



GREAT RIVER
ENERGY®

12300 Elm Creek Boulevard • Maple Grove, Minnesota 55369-4718 • 763-445-5000 • Fax 763-445-5050 • www.GreatRiverEnergy.com

24 March 2010

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

Re: In the Matter of the 115 kV Potato Lake High Voltage Transmission Line
Project proposed by Great River Energy
Docket No. ET2/TL-10-86

Dear Dr. Haar:

Great River Energy is submitting this letter in response to a March 19, 2010 letter from Leon and Sandra Stugelmeyer regarding Great River Energy's Route Permit Application ("Application") for the Potato Lake Substation and 115 kV Transmission Line ("Potato Lake Project"), Docket ET2/TL-10-86. A copy of that letter is attached.

The proposed Potato Lake Project includes the construction of a 115 kV transmission line from the proposed Potato Lake Substation to a tap point on the 34.5 kV transmission line currently serving Itasca-Mantrap Cooperative Electrical Association's Mantrap Substation ("PM Line"). In its Application, Great River Energy notes that an upgrade of the PM Line from 34.5 kV to 115 kV "may be needed in the future as system demand continues to grow." (Application, p. 2-3). The Application goes on to note that "[c]urrent estimates place the 115 kV conversion at about 4-5 years in the future" The Stugelmeyers' letter suggests that the proposed Potato Lake Line and the anticipated future upgrade of the PM Line should be considered a single project with a combined length of approximately 13 miles (7.25 mile Potato Lake Line and 5.5 mile PM Line), for purposes of determining whether a certificate of need is required under Minn. Stat. § 216B.2421, subd. 2.

Contrary to the suggestion in the Stugelmeyer's letter, it would be inappropriate to include the length of the PM Line as part of the Potato Lake Project for the following reasons:

1. The Proposed Project only includes construction of the Potato Lake Substation and the 7.25-mile 115 kV Potato Lake Line intended to serve

that substation, not any upgrade of the PM Line serving the Mantrap substation; and

2. Depending on evolving load growth projections, there is a possibility that the PM Line may not be upgraded at all and, if it is, the upgrade will not likely occur for at least 4 years.

In short, the Potato Lake Line is the only transmission line proposed in Great River Energy's Application. Great River Energy (a) is not currently proposing to upgrade the PM Line; (b) has not made a final decision on whether to upgrade the PM Line; and (c) does not anticipate upgrading the PM Line until at least four years after constructing the Potato Lake Line.

As set forth in the Application, the Potato Lake Line will be approximately 7.25 miles in length and under 200 kV. As such, the Potato Lake Project does not require a certificate of need.

Sincerely,

GREAT RIVER ENERGY



Marsha Parlow
Transmission Permitting Analyst

- c: Deborah Pile, OES
Tim Mickelson, Great River Energy
Michelle Lommel, Great River Energy
Steve Lawler, Great River Energy

June 1, 2010

Via Electronic Filing

Dr. Burl W. Haar
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 55101-2147

Re: In the Matter of the Route Permit Application by Great River Energy for its Potato Lake 115 kV Substation and High Voltage Transmission Line
MPUC Docket No. ET2/TL-10-86

Dear Dr. Haar:

Enclosed by e-filing is a copy of Great River Energy's Comments on Scope of Environmental Assessment in connection with the above entitled Docket. Also enclosed is an Affidavit of Service.

Sincerely,



Dan Lipschultz
Attorney At Law
612-877-5306
LipschultzD@moss-barnett.com

DL/cm
Enclosures
cc: All parties of record

1604580v1

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

David Boyd
J. Dennis O'Brien
Thomas Pugh
Phyllis Reha
Betsy Wergin

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of the Route Permit Application by
Great River Energy for its Potato Lake 115 kV
Substation and High Voltage Transmission Line

MPUC Docket No. ET2/TL-10-86

**GREAT RIVER ENERGY COMMENTS ON
SCOPE OF ENVIRONMENTAL ASSESSMENT**

INTRODUCTION

Pursuant to Minnesota Rules, part 7850.3700, Great River Energy respectfully submits these comments regarding the scope of the Environmental Assessment ("EA") for the proposed Potato Lake 115 kV substation and transmission line ("Potato Lake Project" or "Project").

Great River Energy filed a Route Permit Application for the Potato Lake Project on February 26, 2010 ("Application"). The Public Utilities Commission ("Commission") subsequently issued its Order accepting Great River Energy's Application on April 16, 2010 ("Order"). As a project subject to the alternative permitting process in Minnesota Rules, parts 7850.2800 to 7850.3900, the Potato Lake Project requires an EA prepared by the Minnesota Office of Energy Security ("OES"). Before preparing the EA, the OES must first determine its scope under the scoping process set forth in the Commission's rules. As required by Minnesota Rules, part 7850.3700, the OES held a public meeting on May 18, 2010 to allow public participation in the development of the scope ("Scoping Meeting"). Representatives of Great River Energy attended the Scoping Meeting and listened to the range of concerns and questions raised by residents.

Great River Energy takes very seriously both the concerns expressed at that meeting and its obligation to its members to ensure safe, reliable electric power. Great River Energy also recognizes the importance of the EA in evaluating Great River Energy's proposed route for the Project. These comments are not intended to address each and every issue raised at the Scoping Meeting, but are instead submitted to address and clarify two general matters discussed on May 18, 2010 as they relate to the scope of the EA: (1) the need for the Project; and (2) the viability of the alternative route suggested by the Advisory Task Force ("ATF").

DISCUSSION

I. PROJECT NEED.

A. NEED CANNOT BE PART OF THE EA

While Great River Energy understands and appreciates the interest expressed by many in exploring the need for the Project, the Commission made it clear in its Order accepting the Application that need cannot be part of the EA. As the Commission stated:

First, as to the subjects identified in the first two bulleted items (*a no-build option* and issues related to *project need*, size, type or timing of the project), the Commission agrees with the OES that these subjects *cannot be part of* the OES's environmental review.¹
(Emphasis added).

The Commission's clear direction to exclude need from consideration reflects the legislative mandate to exclude need from an EA. Specifically regarding site and route selection, Minnesota Statutes, Section 216E.02, subd. 2, provides that:

Questions of need, including size, type and timing; alternative system configurations; and voltage *must not be included* in the scope of the environmental review conducted under this chapter.² (Emphasis added).

¹ Order at p. 6.

² Minn. Stat. § 216E.02, subd. 2.

This statutory mandate to exclude need from consideration in an EA is neither uncertain nor ambiguous. There are no exceptions, qualifications or caveats. An EA is intended to “describe the human and environmental impacts of a proposed large electric power generating plant or high voltage transmission line ... and methods to mitigate such impacts.”³ To the extent there are alternative routes or sites, then the EA may address the environmental impacts of those routes or sites as well. However, the purpose or scope of an EA simply does not include the issue of need.

