system revenue data requirements. Since the information required by the rule is a product of a least-cost alternative analysis, the Department does not need to use this information to analyze the CN application. However, as the Department has noted in previous exemption request comments,<sup>1</sup> this information is useful to show the impact of the project to non-technical audiences.

In summary, the Department recommends that the Commission approve the Applicants’ proposed exemption to Minnesota Rules 7849.0270, subp. 2(E) conditioned upon the provision of the proposed alternative data.

*7. Minnesota Rules 7849.0270, subp. 2(F), Weekday Load Factor*

This rule requires the Applicant to provide its average system weekday load factor for each month. The Applicants requested this exemption because they concluded that load factor is not a relevant measure when evaluating the need for a transmission facility.

The Department agrees with the Applicants that load factor is not relevant in assessing the need for the proposed project and thus recommends that the Commission approve the Applicants’ proposed exemption to Minnesota Rules 7849.0270, subp. 2(F).

*8. Minnesota Rules 7849.0270, subps. 3-5, Forecast Methodology*

These rules require the Applicant to 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. The Applicants requested this exemption because the Project is not prompted by electrical consumption, but rather by growing consumer demand during peak times. The Applicants proposed to instead provide substation load forecasts and line operation data.

The Department agrees that the data the Applicants proposed to provide would allow the evaluation of the claimed need in the proposed load area. The proposed data is more relevant given the Applicants’ reasons necessitating the CN.

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<sup>1</sup> See Docket Nos. ET-2,E002/CN-06-1115, E017,E015/CN-07-1222, and ET2,E015/CN-10-973



In summary, the Department recommends that the Commission approve the Applicants' proposed exemption to Minnesota Rules 7849.0270, subps. 3-5 conditioned upon the provision of the proposed alternative data.

*9. Minnesota Rules 7849.0280, System Capacity Information*

This rule requires the applicant to provide information that describes the ability of its existing system to meet forecasted demand; in essence, load and capability information. The Applicants requested confirmation that the requirements of Minn. Rules 7849.0280 applied to a transmission facility are satisfied using data for the affected load area. The Commission has noted in the past that much of Minn. Rule 7849.0280 pertains to electric generators.<sup>2</sup> The Applicants requested an exemption from the requirements of paragraphs B through G and I as those sections apply to generators and not transmission proposals. The Applicants requested that the remaining requirements of Minn. Rule 7849.0280, subps. A and H, apply to the applicable load area.

The Department agrees that information relating to the affected load area for the Project is more relevant and that aspects of the rule relating to generators are not applicable. Therefore the Department recommends that the Commission approve the Applicants' proposed exemption to Minnesota Rules 7849.0280 conditioned upon the provision of the proposed alternative data.

*10. Minnesota Rules 7849.0290, Conservation Programs*

This rule requires the applicant to provide conservation program information and quantification of the impact of conservation programs on forecast data. The Applicants requested confirmation that the information required by Minn. Rule 7849.0290 should be provided only for the applicable load area.

Since the project is based on demand within the affected area causing peak load violations the Department agrees that data for the applicable load region is the most relevant. Thus, the Department recommends that the Commission approve the Applicants' proposed exemption to Minnesota Rules 7849.0290 conditioned upon the provision of the proposed alternative data.

*11. Minnesota Rules 7849.0300, Consequences of Delay, and 7849.0340, No-Facility Alternative*

Minnesota Rules 7849.0300 requires detailed information regarding the consequences of delay on three specific statistically based levels of demand and energy consumption. Minnesota Rule 7849.0340 requires a discussion of what the impact would be on existing generation and transmission facilities at three levels of demand specified in part 7849.0300 for the no-build alternative. Instead, the Applicants proposed to provide information on the consequences of delay in the context of the potential impacts on the

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<sup>2</sup> *Id.*

local community's service reliability. The Applicants stated that they “. . . 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.”

The Department agrees with the Applicants that the proposed data, focusing on demand in the local area, is relevant to the claimed need and provides better information than the required data. Therefore, the Department recommends that the Commission grant the exemption conditioned upon the provision of the proposed alternative data.

