Chaska
Municipal Services

Public Works, Electric,
Water & Sewer

March 23, 2011

Bill Storm
Office of Energy Security
85 7th Place East, Suite 500
St Paul, MN 55101-2198

Re: PUC Docket Number E002/CN-09-1390
Xcel Energy Glencoe – Waconia HVTL Project

Dear Mr. Storm,

Thank you for holding the public hearing in Norwood Young America on March 1 for this project. The City of Chaska has a vested interest in this project so I'd like to make a few comments regarding the Certificate of Need. I have been involved in the planning process for this upgrade both as a consultant and as a City employee. The City of Chaska's electrical load growth averaged between 4% and 11% annually between 1993 and 2003. Load growth has slowed in recent years but it has still averaged almost 3% per year the last 7 years. There have been numerous new businesses opening in Chaska recently including a new medical center, a potato processing facility and new retail being added. There has also been some growth in the residential sector and existing industrial customers have been expanding. Even though there has been a significant effort in energy conservation measures by both businesses and residents, there continues to be load growth.

The latest addition to Chaska is a new data center by United Health Group. This 250,000 square foot facility that is currently under construction is anticipated to have a peak demand of 20 MW. A new distribution substation is being planned to serve this large load. I understand from Xcel Energy the existing 69 kV transmission system is also not capable of serving this load. I have also been told that in order to serve this load this line needs to be upgraded to 115 kV. The data center is expected to be on-line in January 2012 and will be rapidly ramping up load in the following years.

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The existing 69 kV line is not adequate to serve this load. The reliability is also not acceptable to serve a critical load such as a data center. As I write this letter this morning, this 69 kV transmission line actually experienced an outage and we saw the lights blink in downtown Chaska and surrounding areas. This line needs to be upgraded.

I appreciate the opportunity to file these comments and I hope they underscore the need from the City of Chaska's point of view. Xcel Energy has been a good transmission provider in the west metro area and they continue to make needed upgrades. I only wish the regulatory process could move a little quicker when desperately needed projects such as this are needed to serve economic growth.

Sincerely,

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Electrical Director
City of Chaska
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