B. THE PROJECT IS NEEDED

Although the issue of need cannot be part of the EA, Great River Energy will nevertheless address this issue generally in response to the extensive discussion at the Scoping Meeting. First, as a preliminary matter, it is important to note that the need for the Project has two components: (1) the need for a new substation as part of the Itasca-Mantrap Cooperative Electrical Association (“Itasca-Mantrap”) local distribution system serving the area; and (2) the need for a new transmission line to connect the new substation to the transmission system. Itasca-Mantrap determined the need for the new substation, thereby creating the need for a new transmission line. Second, even though need cannot be considered in the EA, residents will still have a forum for addressing need directly with Itasca-Mantrap. Specifically, Itasca-Mantrap has committed to holding a special meeting of its members to address this issue.

1. Need for Potato Lake Substation

Itasca-Mantrap has proposed the new Potato Lake Substation to meet a current system need created by a more than 6 percent annual increase in electric demand in the area over the

³ Minn. Rules, part 7850.1000, subp. 7.

past seven years.⁴ As a result of this demand growth, the local distribution system in the area, currently served by the Mantrap Substation, faces a serious risk of brownouts, voltage drops that can damage customer appliances, and outages caused by overloaded utility equipment in the Mantrap Substation.⁵ These risks are not speculative. In fact, voltages on the system have already reached critical level outside accepted parameters.⁶ Therefore, the need for the Project is driven by the need for the new Potato Lake Substation to meet the demand growth in the area that has already occurred.

2. Need for Transmission Line

As explained in the Application, the new transmission line is needed to connect the new Potato Lake Substation to the transmission system. Great River Energy has determined that a 115 kV line is appropriate to ensure that the line can be integrated into the overall system in the area if that system is eventually converted to 115 kV in the future. Nevertheless, a transmission line would still be constructed to serve the new substation even if Great River Energy concluded that a lower voltage capacity -- 34 kV line -- was appropriate. Therefore, a “no-build” alternative is not an option because the new Potato Lake Substation will have to be connected to the transmission system. It is simply a matter of whether the line should be built at a 34 kV or 115 kV capacity.

Although the current load in the area would only require a 34 kV capacity line, long-range forecasts show a potential need to increase the overall transmission system capacity in the area to 115 kV at some point in the future, perhaps as early as five years from now, but possibly later. Transmission lines are not built to last 5 - 10 years; they are built to last 30 - 50 years. As

⁴ See Application, pp. 2-1 through 2-5.

⁵ *Id.* at p. 2-3.

⁶ Specifically, the January 2009 metered peak load at the Mantrap substation resulted in an overload condition of 130% on the 7500 kVA substation transformer.

a result, Great River Energy believes it is more appropriate to build a 115 kV line to ensure the necessary longevity and avoid the need for reconstruction of the line in the future if the surrounding system is ultimately converted to a 115 kV capacity.

The concerns expressed by residents regarding a 115 kV transmission line would likely apply to a 34 kV line. As in the case of the proposed 115 kV line, a 34 kV transmission line would consist of (i) essentially the same number of nearly identical wooden poles, only 5 - 10 feet shorter; (ii) similar wires strung from pole to pole; (iii) similar tree clearing; and (iv) essentially identical construction activity. Therefore, building a 34 kV rather than a 115 kV line would not appear to have any significant benefits for residents. To the contrary, residents might face a second round of construction to replace the 34 kV line with a 115 kV line in the event a conversion to a higher voltage capacity becomes necessary. Moreover, a 34 kV line is not subject to the route permit requirement.

II. THE ALTERNATIVE ROUTE PROPOSED BY THE ADVISORY TASK FORCE SHOULD NOT BE INCLUDED IN THE EA.

The ATF has proposed an alternative route (ATF Alternative) that would (i) place the proposed substation approximately 4.3 miles northwest of the proposed site; and (ii) re-route the transmission line west from the substation through approximately eight miles of currently undeveloped, undisturbed forest, and then south for approximately 4.7 miles along CSAH 4.⁷

While a number of residents near the proposed route spoke in favor of the ATF Alternative at the Scoping Meeting, others spoke in opposition. The ATF Alternative should be excluded from the EA as an unreasonable and impractical proposal that would fail to meet the need that the Project is intended to address.

⁷ See Exhibit A (Map showing ATF Route).

Great River Energy recognizes that it is appropriate for the OES to consider alternatives to the proposed route in its EA even if Great River Energy believes its proposed route is substantially better than any of those alternatives. For example, the EA could appropriately consider the alternative route along CSAH 40 that some property owners in the area had previously suggested, even though Great River Energy believes that alternative would be substantially less desirable than the proposed route for a number of reasons. The Commission expressly recognized that alternative as appropriate for the EA. Moreover, that alternative would follow existing road rights-of-way.

In contrast, the ATF Alternative fails to meet the minimum thresholds for consideration in the EA under the Commission Order and should, therefore, be excluded. The Commission Order authorizing an ATF for this Project provides that the EA will not include “[r]outes, segments or alternatives that would be unpractical or unreasonable or would not meet the stated need of the proposed project.”⁸ The ATF Alternative discussed at the Scoping Meeting would fail to meet the stated need for the Project and, even if it did meet the need, it would be impractical and unreasonable.

A. THE ATF ALTERNATIVE FAILS TO MEET THE STATED NEED

Itasca-Mantrap has proposed the new substation in response to increased electric demand in the immediate vicinity of Potato Lake. The proposed site for the new substation places it where the demand growth has occurred and, therefore, meets Itasca-Mantrap’s need to ensure the reliable delivery of power to its members. The ATF Alternative would place the proposed new substation approximately 4.3 miles northwest of the proposed site. As a result, the substation

⁸ Commission Order at p. 5.

would not meet the need it is intended to serve, defeating the purpose of the substation.

Therefore, the ATF Alternative is not appropriate for consideration in the EA.

B. THE ATF ALTERNATIVE CONFLICTS WITH THE STATE'S NONPROLIFERATION POLICY AND STRONG PREFERENCE FOR USING EXISTING RIGHTS-OF-WAY

The ATF Alternative would be unreasonable inasmuch as it would conflict with Minnesota's nonproliferation policy, which calls for the use of existing rights-of-way for new transmission lines when those lines would materially impact the environment. As the Minnesota Supreme Court observed in its seminal *PEER* decision regarding the siting of transmission lines,⁹ "the legislature explicitly expressed its commitment to the principle of nonproliferation in its 1977 revision of the PPSA [Power Plant Siting Act]," requiring the Commission to "consider the *utilization of existing railroad and highway rights-of-way ...*"¹⁰ (Emphasis added).