### **III. DEPARTMENT RECOMMENDATION**

The Department recommends that the Commission approve the Applicants' requests for exemption from the required data conditioned upon the provision of the proposed alternative data.

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# **APPENDIX C**

## **Certificate of Need Application Requirements Completeness Checklist**

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### Certificate of Need Application Completeness Checklist

Authority	Required Information	Location in Application
Minn. R. 7849.0120 A	Showing that denial would adversely affect adequacy, reliability and efficiency	
1	Demand forecast for type of energy supplied by proposed facility is accurate	§ 5.6
2	Effects of Applicants' conservation program and state and federal conservation programs	§ 5.8; Appendix I
3	Effects of Applicants' promotional practices on energy demand	§ 5.10
4	Ability of current facilities and facilities not requiring CON to meet future demand	§§ 5.1; 6.4.1
5	Effect of proposed facility in making efficient use of resources	§§ 4.1; 5.7
Minn. R. 7849.0120 B	A more reasonable and prudent alternative has not been demonstrated	
1	Facility is appropriate size, type and timing compared to reasonable alternatives	§ 4.1; Chapter 6
2	Cost of facility and of its energy compared to reasonable alternatives	§ 4.2; Chapter 6
3	Effects of the proposed facility upon the natural and socio-economic environment compared to the effects of reasonable alternatives	Chapters 6 and 9
4	Expected reliability of facility compared to reasonable alternatives	§ 4.1; Chapter 6
Minn. R. 7849.0120 C	Project will provide benefit to society:	
1	Relationship of facility to overall state energy needs	§ 5.2
2	Effects of facility on natural and socio-economic environment compared to not building facility	§ 6.10; Chapter 9
3	Effects of facility inducing future development	§§ 5.1; 8.1.2
4	Socially beneficial uses of the output of the facility, including its uses to protect or enhance environmental quality	§ 5.1; Chapter 9
Minn. R. 7849.0120 D	Project will comply with relevant policies and regulations of other state and federal agencies and local governments	§§ 2.5; 4.6; 8.4; Chapter 9
Minn. R. 7849.0200, Subp. 2	Title Page	Title Page
Minn. R. 7849.0200, Subp. 2	Table of Contents	Pages i – viii

Authority	Required Information	Location in Application
Minn. R. 7849.0200, Subp. 4	Cover Letter	Cover Letter
7849.0210	Filing Fee	Cover Letter
Minn. R. 7849.0220, Subp. 3	Joint Ownership and Multiparty Use	§ 3.1
Minn. R. 7849.0230	Draft Environmental Report	Not required
Minn. R. 7849.0240	Need Summary and Additional Considerations	
Minn. R. 7849.0240, Subp. 1	Major factors that justify need for facility	5.1
Minn. R. 7849.0240, Subp. 2(A)	Socially beneficial uses of facility output, including uses to protect or enhance environmental quality	§ 5.1; Chapter 9
Minn. R. 7849.0240, Subp. 2(B)	Promotional activities that may have given rise to demand	§ 5.10
Minn. R. 7849.0240, Subp. 2(C)	Effects of the facility in inducing future development	§§ 5.1; 8.1.2
Minn. R. 7849.0260	Proposed LHVTL and Alternatives	
Minn. R. 7849.0260 A	Type and location of proposed line, including:	
1	Design voltage	§ 4.1
2	Number, sizes and types of conductors	§ 4.1
3	Expected losses under maximum and average loading in lines and terminals or substations Exemption: <i>Provide total system losses.</i>	§ 4.5
4	Length of line and portion in Minnesota	§ 4.1
5	Location of DC terminals or AC substations on map	§ 4.1; Figures 1-3 and 1-4; Appendix G
6	List of counties affected by construction and operation	§ 4.1

