APPENDIX F

minnesota power
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July 2, 2013

Patricia A. Hoffman
Assistant Secretary
United States Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

RE: Minnesota Power's Letter of Intent to Submit Presidential Permit Application for Great Northern Transmission Line

Dear Assistant Secretary Hoffman:

Minnesota Power hereby provides a Letter of Intent ("LOI") to submit a Presidential Permit application to the United States Department of Energy ("DOE") for the Great Northern Transmission Line ("Project"). The Project is a high voltage transmission line between the province of Manitoba and Minnesota Power's service territory in northern Minnesota. Therefore, because this Project crosses an international border, a Presidential Permit will be required from the DOE.

Since January 2012 Minnesota Power has been actively developing the Project through extensive voluntary outreach, including numerous meetings with landowners, federal, state, and local agencies and other invited stakeholders such as tribal governments and non-governmental organizations. Minnesota Power has initiated state approvals through submittal of the requisite procedural filings for a Minnesota Public Utilities Commission ("MPUC") Certificate of Need ("CN") and intends to submit a full CN by August 2013. MPUC Docket No. E015/CN-12-1163. In addition, as summarized in Attachment 1, Minnesota Power is in the process of evaluating specific route alternatives, though it will not identify final route alternatives or an international border crossing until early 2014. Minnesota Power's intent is to submit to the DOE a full Presidential Permit application and to the MPUC a state route permit application in early 2014. Until these applications are submitted and consistent with pre-application goals set forth in the June 7, 2013 Presidential Memorandum on Transforming our Nation's Electric Grid, Minnesota Power believes it is important to facilitate interagency discussions and integrate preapplication processes with the goal to enhance coordination and collaboration amongst Federal agencies, state, local and tribal governments, non-governmental organizations and the public. Therefore, Minnesota

Power is filing this LOI with the DOE to initiate coordination and collaboration of interagency discussions and pre-application processes.

PROJECT OVERVIEW AND BENEFITS

The Project includes high voltage connections between the province of Manitoba in Canada and the Blackberry Substation in Itasca County, Minnesota to enable additional deliveries from Manitoba Hydro to meet existing and future energy needs for Minnesota Power and its customers and for other utilities in the region. The Project brings a host of benefits, while enabling Minnesota Power to meet its customers' need for power. Those benefits include, but are not limited to: enabling Minnesota Power to diversify its baseload generation portfolio and reduce the overall emissions associated with its electric supply portfolio; increasing transmission system reliability for a broad region of the upper Midwest as shown through regional reliability studies, and; supporting recent and planned industrial growth on Minnesota's Iron Range. In addition, the Project provides economic benefits in the form of property tax revenue, construction and maintenance jobs and increased business for hotels, restaurants, and other services along the final route.

Minnesota Power proposes to construct a 500 kV transmission line from the border that would terminate at the Blackberry Substation in Itasca County (approximately 225 to 300 miles). While Minnesota Power is evaluating the possibility of building additional lines beyond the 500 kV transmission line at some time in the future, currently the Project is limited to just the 500 kV transmission line. The Great Northern Transmission Line will provide delivery and access to power generated by Manitoba Hydro's hydroelectric stations in Manitoba, Canada. Minnesota Power needs this line to deliver at least 250 MW of energy and capacity by June 1, 2020 under a Power Purchase Agreement ("PPA") approved by the Minnesota Public Utilities Commission in MPUC Docket No. E-015/M-11-938.

The Project is intended to facilitate increased imports from Manitoba of up to 750 MW to serve load in the upper Midwest and to support the regional transmission system. Of course, due to the interconnected nature of the regional electric grid, the line will transmit electricity generated by a variety of sources. However, the primary effect of the Project will be to provide increased access to hydropower. Additionally, the Project facilitates an innovative wind storage provision in the PPA that leverages the flexible and responsive nature of hydropower to improve the value of Minnesota Power's significant wind energy investments.

VOLUNTARY STAKEHOLDER AND AGENCY OUTREACH

To date, Minnesota Power has held three rounds of open house meetings in various locations around northern Minnesota. Local landowners, tribal governments and non-governmental organizations and other potential stakeholders were invited to attend. The first round of meetings, held in August 2012, was intended to discuss the Project, notify stakeholders early in the process and gather input from stakeholders to identify opportunities and constraints within a broad preliminary study area. The second round of meetings, held in October and November 2012, gathered input from the public to be considered when developing potential routes for the transmission line. Attendees were invited to learn about the Project, provide feedback, and speak with the Project team. The third round of open houses, held in April 2013, gathered input from the public to be considered when developing the proposed route alternatives for the transmission line. See Attachment 2 for the summaries

from those open houses. Minnesota Power has also hosted online open houses at the Project website: http://www.greatnortherntransmissionline.com.

Minnesota Power has also been meeting with federal, state and local agency officials to begin to understand their environmental review requirements, permitting and potential mitigation strategies, and to discuss the Project's schedule and process as relevant to that agency. In total, 13 agency meetings were held between June 2012 and April 2013. See Attachment 3 for a summary of these meetings. At the request of DOE, an all agency meeting was held in December 2012 to provide a Project update and to begin the inter-agency coordination and discussions for the Project. In all, 16 agencies have attended at least one project meeting. In addition, Minnesota Power has collaborated with agency officials about the routing process and the methods by which stakeholder and agency feedback would be incorporated into that process.