More recently, the 2010 Legislature further emphasized the State's nonproliferation policy by amending the PPSA to require specific findings that the Commission has "considered locating a route for a high-voltage transmission line on an existing high-voltage transmission route and the *use of parallel existing highway right-of-way ...*" (Emphasis added).¹¹ To the extent the Commission chooses not to site a line along an existing highway right-of-way, the new PPSA amendment requires that the Commission "must state the reasons." Therefore, although a number of factors apply to the selection of an appropriate route for a high voltage transmission line, the legislature has clearly given special weight to the policy against the proliferation of new rights-of-way.

⁹ See *People for Environmental Enlightenment and Responsibility ("PEER), Inc., et al., v. Minnesota Environmental Quality Council, etc.*, 266 N.W. 2d 858 (1978) ("PEER").

¹⁰ *PEER* at p. 868.

¹¹ Exhibit B (Session Laws, Minnesota 2010 Regular Session, Chapter 288).

The State's nonproliferation policy renders the ATF's suggested route an unreasonable and impractical alternative for consideration here. The ATF Alternative would require Great River Energy to establish eight miles of new right-of-way through currently undisturbed, dense forest, rather than use the existing highway rights-of-way along the proposed route. Even a high level analysis shows the substantial environmental impact associated with the ATF Alternative, which would involve construction and creation of a new right-of-way, including access roads, through approximately 90 acres of forested land and at least 12 riparian acres.¹² The comments of Clay Township's representative, Norman Leistikow, vividly illustrate the environmental impact associated with the ATF Alternative. In describing the impact of the ATF Alternative, Mr. Leistikow referred to the affected wildlife that "are well protected by acres and acres and miles of trees, wetlands, streams, and lakes."¹³ Those lakes include a "number of little pothole lakes there" that may be unmapped but are nevertheless part of the natural environment that would be disturbed by the creation of a new right-of-way in that area.

This type of impact on largely undisturbed natural resources is precisely what the State's nonproliferation policy is intended to avoid. In this context, the use of an existing right-of-way becomes an imperative and not simply a factor. Great River Energy has proposed a route that follows existing highway rights-of-way. And while departures from existing rights-of-way may be appropriate for limited segments to help avoid or mitigate certain unwanted impacts, the ATF's proposal to build the transmission line through nearly eight miles of undeveloped forested land, far from any existing right-of-way, cannot be considered a reasonable alternative.

¹² Exhibit C.

¹³ Transcript of Public Comments, Scoping Meeting (May 18, 2010) (Scoping Meeting Transcript), p. 27.

C. THE ATF ALTERNATIVE COULD CREATE SIGNIFICANT MAINTENANCE AND REPAIR PROBLEMS

In addition to conflicting with the State's nonproliferation policy, the ATF Alternative would also be impractical from a maintenance and repair standpoint. Locating the line through eight miles of largely undeveloped terrain without existing rights-of-way would potentially present serious maintenance and repair issues. As Mr. Leistikow noted, the ATF Alternative would require the construction of access roads needed to maintain and repair the line. In addition to the environmental impact of building new access roads, the need to create access where no such access exists foreshadows significant maintenance and repair issues potentially associated with the ATF Alternative. As Mr. Leistikow indicated, the terrain in that area includes swampland that has stranded multiple vehicles attempting to travel there.¹⁴

In Great River Energy's experience, locating a line in a heavily forested area without an existing road right-of-way complicates maintenance and can seriously impede its ability to make timely repairs. The need to repair a line rarely arises in ideal circumstances. Instead, the need for repairs typically arises in rain, snow and ice storms -- events that can make difficult terrain more difficult to access and potentially impassable. At a minimum, the repair and maintenance of line that is not built along a major existing road right-of-way will tend to be less timely and more difficult. Given the heavily forested, wetland areas identified on the area map and described by Mr. Leistikow, the ATF Alternative would likely present maintenance and repair challenges that render the alternative an impractical one and not appropriate for consideration in the EA.

¹⁴ Scoping Meeting Transcript, pp. 27-30.

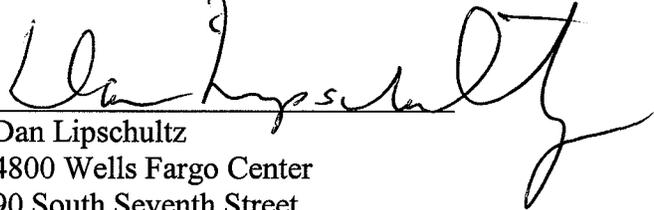
CONCLUSION

As discussed herein, State law and the Commission Order preclude consideration of need in the EA. In addition, Great River Energy recommends that the OES exclude the ATF Alternative from the EA as an impractical and unreasonable alternative that fails to meet the stated need for the Project consistent with the Commission Order. To the extent that the OES concludes that the ATF Alternative should nonetheless be included in the EA, Great River Energy urges the OES to incorporate the State's nonproliferation policy regarding new rights-of-way into its analysis.

Dated: June 1, 2010

Respectfully submitted,

MOSS & BARNETT
A Professional Association



Dan Lipschultz
4800 Wells Fargo Center
90 South Seventh Street
Minneapolis, Minnesota 55402
Telephone: 612-887-5306

Attorneys on Behalf of Great River Energy

EXHIBIT A



GREAT RIVER ENERGY
A Touchstone Energy Cooperative

- Proposed Itasca-Mantrap (IM)
- Overhead Distribution
- Single Phase Line
- V Phase Line
- Three Phase Line
- Underground Distribution
- Single Phase Line
- V Phase Line
- Three Phase Line
- Existing Itasca-Mantrap
- Distribution Substation
- Proposed Great River Energy (GRE)
- 115 kV Transmission Line Route
- Alternate Route
- ATF Route Segment 1
- Existing Great River Energy
- 34.5 kV Transmission Line
- Existing Minnesota Power (MP)
- 34.5 kV Transmission Line



Updated: May 28, 2010
0 2,000 4,000 Feet

Data Sources Vary Between
MNDOT, MNDNR, MINGEO
and Great River Energy
Distribution data from Itasca-Mantrap
Cooperative Electrical Association