Authority	Required Information	Location in Application
Minn. R. 7849.0260 B	Availability of alternatives, including:	
1	New generation of various technologies, sizes, fuel types	§ 6.2
2	Upgrade of existing lines or generating facilities	§ 6.3
3	Transmission with different voltages or conductor arrays	§§ 6.4; 6.5
4	Transmission lines with different terminals or substations	§ 6.6
5	Double circuiting of existing transmission lines	§ 6.7
6	If facility for DC (AC) transmission, an AC (DC) transmission line	§ 6.8
7	If facility for overhead (underground) transmission, an underground (overhead) transmission line	§ 6.9
8	Any reasonable combination of alternatives (1) – (7)	Chapter 6
Minn. R. 7849.0260 C	For facility and for each alternative, discuss:	
1	Total cost in current dollars	§ 4.2; Chapter 6
2	Service life	§ 4.1.1; Chapter 6
3	Estimated average annual availability	§ 4.1.1; Chapter 6
4	Estimated annual operating and maintenance costs in current dollars	§§ 4.2.2; 8.6; Chapter 6
5	Estimate of its effect on rates system-wide and in Minnesota	§ 4.3
6	Efficiency Exemption: <i>Provide system totals.</i>	§§ 4.5; 5.7; Chapter 6
7	Major assumptions made in sub items (1) – (6)	See above
Minn. R. 7849.0260 D	Scaled map showing the system or load center to be served	Figures 1-3; 1-4; 3-1
Minn. R. 7849.0260 E	Any other relevant information about the proposed facility and each alternative	Seriatim
Minn. R. 7849.0270	Content of Forecast	
Minn. R. 7849.0270, Subp. 1	Pertinent data concerning peak demand and annual electrical consumption Exemption: <i>Provide cooperative-owned and non-cooperative-owned substation data.</i>	§ 5.5
Minn. R. 7849.0270, Subp. 2	Forecast data Exemption: <i>Provide cooperative-owned and non-cooperative-owned substation data.</i>	§ 5.6

Authority	Required Information	Location in Application
Minn. R. 7849.0270, Subp. 3	Detail of the forecast methodology employed in Subp.2 Exemption: <i>Provide cooperative and non-cooperative load.</i>	§ 5.6.1
Minn. R. 7849.0270, Subp. 4	Discussion of the data base used in current forecasting Exemption: <i>Provide cooperative and non-cooperative load.</i>	§ 5.6
Minn. R. 7849.0270, Subp. 5	Discussion of assumptions made in forecast preparation Exemption: <i>Provide cooperative and non-cooperative load.</i>	§ 5.6
Minn. R. 7849.0270, Subp. 6	Coordination of forecasts	§ 5.6
Minn. R. 7849.0280	Description of system capacity Exemption: <i>Provide cooperative and non-cooperative load.</i>	§ 5.6
Minn. R. 7849.0290	Conservation Programs	§ 5.8; Appendix I
Minn. R. 7849.0300	Consequences of delay Exemption: <i>Threshold peak demand.</i>	§ 5.9
Minn. R. 7849.0310	Environmental Information	Chapter 9; Appendix G; Appendix K
Minn. R. 7849.0330	Provide data for each alternative that would require LHVTL construction	§ 4.1.1; Chapter 6; Chapter 8; Chapter 9
Minn. R. 7849.0340	No-Facility Alternative Exemption: <i>Threshold peak demand.</i>	§§ 5.9; 6.10
Minn. R. 7849.0340 C	Description of possible methods of reducing environmental impact	Chapter 9
Minn. R. 7829.2500, Subp. 2	Single Page Summary for Interested Parties	Filing Summary



# **APPENDIX D**

## **Notice of Intent to File Under Alternative Permitting Process**

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12300 Elm Creek Blvd • Maple Grove, Minnesota 55369-4718 • 763-445-5000 • Fax 763-445-5050

11 December 2014

Dr. Burl W. Haar  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, MN 55101

**RE: Notice of Intent by Great River Energy and Minnesota Power to Submit a Route Permit Application under the Alternative Permitting Process ET2, E015/TL-14-797**

Dear Dr. Haar:

On behalf of Great River Energy and Minnesota Power (Applicants), pursuant to Minn. Rules 7850.2800, subp. 2, Great River Energy submits this notice to the Minnesota Public Utilities Commission (Commission) that Applicants intend to submit a Route Permit application for the Menahga Area 115 kV Transmission Project in Hubbard, Wadena and Becker counties, Minnesota under the Alternative Permitting processes of Minn. Rules 7850.2800 to 7850.3900.