Minnesota Power looks forward to continuing the early engagement for the Great Northern Transmission Line project and welcomes further advancement of the integrated, inter-agency process. Please contact me if you have any questions or need additional information.

Yours truly,

David R. Moeller

cc: Lauren Azar, Special Advisor to the Secretary of Energy

ATTACHMENT 1

SUMMARY OF THE GNTL ROUTING PROCESS

One of the important phases of development of the GNTL project is routing of the transmission line. Minnesota Power has developed a routing process which allows it to offer early engagement consistent with federal guidance and the opportunity to evaluate possible routing options. The process is iterative and involves identification of a Study Area, corridors and potential route alternatives that incorporate stakeholder and agency feedback from public outreach and agency meetings. From the work performed during this process, Minnesota Power anticipates development of route alternatives for submission to the agencies in the Presidential Permit and state route permit applications. Below is a summary description of the routing process to date.

Study Area: With input from the agencies and other stakeholders concerning the GNTL project, Minnesota Power has developed a broad preliminary Study Area for the Project. The Study Area begins at the Minnesota/Manitoba border and includes three potential international border crossings near US Highway 59 in Kittson County, County State Aid Highway 24 along the Kittson/Roseau County border, and Minnesota Trunk Highway 89 in Roseau County. See Attachment 4. The extent of this portion of the Study Area generally heads in a southeasterly direction, terminating at the Blackberry Substation in Itasca County. The western border of the Study Area was selected by using changes in soil types that would make construction more difficult, and it extends to the south to Brooks, Minnesota. The southern border of the Study Area runs between Clearbrook, Minnesota and Blackduck, Minnesota. The eastern edge of the Study Area is generally along the existing Minnesota Power 230 kV transmission line near the St. Louis County boundary.

Corridors: Within the Study Area, Minnesota Power is working to develop project corridors by considering a number of factors, including but not limited to:

- US/Canadian border
- Population density
- Protected natural and recreational areas
- Mining and industrial development
- Existing transmission lines and transportation corridors
- Unsuitable conditions for construction (poor soils, floodplains, etc.)
- Large bodies of water

Minnesota Power gathered input from public/stakeholder open houses and local, state, and federal agencies to identify areas of opportunities and areas of constraint within the Study Area. Examples of the opportunities and constraints criteria used to narrow down the Study Area to broad 10-20 mile corridors are below:

Opportunities	Constraints
Infrastructure Existing transmission lines, pipelines.	**Land Use** Community & industry development, public & NGO lands, conservation areas, existing infrastructure.
Transportation Roadways, railways.	**Environmental** Species, habitat, & natural resources, cultural, historical, & visual resources.
Land division Property lines, public land survey lines.	**Engineering** Reliability, constructability (poor soils), cost.

Stakeholder and Agency Input: One of the purposes of the open houses was to provide the landowners, tribal governments and non-governmental organizations, and the public with an opportunity to look at detailed maps of their area and provide feedback on the selection of potential routes. Minnesota Power refined the study corridors into broad route alternatives based on engineering and regulatory guidelines, data analysis, and agency and stakeholder feedback. At this point, route alternatives are wider than the required right-of-way. See Attachment 4. The additional width allows the flexibility to make adjustments based on landowner, other stakeholder and agency feedback received on our website, via email, and at public and agency meetings.

At the Route Alternative public open house meetings, Minnesota Power collected over 250 comments from the public, either directly during the meetings, or via on-line, phone calls, email or mail. These comments can generally be categorized into the following groups:

Feature-specific: These comments provide new or updated information on existing datasets. Example: unmapped home or airstrip.

Location-specific: These comments provide a broader scope of information for an area. Example: “wild rice patty farming area; aerial spraying is heavily used.”

General: These comments might reinforce best practices or may not be tied to a single area/attribute. Example: "Do not go diagonal through agricultural lands," or, "Cultural resources related to the reservation generally located in this county."

Routing Criteria: There tends to be fewer comments in this group but typically, these comments are in regards to contract-based land areas or other unique features that were not previously considered in the earlier routing analysis. These new routing criteria are added to our list and analyzed during future steps of the routing process. Example: state managed forest incentive act parcels.

Feature-specific and location-specific comments are entered into the Project's GIS database. Each comment is given a category, such as; 'Agriculture,' 'Natural Resources,' or 'Home/Structure,' as well as a type: 'Opportunity,' 'Constraint,' 'Both,' or 'Neither.'

During the subsequent routing process, Minnesota Power will consider these comments, along with any additional data collected, to more closely define and select the route alternatives to be carried forward into the Presidential Permit and state route permit applications.

August 2012 Stakeholder Workshop Summary

Workshop Snapshot:

- 11 meetings hosted in August 2012
- 54 attendees
- 37 community surveys received
- 142 mapping comments received

Why were the workshops held?