Map Projection:
UTM, NAD83, Zone 15, Meters

**Potato Lake
115 kV Transmission
Line & Substation
Project:**

Distribution Lines

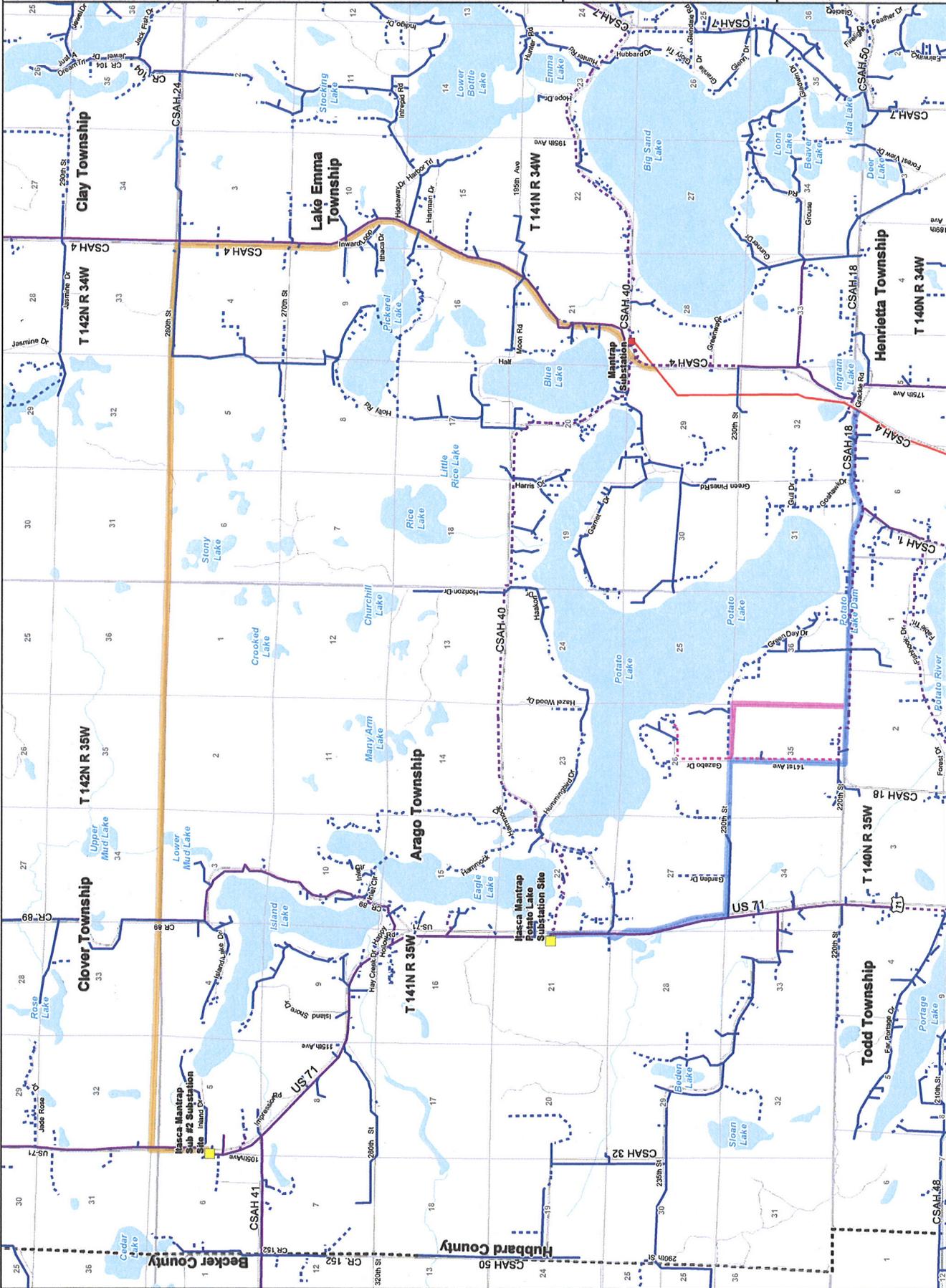


EXHIBIT B

Minnesota Session Laws

Search

Key: (1) ~~language to be deleted~~ (2) new language

2010, Regular Session

This document represents the act as presented to the governor. The version passed by the legislature is the final engrossment. It does not represent the official 2010 session law, which will be available here summer 2010.

CHAPTER 288--H.F.No. 1182

An act

relating to eminent domain; clarifying use of eminent domain authority by public service corporations; regulating the granting of route permits for high-voltage transmission lines; requiring a report; amending Minnesota Statutes 2008, sections 117.225; 216E.03, subdivision 7; Minnesota Statutes 2009 Supplement, section 117.189.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2009 Supplement, section 117.189, is amended to read:
117.189 PUBLIC SERVICE CORPORATION EXCEPTIONS.

Sections 117.031; 117.036; 117.055, subdivision 2, paragraph (b); 117.186; 117.187; 117.188; and 117.52, subdivisions 1a and 4, do not apply to the use of eminent domain authority by public service corporations for any purpose other than construction or expansion of:

(1) a high-voltage transmission line of 100 kilovolts or more, or ancillary substations; or

(2) a natural gas, petroleum, or petroleum products pipeline, or ancillary compressor stations or pumping stations.

For purposes of an award of appraisal fees under section 117.085, the fees awarded may not exceed \$1,500 for all types of property except for a public service corporation's use of eminent domain for a high-voltage transmission line, where the award may not exceed \$3,000.

For purposes of this section, "pipeline" does not include a natural gas distribution line transporting gas to an end user.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to eminent domain proceedings or actions commenced on or after that date. "Commenced" means when service of notice of the petition under Minnesota Statutes, section 117.055, is made.

Sec. 2. Minnesota Statutes 2008, section 117.225, is amended to read:
117.225 EASEMENT DISCHARGE.

Whenever claiming that an easement acquired by condemnation is not being used for the purposes for which it was acquired, the underlying fee owner may apply to the district court of the county in which the land is situated for an order discharging the easement,

upon such terms as are just and equitable. Due notice of said application shall be given to all interested parties. Provided, however, this section shall not apply to easements acquired by condemnation by a public service corporation now or hereafter doing business in the state of Minnesota for any purpose other than construction or expansion of:

(1) a high-voltage transmission line of 100 kilovolts or more, including ancillary substations; or

(2) a natural gas, petroleum, or petroleum products pipeline, including ancillary compressor stations or pumping stations.

For purposes of this section, "pipeline" does not include a natural gas distribution line transporting gas to an end user.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to eminent domain proceedings or actions commenced on or after that date. "Commenced" means when service of notice of the petition under Minnesota Statutes, section 117.055, is made.

Sec. 3. Minnesota Statutes 2008, section 216E.03, subdivision 7, is amended to read:

Subd. 7. **Considerations in designating sites and routes.** (a) The commission's site and route permit determinations must be guided by the state's goals to conserve resources, minimize environmental impacts, minimize human settlement and other land use conflicts, and ensure the state's electric energy security through efficient, cost-effective power supply and electric transmission infrastructure.