Applicants intend to submit a combined Certificate of Need/Route Permit application to the Commission in January 2015. The Commission has assigned Docket No. ET2, E015/CN-14-787 to the Certificate of Need proceeding.

Please feel free to call me at 763-445-5214 if you have any questions regarding this notice.

Sincerely,

GREAT RIVER ENERGY

Carole L. Schmidt  
Supervisor, Transmission Permitting and Compliance

c: Deborah Pile, EERA

s:\legal\environmental\transmission\projects\Menahga Area Project\Menahga PUC Letter – Alternative Process Notification 12-11-14

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# **APPENDIX E**

## **Route Permit Application Requirements Completeness Checklist**

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**Route Permit Application – Alternative Process Completeness Checklist**

<b>Authority</b>	<b>Required Information</b>	<b>Location in Application</b>
Minn. Stat. § 216E.04, subd. 2(3)	<b>Alternative Review of Applications.</b> Alternative review is available for high voltage transmission lines of between 100 and 200 kV	§ 2.2
Minn. Stat. § 216E.04, subd. 4; Minn. R. 7850.2800, Subp. 1(C)	Subpart 1. <b>Eligible Projects.</b> An applicant for a site permit or a route permit for one of the following projects may elect to follow the procedures of parts 7850.2800 to 7850.3900 instead of the full permitting procedures in parts 7850.1700 to 7850.2700: <b>high voltage transmission lines of between 100 and 200 kV</b>	Appendix D
Minn. R. 7850.2800, Subp. 2.	Subpart 2. <b>Notice to PUC.</b> An applicant for a permit for one of the qualifying projects in subpart 1, who intends to follow the procedures of parts 7850.2800 to 7850.3700, shall notify the PUC of such intent, in writing, at least ten days before submitting an application for the project	Appendix D
Minn. R. 7850.3100	<b>Contents of Application</b> (alternative permitting process) The applicant shall include in the application the same information required in part 7850.1900, except the applicant need not propose any alternative sites or routes to the preferred site or route. If the applicant has rejected alternative sites or routes, the applicant shall include in the application the identity of the rejected sites or routes and an explanation of the reasons for rejecting them	This document.
Minn. R. 7850.1900, Subp. 2 (applicable per Minn. R. 7850.3100)	<b>Route Permit for HVTL</b> A. a statement of proposed ownership of the facility at the time of filing the application and after commercial operation	§ 3.1
	B. the precise name of any person or organization to be initially named as permittee or permittees and the name of any other person to whom the permit may be transferred if transfer of the permit is contemplated	§ 3.1
	C. rejected alternative routes and the reasons for rejecting	§ 7.2
	D. a description of the proposed high voltage transmission line and all associated facilities including the size and type of the high voltage transmission line	§ 4.1
	E. the environmental information required under 7850.1900, Subp. 3	Chapter 9
	F. identification of land uses and environmental conditions along the proposed routes	§§ 9.1; 9.8
	G. the names of each owner whose property is within any of the proposed routes for the high voltage transmission line	Appendix J
	H. United States Geological Survey topographical maps or other maps acceptable to the chair showing the entire length of the high voltage transmission line on all proposed routes	Figure 1-3; Appendix G

Authority	Required Information	Location in Application
	I. identification of existing utility and public rights-of-way along or parallel to the proposed routes that have the potential to share right-of-way with the proposed line	§ 8.2
	J. the engineering and operational design concepts for the proposed high voltage transmission line, including information on the electric and magnetic fields of the transmission line	§§ 4.1; 8.7
	K. cost analysis of each route, including the costs of constructing, operating, and maintaining the high voltage transmission line that are dependent on design and route	§ 4.2
	L. a description of possible design options to accommodate expansion of the high voltage transmission line in the future	§ 8.1.2
	M. the procedures and practices proposed for the acquisition and restoration of the right-of-way, construction, and maintenance of the high voltage transmission line	§§ 8.3; 8.4; 8.5; 8.6
	N. a listing and brief description of federal, state, and local permits that may be required for the proposed high voltage transmission line	§ 2.5; Table 2-1
	O. a copy of the Certificate of Need or the certified HVTL list containing the proposed high voltage transmission line or documentation that an application for a Certificate of Need has been submitted or is not required	This document
Minn. R. 7850.1900, Subp. 3	<b>Environmental Information</b> A. a description of the environmental setting for each site or route	§ 9.1
	B. a description of the effects of construction and operation of the facility on human settlement, including, but not limited to, public health and safety, displacement, noise, aesthetics, socioeconomic impacts, cultural values, recreation, and public services	§ 9.2
	C. a description of the effects of the facility on land-based economies, including, but not limited to, agriculture, forestry, tourism, and mining	§ 9.3
	D. a description of the effects of the facility on archaeological and historic resources	§ 9.4
	E. a description of the effects of the facility on the natural environment, including effects on air and water quality resources and flora and fauna	§ 9.5
	F. a description of the effects of the facility on rare and unique natural resources	§ 9.6
	G. identification of human and natural environmental effects that cannot be avoided if the facility is approved at a specific site or route	Chapter 9
	H. a description of measures that might be implemented to mitigate the potential human and environmental impacts identified in items A to G and the estimated costs of such	Chapter 9



