



Energy Facility Permitting
85 7th Place East, Ste 500
Saint Paul, MN 55155-2198
Minnesota Department of Commerce

July 30, 2007

The Honorable Ray Krause
Chief Administrative Law Judge
Office of Administrative Hearings
100 Washington Square, Suite 1700
Minneapolis, Minnesota 55401-2138

RE: Request for assignment of an Administrative Law Judge
Minnesota Power and Great River Energy's Application to the PUC for a HVTL Route
Permit (Badoura HVTL Project) Public Hearing
PUC Docket No. ET2, E015/TL-07-76

Dear Chief Judge Krause:

The Minnesota Department of Commerce requests the Office of Administrative Hearings assign an Administrative Law Judge to preside over a public hearing in late August or early September and submit a hearing report to the Department of Commerce (DOC) in the above referenced dockets.

On March 16, 2007, Minnesota Power (MP) and Great River Energy (GRE) submitted a HVTL Route permit application for its proposed Badoura Transmission Project. The application was accepted as substantially complete by the PUC in April 3, 2007. MP proposes to construct and own the new Pine River 115 kilovolt (kV) Substation and the new 115 kV transmission line between the Pequot Lakes, Pine River and Badoura substations (approximately 30 miles). GRE proposes to construct and own the new 115 kV transmission line between the Badoura Substation and the Birch Lake Substation, and between the Badoura Substation and the Long Lake Substation (approximately 33 miles). Equipment modifications would be made at the Pequot Lakes, Badoura, Birch Lake and Long Lake substations to accommodate the new 115 kV transmission line.

As required by the Power Plant Siting Act (Minnesota Statute 216E.04, subd. 5) and rules (Minnesota Rule 4400.2750), the DOC is preparing an Environmental Assessment (EA) on the transmission line construction.

The DOC is also required to hold a public hearing on the application (Minnesota Statute 216E.04, subp. 6, and Minnesota Rule 4400.2850) on behalf of the PUC. For projects of the size and type proposed here (i.e., transmission lines of between 100 kV and 200 kV) a Chapter 14 contested case hearing is not required. Minnesota Rule 4400.2850, subd. 2, provides that the hearing may be conducted by staff rather than an ALJ. It further makes use of a court reporter and production of a hearing examiner's report or recommendations optional.

Because of the interest expressed by residents in the area about this project, particularly route segment 5 (Badoura Substation to the Long Lake Substation) where the proposed route follows CSAH 20 along the western shore of Peysenske, the DOC would like to request that the Office of Administrative Hearings conduct this hearing for the DOC. Additionally, we request that the assigned ALJ write a report and make a recommendation to the DOC on selection of a HVTL route, the granting of the route permit and on any appropriate permit conditions for DOC's use in preparing its comments and recommendations to the PUC.

We anticipate that the hearing can be completed in one day. The only parties to this proceeding are the applicants. Their representatives are Bob Lindholm, Minnesota Power, 30 West Superior Street, Duluth, Minnesota, 55802, phone 218-722-5642 and Carole Schmidt, Great River Energy, 17845 East Highway 10, PO Box 800, Elk River, Minnesota, 55330, phone 763-241-2272.

We are anticipating that a pre-hearing conference can be held by telephone to establish a schedule for the public hearing. DOC Energy Facility Permitting (EFP) staff is on course to complete the Environmental Assessment by July 31, 2007; the public hearing can be scheduled for a date sometime after release of the EA document, provided a notice of the hearing is published at least ten day before the hearing. We suggest the week of August 27 or early September for the hearing.

I have enclosed a copy of the Badoura HVTL Route Permit Application for your information. This and many other relevant documents can be viewed at the PUC webpage:

<http://energyfacilities.puc.state.mn.us/Docket.html?Id=19051>

Thank you very much for your assistance. Please contact William Cole Storm, DOC Energy Facility Permitting staff at 651-296-9535 or me if you have any questions. Mr. Storm is the project manager for this docket.

Sincerely,

Deborah Pile
Supervisor, Energy Facility Permitting
Minnesota Department of Commerce
651-297-2375
deborah.pile@state.mn.us

Enclosures

cc w/out enclosures: Bill Storm, Bob Lindholm, Carole Schmidt, Bob Cupit