(b) To facilitate the study, research, evaluation, and designation of sites and routes, the commission shall be guided by, but not limited to, the following considerations:

(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 baseline 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;

(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;

(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;

(4) evaluation of the potential for beneficial uses of waste energy from proposed large electric power generating plants;

(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;

(6) evaluation of adverse direct and indirect environmental effects that cannot be avoided should the proposed site and route be accepted;

(7) evaluation of alternatives to the applicant's proposed site or route proposed pursuant to subdivisions 1 and 2;

(8) evaluation of potential routes that would use or parallel existing railroad and highway rights-of-way;

(9) evaluation of governmental survey lines and other natural division lines of agricultural land so as to minimize interference with agricultural operations;

(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;

(11) evaluation of irreversible and irretrievable commitments of resources should the proposed site or route be approved; and

(12) when appropriate, consideration of problems raised by other state and federal agencies and local entities.

(c) If the commission's rules are substantially similar to existing regulations of a federal agency to which the utility in the state is subject, the federal regulations must be applied by the commission.

(d) No site or route shall be designated which violates state agency rules.

(e) The commission must make specific findings that it has considered locating a route for a high-voltage transmission line on an existing high-voltage transmission route and the use of parallel existing highway right-of-way and, to the extent those are not used for the route, the commission must state the reasons.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to route applications filed on and after that date.

Sec. 4. **TRANSMISSION LINE ROUTING.**

(a) The Public Utilities Commission and the commissioner of transportation must cooperate to implement the policy in Minnesota Statutes, section 216E.03, subdivision 7, paragraph (e).

(b) The commission must report any statutory amendments required for the implementation of Minnesota Statutes, section 216E.03, subdivision 7, paragraph (e) to the chairs and ranking minority members of the energy and transportation policy committees of the legislature by January 15, 2011.

EFFECTIVE DATE. This section is effective the day following final enactment.

EXHIBIT C

Route	Total Project Costs	Number of Houses within			Number of Houses within 500 Feet from Road Centerline	Hay, Pasture, Grassland Percentage	Cultivated Percentage	Number of Water Crossings	Total Forested Acres	Total Wetland Acres	Total Riparian Acres	Closest Mileage to a Lake	Miles of Existing ROW (Road ROW, Existing Distribution Lines, etc.)
		100 Feet from Road Centerline	300 Feet from Road Centerline	500 Feet from Road Centerline									
Proposed Route (7.25 miles)	\$4,421,492	2	29	51	35.18%	1.11%	2	21 - 25	23.15	0.38	0.16	7.25	
Alternate Route (7.25 miles)	\$4,461,492	2	20	39	27.58%	0.04%	2	30 - 34	24.93	0.38	0.16	6.25	

Please note:

Some house counts were incorrect in the Route Permit Application (RPA) :

- 500 feet - 50 instead of 51 for proposed route
- 300 feet - 21 instead of 20 for alternate route

For both routes, the closest distance to the lake (Potato) was re-calculated and it is actually .08 miles.

Rare features were not added to the table because both routes have the same features.

The total cleared right of way acreage was not mentioned in the RPA - the acreages are 48.23 for proposed and 54.45 for the alternate (this does not include the road surfaces).

Route	Total Project Costs	Number of Houses within			Number of Houses within 500 Feet from Centerline	Hay, Pasture, Grassland Percentage	Cultivated Percentage	Number of Water Crossings	Total Forested Acres	Total Wetland Acres	Total Riparian Acres	Closest Mileage to a Lake	Miles of Existing ROW (Road ROW, Existing Distribution Lines, etc.)
		100 Feet from Centerline	300 Feet from Centerline	500 Feet from Centerline									
ATF Route (13.2 miles)	\$10,703,890	3	31	42	16.98%	6.32%	3	90.57	18.19	11.99	0	7.23	

Proposed Route with Proposed Substation

Task	Pre Const	Const	Post Const
Planning	\$165,393		\$30,433
Design	\$134,633	\$2,501,534 Const + Ease	\$165,000 Restoration
Tree Clearing	\$200,000		
Engineering			
SW	\$18,251	\$116,248	
Meter	\$10,000	\$50,000	
Dist Underbuild		\$180,000	
Dist Deconstruct			\$195,433
	\$528,277	\$2,847,782	
		\$3,571,492	
		\$4,421,492 with Substation Cost	

\$850,000 Substation Cost

7.25 Route miles
23 Acres forested

2 Unbuild miles - 2 miles 3 phase

Note: Additional \$40,000 was added to the Alternate route for additional Tree Trimming

ATF Route with ATF Substation

Task	Pre Const	Const	Post Const
Planning	\$427,000		\$30,433
Design	\$134,633	\$6,705,600 Const + Ease	\$303,600 Restoration
Tree Clearing	\$787,565		
Engineering		\$670,560	
SW	\$18,251	\$116,248	
Meter	\$10,000	\$50,000	
Dist Underbuild		\$400,000	
Dist Deconstruct		\$200,000	\$334,033
	\$1,377,449	\$8,142,408	
		\$9,853,890	
		\$10,703,890 with Substation Cost	

13.2 Route miles
90.57 Acres forested

5 Unbuild miles - 4 miles 3 phase, 1 mile 1 phase.

Note: Additional Planning Costs due to CON process.

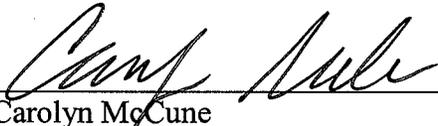
AFFIDAVIT OF SERVICE

STATE OF MINNESOTA)
)ss.
COUNTY OF HENNEPIN)

In the Matter of the Route Permit Application by
Great River Energy for its Potato Lake 115 kV
Substation and High Voltage Transmission Line

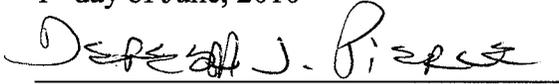
MPUC Docket No. ET2/TL-10-86

Carolyn McCune, being first duly sworn on oath, deposes and states that on the 1st day of June, 2010, a copy of Great River Energy's Comments on Scope of Environmental Assessment in the above-referenced matter were electronically or mailed by United States first class mail, postage prepaid thereon, as designated on the Official Service List on file with the Minnesota Public Utilities Commission.