Authority	Required Information	Location in Application
	mitigative measures	
Minn. R. 7850.2100, Subp. 2 (applicable per Minn. R. 7850.3300)	<b>Notice of Project</b> Notification to persons on PUC's general list, to local officials, and to property owners	To be provided
Minn. R. 7850.2100, Subp 4	Publication of notice in a legal newspaper of general circulation in each county in which the route is proposed to be located.	To be published
Minn. R. 7850.2100. Subp. 5	Confirmation of notice by affidavits of mailing and publication with copies of the notices	Submit when available
Minn. R. 7850.4100	<b>Factors to be Considered in Permitting a HVTL</b> A. effects on human settlement, including, but not limited to, displacement, noise, aesthetics, cultural values, recreation, and public services	§ 9.2
	B. effects on public health and safety	§ 9.2
	C. effects on land-based economies, including, but not limited to, agriculture, forestry, tourism, and mining	§ 9.3
	D. effects on archaeological and historic resources	§ 9.4
	E. effects on the natural environment, including effects on air and water quality resources and flora and fauna	§ 9.5
	F. effects on rare and unique natural resources	§ 9.6
	G. application of design options that maximize energy efficiencies, mitigate adverse environmental effects, and could accommodate expansion of transmission or generating capacity	§§ 4.1; 8.1.2
	H. use or paralleling of existing rights-of-way, survey lines, natural division lines, and agricultural field boundaries	§§ 4.1; 8.2
	I. use of existing large electric power generating plant sites	Not applicable
	J. use of existing transportation, pipeline, and electrical transmission systems or rights-of-way	§ 8.2
	K. electrical system reliability	§§ 5.1; 5.9
	L. costs of constructing, operating, and maintaining the facility which are dependent on design and route	§ 4.2
	M. adverse human and natural environmental effects which cannot be avoided	Chapter 9
	N. irreversible and irretrievable commitments of resources	§ 9.9
Minn. R. 7850.4300, Subps. 1 and 2	Prohibited Routes <b>Wilderness areas.</b> No high voltage transmission line may be routed through state or national wilderness areas <b>Parks and natural areas.</b> No high voltage transmission line may be routed through state or national parks or state scientific and natural areas unless the transmission line would not materially damage or impair the purpose for which the area was designated and no feasible and prudent alternative exists. Economic considerations alone do not justify use of these areas for a high voltage transmission line	No wilderness areas or parks are crossed

