3. PROJECT INFORMATION

3.1 Proposed Ownership

GRE will own the approximately 12 miles of single circuit 115 kV transmission line that will proceed from the Mud Lake Substation east to the Wilson Lake Substation.

Minnesota Power owns the Mud Lake Substation and will own new equipment added to the substation as a result of this project.

Mille Lacs Energy Cooperative (MLEC) currently owns the Wilson Lake distribution substation. GRE has purchased land adjacent to the substation and will own the new 115/69 kV substation to be added at this site. GRE will own and operate all the high voltage (115 kV) facilities, the control house, and all common facilities (land, fence, etc.). MLEC will have a permanent easement for its low voltage distribution facilities on the western ¼ portion of the substation and will separately own and operate those facilities.

3.2 Permittees

Great River Energy will be named as permittee for this project. Transfer of the permit to any other person or organization is not anticipated.

Contact information for GRE is provided below.

Permittee: Great River Energy
17845 East Highway 10
PO Box 800
Elk River, Minnesota 55330

Contact: Carole L. Schmidt

Phone: (763) 241-2272

Fax: (763) 241-6072

Email: cschmidt@grenergy.com

3.3 Project Location

The proposed Wilson Lake Project is located near Lake Mille Lacs in Crow Wing County, Minnesota (Table 3-1).

Table 3-1 Project Location

Sections	Township	Range	Township Name
25,36	45N	30W	Oak Lawn
25,26,27,28,29,30,36	45N	29W	Nokay Lake
27,28,29,30,31,32,33,34	45N	28W	Bay Lake

3.4 Project Proposal

GRE proposes to construct approximately 12 miles of single circuit 115 kV transmission line between the Mud Lake Substation and the Wilson Lake Substation (Figure 3-1). The route for which GRE is requesting a permit from the Commission exits MP's Mud Lake Substation to the east side of GRE's existing 230 kV transmission line, proceeds north paralleling the 230 kV line for approximately 1.5 miles to the intersection of STH 18, then runs east along STH 18 for approximately 10.5 miles to the MLEC Wilson Lake Substation (Figures 3-2 to 3-4). GRE believes that a right of way transmission corridor that extends out 60 feet on each side of STH 18 right of way would be sufficient to accommodate the project. Special right of way accommodations may be required in some areas.

The project also includes minor modifications at the Mud Lake Substation to accommodate the termination of the new line, and rebuilding and expanding the Wilson Lake Substation to include a new 115/69 kV substation.

These proposed facility improvements are required to address the considerable increase in electrical use in the region and to resolve electricity delivery concerns in the area.

3.5 Project Schedule

Construction is expected to begin on the Wilson Lake project in February 2008. This date may vary depending on the easement acquisition process. GRE hopes to complete construction by the end of June 2008, and anticipates an in-service date of July 2008 to meet the summer electrical demand.

3.6 Project Cost Analysis

3.6.1 Project Costs

The cost estimate for construction of the Wilson Lake 115 kV transmission line project is divided into three components as shown in Table 3-2.

Table 3-2 Estimated Project Costs (2006 Dollars)

115 kV Transmission Line	Mud Lake Substation Modifications	Wilson Lake Substation	Total Estimated Project Costs
$ 5,048,000	$ 395,600	$ 2,000,000	**$ 7,443,600**