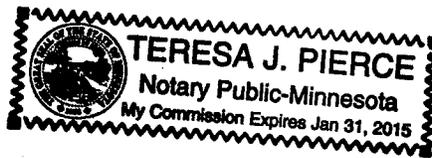
Carolyn McCune

SWORN TO BEFORE ME this
1st day of June, 2010



NOTARY PUBLIC

1604574v1



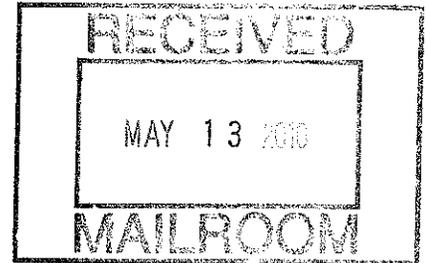


Your Touchstone Energy® Cooperative 
The power of human connections

May 10, 2010

Office of Energy Security
Scott Ek, State Permit Manager
85 7th Place E., Suite 500
St. Paul, MN 55101-2198

CASE # 53884-TS
DOCKET # TL-10-86



Dear Mr. Ek:

In earlier letters sent to you by property owners from the Potato Lake area, they mentioned the many lakes in our county. Because of these lakes, Hubbard County is a popular tourist area and an enticing place to purchase a cabin or RV lot, build a retirement home or stay at a resort.

Up until 2009, our service territory had an annual growth rate of five percent. During that time, Itasca-Mantrap Co-op. Electrical Ass'n. was hard pressed to keep up with the requested new services, let alone rebuild our existing main lines and substations. The economic slowdown is allowing us to catch up on our system reliability upgrades.

The reason for building the Potato Lake substation is not future growth; the substation is needed to serve the growth that has already occurred and exists today; it is this growth that is causing voltage support concerns and an increasing probability of reliability issues in the Potato Lake and surrounding areas. We can only stretch our main distribution lines so far away from our substations before the voltage begins to deteriorate. We presently have several inline voltage regulators to maintain proper voltage in this area.

The same people who like this lakes area are adding onto their cabins and making them year round homes, installing hot tubs, electric heat, big screen TVs, computers and many other appliances, thereby increasing the loading on our already taxed feeder lines. From the letters you received, you can see that these homes are enjoyed by several generations of family members, which causes more loading on our lines than a plain single family dwelling.

It is this type of growth that makes the location of our Potato Lake substation so critical. The existing proposed Potato Lake substation is centrally located within the load area that it will serve. When we see economic recovery and the trend for purchasing property in the North Country returns, it is the people who live around Potato Lake who will see the ill effects of not having this substation in place.

I understand that our projects sometimes evoke emotion among the property owners, and we do the best we can to find solutions that work for both property owners and our system needs. That said, Itasca-Mantrap's responsibility is to serve our members with the proper voltage and reliable service they expect from us. I urge you to keep the technical information we have provided at the forefront of your decision-making process. We welcome any questions you may have.

Sincerely,



Michael Monsrud, President-CEO

Minnesota Public Utilities Commission
121 7th Place E. Suite 350
St. Paul, MN 55101-2147



Dear Members of the Commission

I am writing about the Docket # TL-10-86

I own property that is listed for the new 115kv power line. It is dishearting to think Great River Energy would destroy a section of my forest and hobby farm. I wish you would reconsider and proceed with the new proposed route traveling down CR 40 it is a shorter and less forest would need to be destroyed.

Please help us preserve our health, land and way of life.

Sincerely,

Dean Kimball
14705 CR18
Park Rapids MN 56470



Your Touchstone Energy® Cooperative
The power of human connections



June 1, 2010

Mr. Scott Ek
Office of Energy Security
Energy Facility Permitting
85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198

Dear Mr. Ek:

Itasca-Mantrap Coop Electrical Assn. (I-M) recognizes the concerns expressed by some residents regarding the need for the proposed Potato Lake Substation and its location. This letter is intended to respond to those concerns.

In a nutshell, the Potato Lake substation is necessary to meet increased electrical energy demand created by a more than 6 percent annual member load growth over the past decade. This unprecedented growth, due to both new and existing I-M members, has stressed the existing electric distribution system serving the areas along Potato Lake, Portage Lake, Eagle Lake, Fish Hook Lake, and Island Lake to the point where a new substation is required.

I-M's top priorities are to provide reliable, economic and safe electricity to our cooperative members. Part of that responsibility includes planning, building and maintaining our distribution lines and substation equipment.

I-M utilizes an independent engineering consultant to develop both short (2 year), and long (30 year) range construction work plans. The results of both these plans combine to alert us to current and future problems with system loading, reliability, and low voltage issues on our system. In addition, these plans provide detailed engineering analysis with recommendations of when and where new distribution lines or substations will be needed to meet our Members power requirements, along with the financial impacts.

The I-M 2002 Long Range Plan, prepared by MEI Engineering, Inc., identified the future need for a new substation, called Eagle Lake (re-named as Potato Lake), sometime around the year 2020. But because we also do a short range Construction Work Plan every two years, it was identified in 2006 that our members' actual load requirements had already reached the 2020 load projections.

So as a result, our 2007-2008 two year construction work plan first identified the critical need for the Potato Lake substation project, and also determined that the Potato Lake substation needed to be located north of Park Rapids, very near the intersection of State Highway 71 and Hubbard County Road 40. Ongoing communication and planning for this substation location has occurred during the last four years with Great River Energy, our transmission system provider. Specifically, the selected Potato Lake substation site, strategically located by Itasca-Mantrap, addresses the following areas of immediate concern:

First, it will reduce the normal loading on three of our other adjacent substations. When we continually overload large and expensive substation transformers it shortens their life, and every year we have an increasing chance of failure, resulting long multi-hour power outages for many members. If a failure were to occur, these large substation transformers are very expensive, and take several months to build and re-install. We are a “winter peaking electric cooperative system”, which means these excessive loads occur on the Itasca-Mantrap system in the winter months of December, January, and February during the coldest nights. Exhibit I1 illustrates the peak load growth on I-M’s Mantrap substation, and the overload condition that currently exists on the transformer.

Second, it will solve power quality and reliability issues. Since the proposed Potato Lake substation site has been selected near present and future load centers as determined by recent peak load readings, and recommended by both short and long range planning studies, this selected location mitigates voltage drop problems at member homes; mitigates equipment loading problems on distribution equipment and adjacent substation equipment; improves reliability by reducing miles of line exposure on existing distribution lines; and minimizes the number of customers potentially impacted by substation and feeder outages. The attached exhibits M1 and M2, illustrate the customer density and customer energy usage in the areas to be served by the proposed Itasca-Mantrap Potato Lake substation site.

Third, it will give us much needed back-up capabilities when we need to transfer load from one of our other adjacent substations or feeders during emergencies and scheduled maintenance. This is very important to the I-M members, particularly in the winter months when being without electricity, ultimately heat, for extended periods of time is not an option.

In addition, the location of the new substation is optimally located from an economic point of view, because it intercepts existing distribution lines, and will not require significant construction of new distribution lines. Compared to other alternative site locations, the selected site is the least cost alternative for I-M members.