Authority	Required Information	Location in Application
Minn. Stat. §216E.03, Subd.7 (applicable per Minn. Stat. §216E.04, Subd. 8)	<b>Considerations in designating sites and routes</b> (1) Evaluation of research and investigations relating to the effects on land, water and air resources of large electric power generating plants and high voltage transmission lines and the effects of water and air discharges and electric and magnetic fields resulting from such facilities on public health and welfare, vegetation, animals, materials and aesthetic values, including base line studies, predictive modeling, and evaluation of new or improved methods for minimizing adverse impacts of water and air discharges and other matters pertaining to the effects of power plants on the water and air environment	Chapter 9
	(2) Environmental evaluation of sites and routes proposed for future development and expansion and their relationship to the land, water, air and human resources of the state	§ 8.1.2
	(3) Evaluation of the effects of new electric power generation and transmission technologies and systems related to power plants designed to minimize adverse environmental effects	Not applicable
	(4) Evaluation of the potential for beneficial uses of waste energy from proposed large electric power generating plants	Not Applicable
	(5) Analysis of the direct and indirect economic impact of proposed sites and routes including, but not limited to, productive agricultural land lost or impaired	§ 9.3
	(6) Evaluation of adverse direct and indirect environmental effects that cannot be avoided should the proposed site and route be accepted	Chapter 9
	(7) Evaluation of alternatives to the applicant's proposed site or route proposed pursuant to subdivisions 1 and 2	Chapter 7
	(8) Evaluation of potential routes that would use or parallel existing railroad and highway rights-of way	§ 8.2; Chapter 9
	(9) Evaluation of governmental survey lines and other natural division lines of agricultural land so as to minimize interference with agricultural operations	§§ 8.2; 9.3.1
	(10) Evaluation of the future needs for additional high voltage transmission lines in the same general area as any proposed route, and the advisability of ordering the construction of structures capable of expansion in transmission capacity through multiple circuiting or design modifications	§§ 6.3; 6.6; 8.1.2
	(11) Evaluation of irreversible and irretrievable commitments of resources should the proposed site or route be approved	Chapter 9
	(12) When appropriate, consideration of problems raised by other state and federal agencies and local entities	Not applicable

# **APPENDIX F**

## **Order Approving Notice Plan**

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BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of the Application of Great River Energy and Minnesota Power for a Certificate of Need for the Menahga Area 115 kV Transmission Line Project in Hubbard, Wadena, and Becker Counties

ISSUE DATE: December 8, 2014

DOCKET NO. E-015/CN-14-787

ORDER APPROVING NOTICE PLAN AND GRANTING VARIANCES

**PROCEDURAL HISTORY**

On September 18, 2014, Great River Energy and Minnesota Power (the Applicants) filed a notice plan petition for their proposed 115 kV transmission line project in Hubbard, Wadena, and Becker counties (the Menahga Area Project, or project).<sup>1</sup>

On October 8, 2014, the Minnesota Department of Commerce, Division of Energy Environmental Review and Analysis (EERA) filed comments and proposed certain minor modifications to the notice plan to 1) complete and correct notices that will be distributed via the plan, and 2) expand the distribution of notices to governmental entities.

Also on October 8, 2014, the Minnesota Department of Commerce, Division of Energy Resources (the Department), filed comments recommending that the Commission approve the Applicants' notice plan with the modifications recommended by the EERA. The Department also recommended that the Commission grant a variance to the rule requiring that a notice plan be implemented within 30 days of Commission approval. Finally, the Department recommended that the Commission reject the Applicants' request for a variance of the rule requiring additional newspaper notification of the certificate of need upon its filing.

On October 22, 2014, the Applicants filed comments in response to the Department's comments on the proposed notice plan.

On October 24, 2014, the Department filed supplemental comments on the proposed notice plan, and recommended that the Commission grant the Applicants' request for a variance to eliminate the need for potentially redundant newspaper notification of the certificate of need application upon its filing.

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<sup>1</sup> Applicants plan to file a combined certificate of need and route permit application for the project early in 2015.

On November 24, 2014, the Commission met to consider the matter.

## **FINDINGS AND CONCLUSIONS**

### **I. Proposed Project**

Applicants have proposed to construct an approximately 22-mile 115 kV transmission line in the Menahga area in Hubbard, Wadena, and Becker counties, and to construct and modify certain substations. The project entails: 1) construction of 4.5 miles of new double-circuit 115 kV line and approximately 2.5 miles of single-circuit 115 kV line; 2) construction of approximately 15.5 miles of primarily new single-circuit 115 kV transmission line; and 3) construction of new distribution substations.

### **II. Proposed Notice Plan**

The EERA and the Department coordinated their review of the Applicants' notice plan.