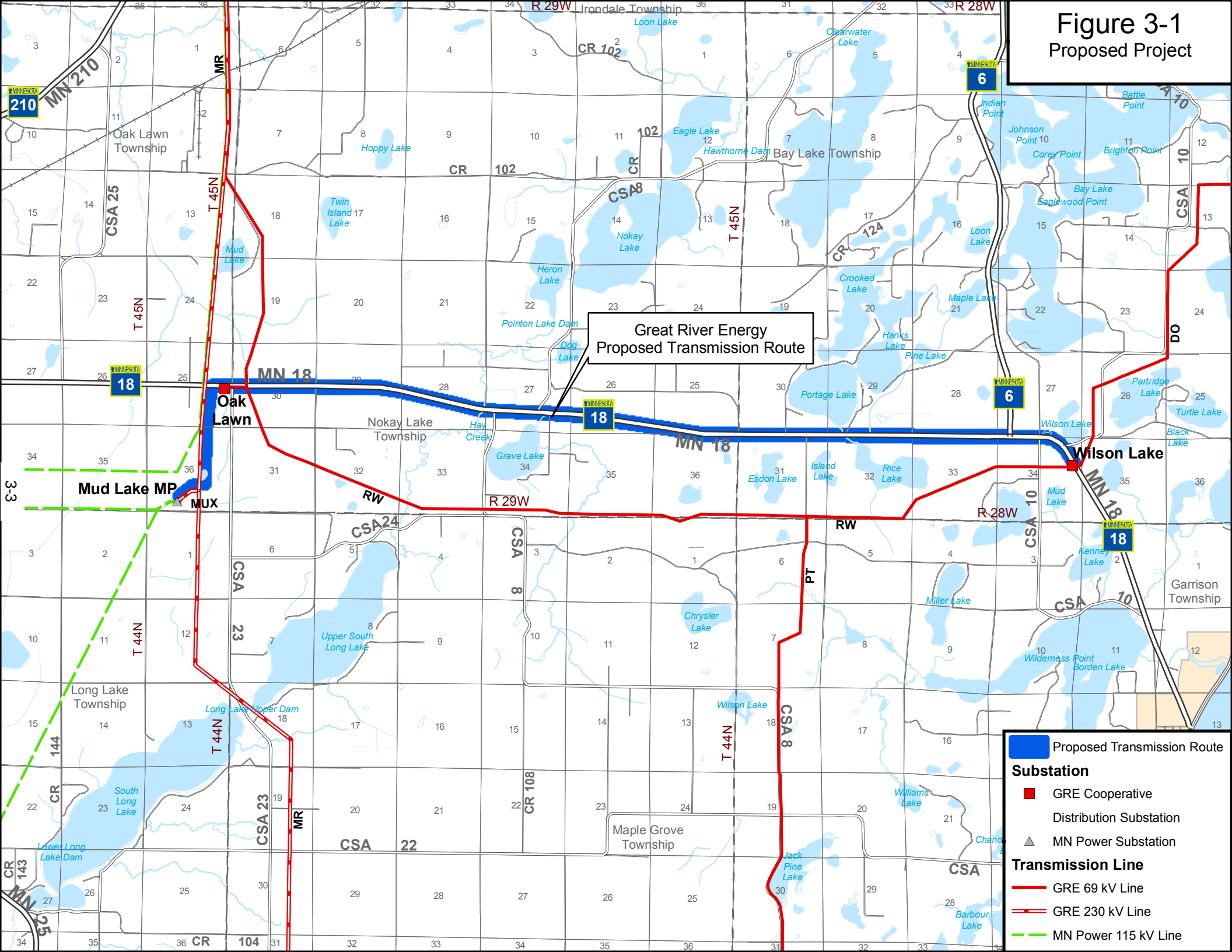