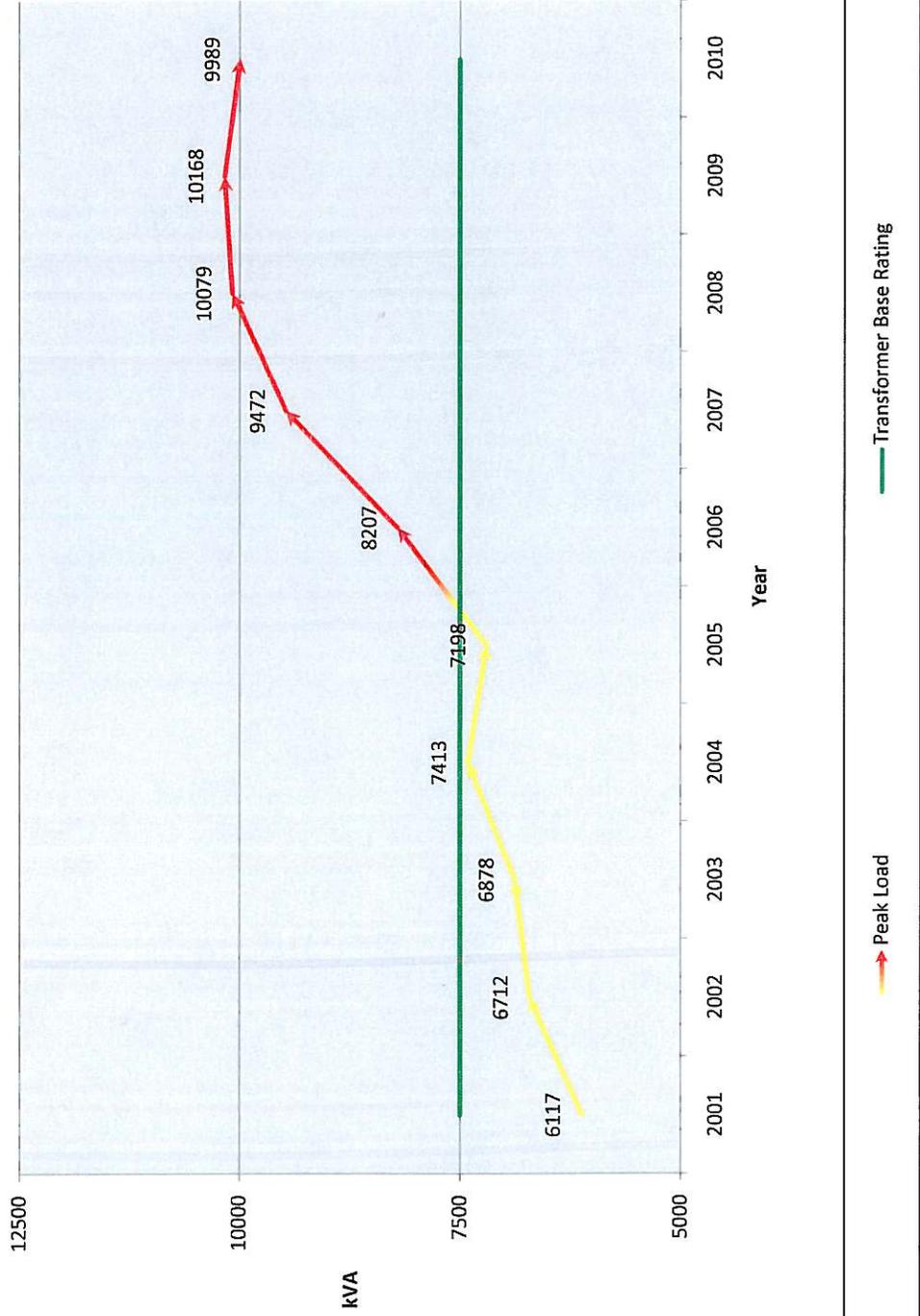
The alternative substation site locations proposed by the Advisory Task Force (ATF) would place the substation approximately 4.3 miles away from the bulk of the customer load that the proposed Potato Lake substation is intended to serve. As a result, the ATF alternative sites are unreasonable as they would fail to address the reliability and power quality concerns that the new Potato Lake substation site is intended to address. In effect, the alternative sites proposed by the ATF would defeat the intended purpose of the substation.