The agencies reviewed the Applicants' notice plan under Minn. R. 7829.2550, subp. 3, which requires an applicant to file a proposed notice plan designed to notify all persons reasonably likely to be affected by the proposed line. The rule requires such plans to include direct mail notice to landowners, tribal governments, local governments and other governmental entities, as well as to all mailing addresses within the area reasonably likely to be affected by the line; the rule also requires newspaper notice to members of the public in areas reasonably likely to be affected by the proposed line. The notice must contain information regarding the project, including a map of the proposed line and other existing facilities, as well as a statement that the line cannot be constructed unless the Commission certifies that it is needed.

The EERA reviewed the proposed notice plan and found that, in general, the plan is consistent with the requirements of Minn. R. 7829.2550. The EERA recommended certain modifications to the notice plan to 1) complete and correct notices that will be distributed via the plan, and 2) expand the distribution of notices to governmental entities.<sup>2</sup>

The Department agreed with the EERA's proposed modifications to the notice plan. With those modifications, the Department recommended its approval.

The Applicants agreed with the EERA's comments and suggested edits to the notice.

### **III. Rule Variances**

The Applicants requested that the Commission grant variances to Minn. R. 7829.2500, subp. 5 and Minn. R. 7829.2550, subp. 6.

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<sup>2</sup> The EERA's recommended revisions to the notice plan are located in Attachment 1 ("EERA Edits to Notice Content") to the EERA's October 8, 2014 comments in this docket.

**A. Minn. R. 7829.2550, subp. 6**

Minn. R. 7829.2550, subp. 6 requires the applicant to implement the proposed notice plan within 30 days of approval by the Commission. Applicants requested that the Commission direct the notices identified in this notice plan to occur no more than 60 days prior to the filing of the certificate of need application to allow the notice to more closely coincide with the certificate of need filing.

The Department noted that that the Commission has ordered a similar approach in other certificate of need dockets, and recommended that the Commission approve the request and grant a variance to Minn. R. 7829.2550, subp. 6 to allow implementation of the notice plan no more than 60 days prior to the filing of the route permit application.

**B. Minn. R. 7829.2500, subp. 5**

Applicants also requested that the Commission vary Minn. R. 7829.2500, subp. 5, which requires a person filing a certificate of need application to publish notice of the filing in newspapers of general circulation throughout the state. Applicants stated that they will publish newspaper notice of the certificate of need filing as part of the notice plan implementation no more than 60 days before the route permit application should the Commission grant its request to vary Minn. R. 7829.2550, subp. 6, as described above.

In comments filed October 24, 2014, the Department agreed that in this case, since the certificate of need and route permit applications will be filed simultaneously, a single notice informing the public of both applications could fulfill both rule requirements. The Department recommended that the Commission grant the Applicants' request for a variance to Minn. R. 7829.2500, subp. 5 to eliminate the need for potentially redundant newspaper notification of the certificate of need application upon its filing.

**C. Commission Action**

Under Minn. R. 7829.3200, the Commission is authorized to vary any of its rules upon making the following findings:

- 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 Commission concurs with the parties and will vary the 30-day time line of Minn. R. 7829.2550, subp. 6. The Commission will also vary the requirement of Minn. R. 7829.2550, subp. 5 that an applicant publish a separate newspaper notice upon the filing of a certificate of need application, instead authorizing the newspaper notices for the notice plan and route permit application to be combined. In granting these variances, the Commission makes the following findings:

- 1) Enforcing the rules would impose an excessive burden upon the public and upon parties to the proceeding by separating the delivery of the notice from the start of the certificate of need proceeding;
- 2) Granting the variances would not adversely affect the public interest and would in fact serve the public interest since implementation of the notice would more closely coincide with the beginning of the certificate of need process; and
- 3) Varying the 30-day time line would not conflict with any other standards imposed by law.

**ORDER**

1. The Commission approves the proposed notice plan as modified by the EERA in its comments of October 8, 2014.
2. The Commission varies Minn. R 7829.2550, subp. 6, to permit implementation of the notice plan no more than 60 days prior to the filing of the certificate of need.
3. The Commission varies Minn. R. 7829.2550, subp. 5, to eliminate the need for potentially redundant newspaper notification of the certificate of need application upon its filing.
4. This order shall become effective immediately.

BY ORDER OF THE COMMISSION



Burl W. Haar  
Executive Secretary



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