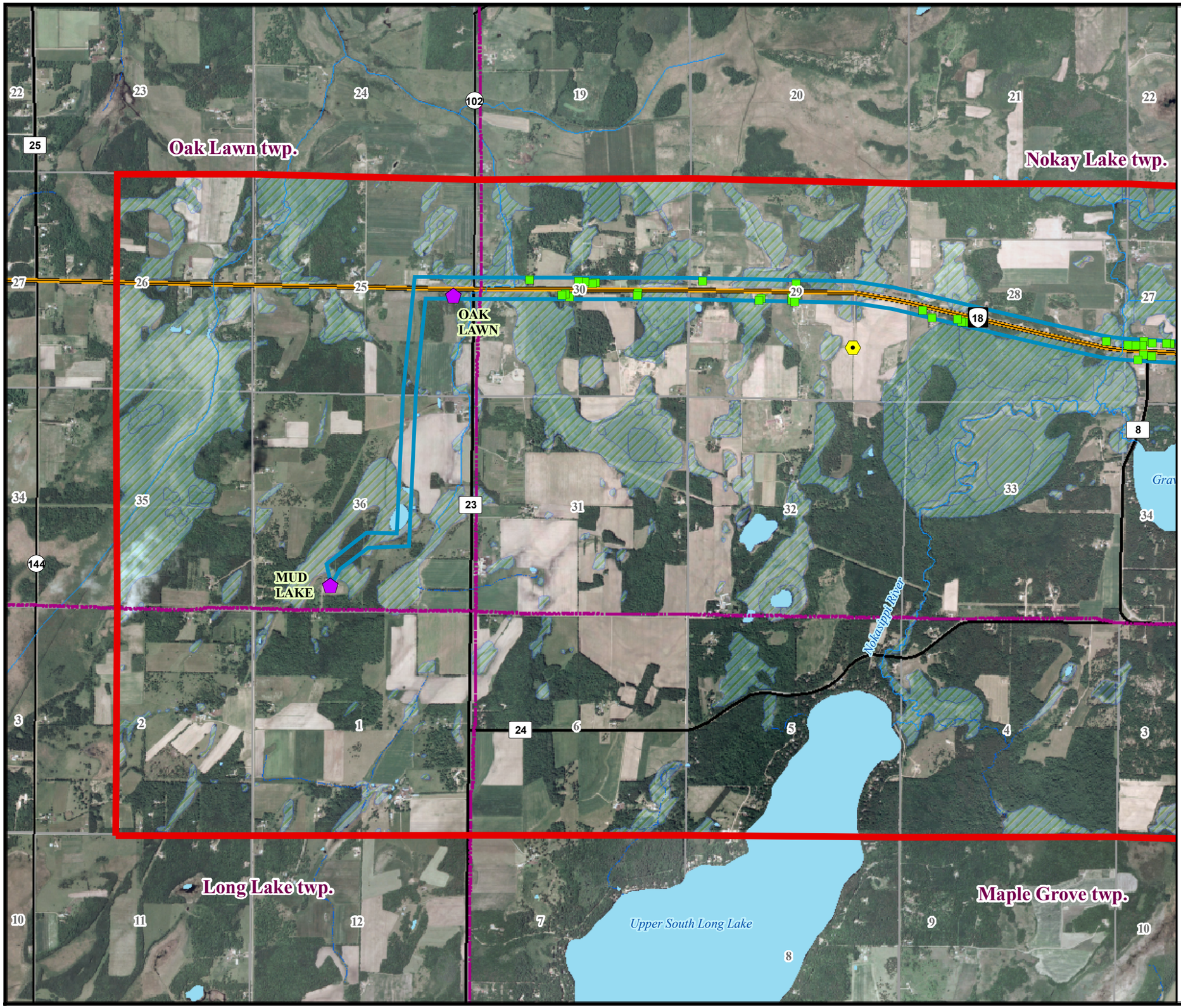