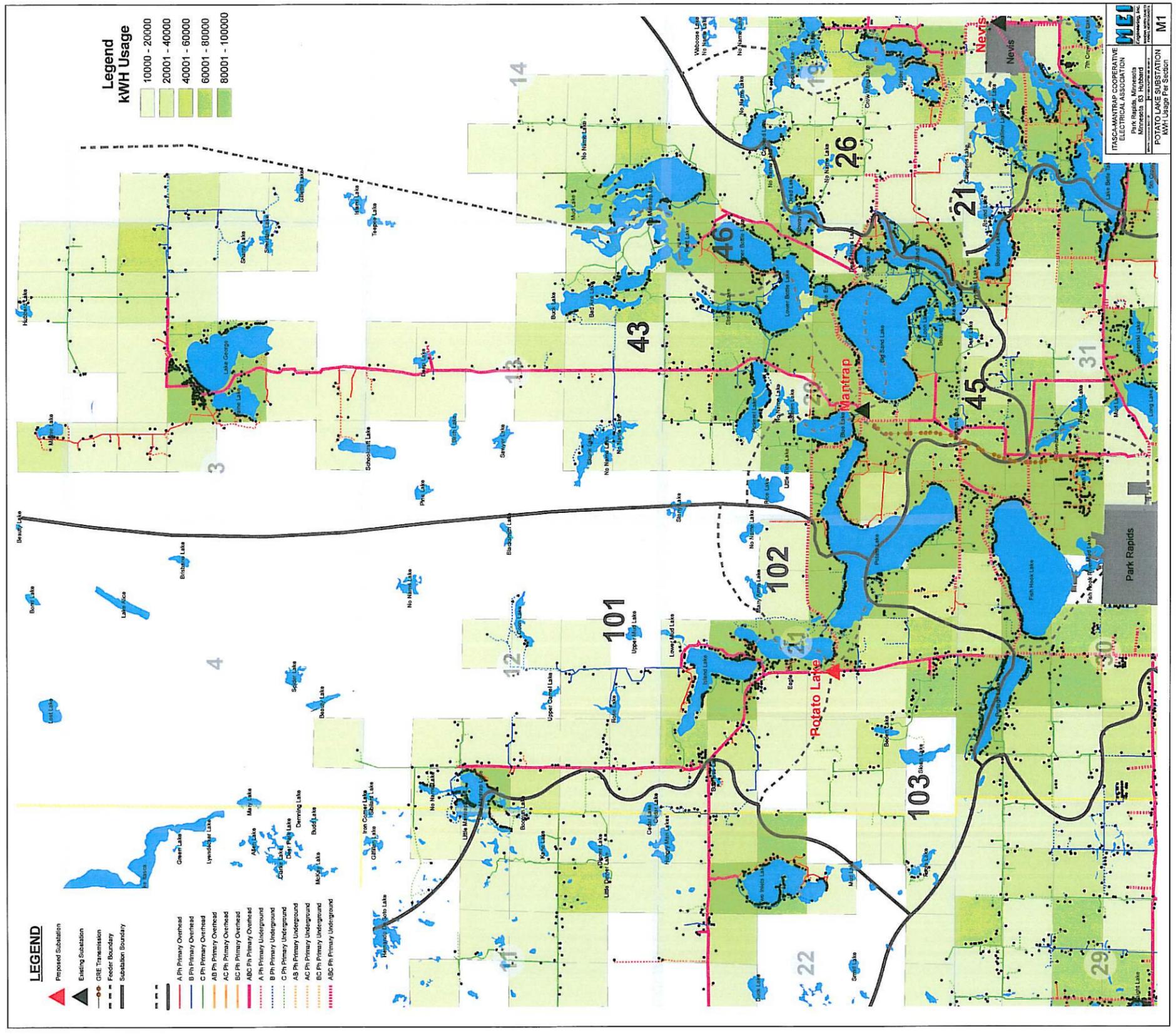
Cooperatively,



Tony Nelson
Engineering Manager
Itasca-Mantrap CEA

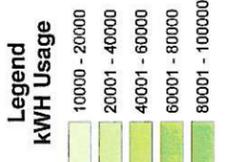
Mantrap Substation Peak Loading History





LEGEND

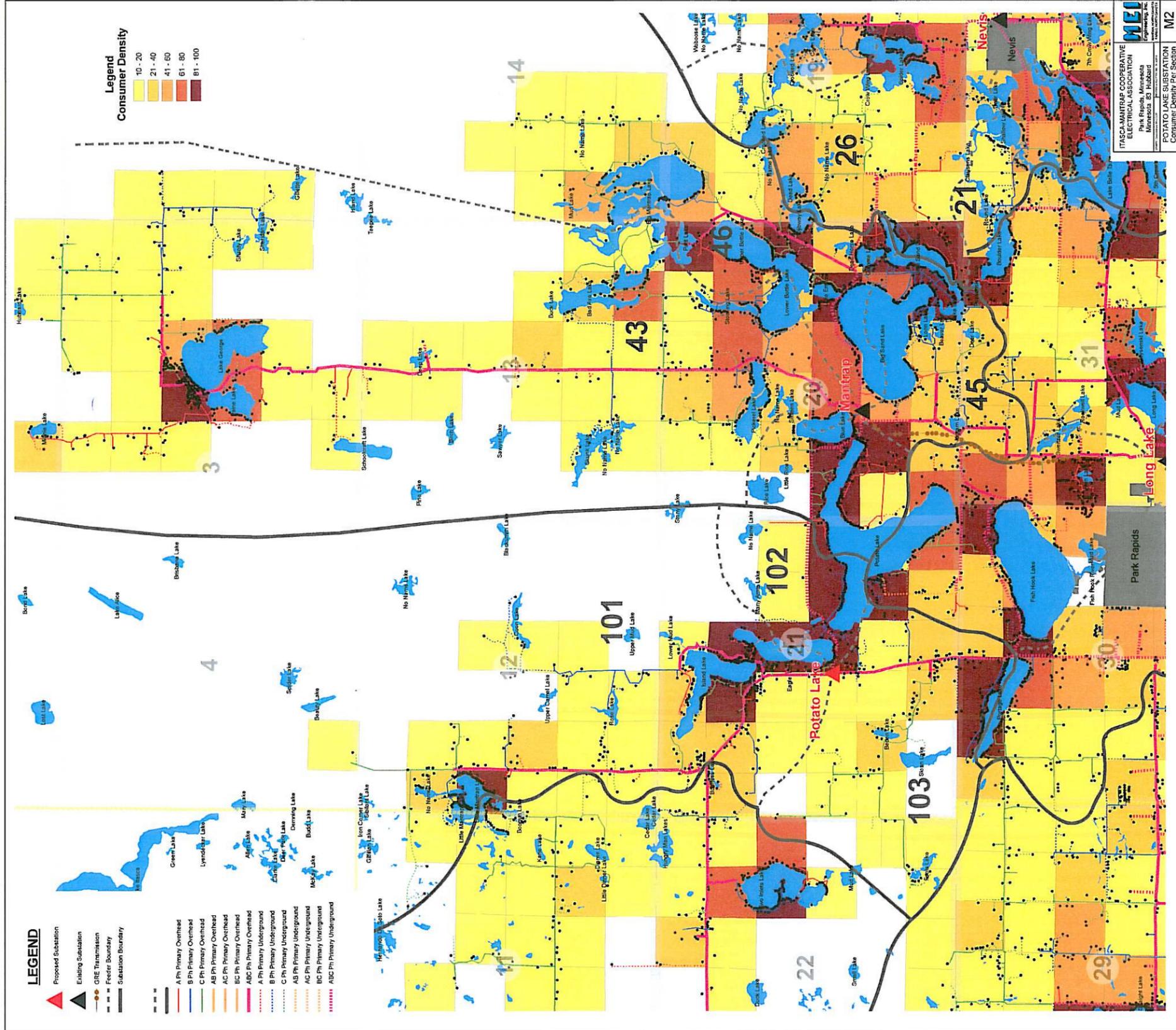
- ▲ Replaced Substation
- ▲ Existing Substation
- GRE Transmission
- - - Feeder Boundary
- Substation Boundary
- A Ph Primary Overhead
- B Ph Primary Overhead
- C Ph Primary Overhead
- AC Ph Primary Overhead
- BC Ph Primary Overhead
- ABC Ph Primary Overhead
- A Ph Primary Underground
- B Ph Primary Underground
- C Ph Primary Underground
- AC Ph Primary Underground
- BC Ph Primary Underground
- ABC Ph Primary Underground



MEI
MEI ENGINEERING, INC.
 Park Rapids, Minnesota
 Minnesota, 53 Hubbard
 218-838-2222
 www.mei-engineering.com

POTATOLAKE SUBSTATION
 kWh Usage Per Section

M1



ITASCA-MANTAP COOPERATIVE
ELECTRICAL ASSOCIATION
Park Rapids, Minnesota
Minnesota 55763

MEI
Engineering, Inc.
Minnesota 55763

POTATO LAKE SUBSTATION
Consumer Density Per Section

M2