Figure 3-1
Proposed Project
Great River Energy
Proposed Transmission Route
Oak Lawn
Mud Lake MP
MUX
Wilson Lake
Oak Lawn Township
Nokay Lake Township
Bay Lake Township
Irondale Township
Long Lake Township
Maple Grove Township
Garrison Township
MN 18
MN 210
MN 25
CSA 25
CSA 24
CSA 23
CSA 22
CSA 8
CSA 10
T 45N
T 44N
R 29W
R 28W
RW
PT
MR
DO
CR 102
CR 124
CR 108
CR 104
CR 143
CR 144
Proposed Transmission Route
Substation
GRE Cooperative
Distribution Substation
MN Power Substation
Transmission Line
GRE 69 kV Line
GRE 230 kV Line
MN Power 115 kV Line

FIGURE 3-2

PROJECT CORRIDOR & PROPOSED ROUTE - WEST PORTION

Great River Energy - Wilson Lake Transmission Line



- Substation
- Homes & Businesses
- VOR
- Proposed Transmission Route
- Project Corridor
- State Forest Road
- Wetlands (NWI)

Water Features (MN DNR)

- River
- Stream or Drainage Ditch (Perennial)
- Stream or Drainage Ditch (Intermittent)
- Lake or Pond
- Island

- Municipality
- Civil Township
- Section Line

Roads (MN DOT)

- US Highway
- MN State Highway
- County State-aid Highway
- County Road

N
W E
S

0.25 0.125 0 0.25 0.5 0.75 Miles

1 inch equals 0.44 miles

Disclaimer: Houston Engineering, Inc. does not guarantee this data to be free from errors or inaccuracies and disclaims any responsibility or liability for interpretations or decisions based on this data. Any errors found should be reported to the original data source provider.

Data Source: MN DNR, Houston Engineering, Inc., USGS, US Fish & Wildlife, and MN DOT. Project Corridor and Proposed Transmission Route shapefiles provided by United Services Group - Great River Energy.
Photo Background is 2003 USDA-FSA (NAIP) Digital Orthorectified Image (DOQ).

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FIGURE 3-3

PROJECT CORRIDOR & PROPOSED ROUTE - CENTRAL PORTION

Great River Energy - Wilson Lake Transmission Line

Substation
Homes & Businesses
VOR
Proposed Transmission Route
Project Corridor
State Forest Road
Wetlands (NWI)

Water Features (MN DNR)
River
Stream or Drainage Ditch (Perennial)
Stream or Drainage Ditch (Intermittent)
Lake or Pond
Island

Municipality
Civil Township
Section Line

Roads (MN DOT)
US Highway
MN State Highway
County State-aid Highway
County Road

N
W E
S

0.3 0.15 0 0.3 0.6 0.9 Miles

1 inch equals 0.44 miles

Disclaimer: Houston Engineering, Inc. does not guarantee this data to be free from errors or inaccuracies and disclaims any responsibility or liability for interpretations or decisions based on this data. Any errors found should be reported to the original data source provider.

Data Source: MN DNR, Houston Engineering, Inc., USGS, US Fish & Wildlife, and MN DOT. Project Corridor and Proposed Transmission Route shapefiles provided by United Services Group - Great River Energy.
Photo Background is 2003 USDA-FSA (NAIP) Digital Orthorectified Image (DOQ).

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FIGURE 3-4

PROJECT CORRIDOR & PROPOSED ROUTE - EAST PORTION

Great River Energy - Wilson Lake Transmission Line

- Substation
- Homes & Businesses
- VOR
- Proposed Transmission Route
- Project Corridor
- State Forest Road
- Wetlands (NWI)

Water Features (MN DNR)

- River
- Stream or Drainage Ditch (Perennial)
- Stream or Drainage Ditch (Intermittent)
- Lake or Pond
- Island

- Municipality
- Civil Township
- Section Line

Roads (MN DOT)

- US Highway
- MN State Highway
- County State-aid Highway
- County Road

N W E S

0.25 0.125 0 0.25 0.5 0.75 Miles

1 inch equals 0.44 miles

Disclaimer: Houston Engineering, Inc. does not guarantee this data to be free from errors or inaccuracies and disclaims any responsibility or liability for interpretations or decisions based on this data. Any errors found should be reported to the original data source provider.

Data Source: MN DNR, Houston Engineering, Inc., USGS, US Fish & Wildlife, and MN DOT. Project Corridor and Proposed Transmission Route shapefiles provided by United Services Group - Great River Energy.
Photo Background is 2003 USDA-FSA (NAIP) Digital Orthorectified Image (DOQ).

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All costs for the project will be borne by GRE.

3.6.2 Operation and Maintenance Costs

Once constructed, operation and maintenance costs associated with the Wilson Lake 115/69 kV Substation will be minimal, other than weed control inside the substation.

Annual operation and maintenance costs associated with 115 kV transmission lines in GRE's system have averaged approximately $1000 per mile of line over the last several years. Costs of operation account for approximately 60% of those costs, and include such items as switching actions, air patrol, surveying, and storm restoration. The remaining 40% of those costs is maintenance and includes tree clearing, right of way spraying, and structure inspections.