Minnesota Power hosted 11 stakeholder workshops to:

- Discuss the project
- Notify stakeholders early in the process
- Gather input from stakeholders

In order to identify opportunities and constraints within the project study area, the project team gathered information from the meeting attendees. The information gathered was used to determine project corridors, future meeting locations, and to identify other stakeholders.

Who attended the workshops?

A total of 54 attendees were at the meeting out of the 298 that were invited by the project team. Attendees included:

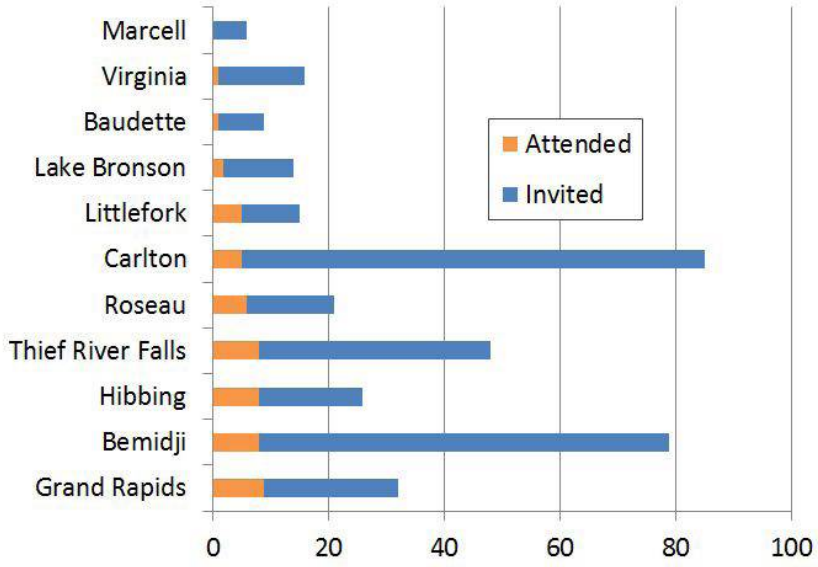
- Agency representatives
- County commissioners and planners
- City and township officials
- Non-governmental organization members
- Tribal representatives

How was feedback collected?

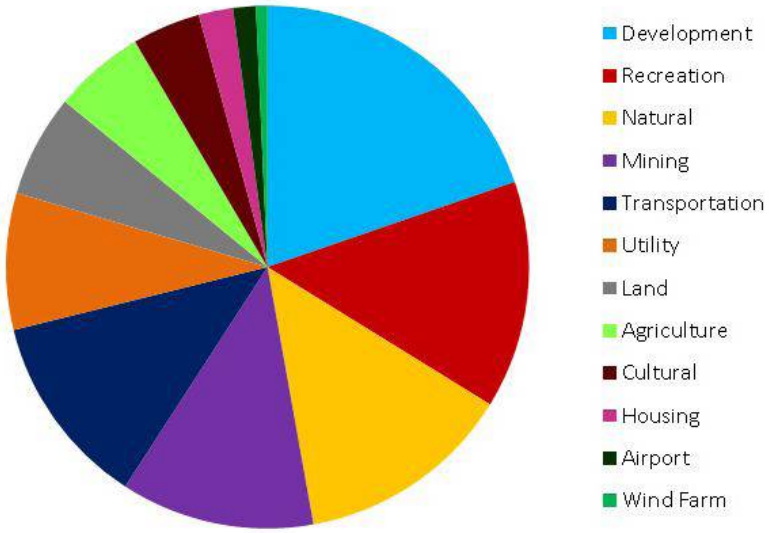
Workshop attendees analyzed aerial maps of the study area to provide 142 comments about their specific geographic area or type of expertise.

Minnesota Power also distributed community surveys and gathered 37 responses about meeting venues, other stakeholders, and preferred methods for providing information.

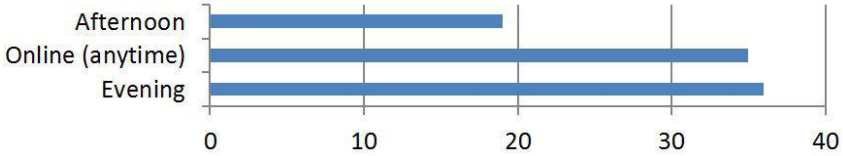
Meeting attendance (54 total)



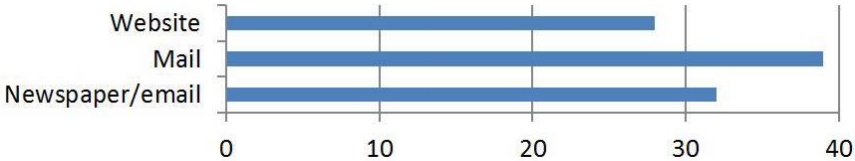
Mapping comment results (142 total)



Preferred meeting time



Preferred notification method



October-November 2012 Public Meeting Summary

Public Meeting Snapshot:

- 11 meetings hosted in Oct-Nov 2012
- 583 in-person attendees, 80 online attendees
- 154 mapping comments received
- 16 comment forms received

Why were the meetings held?

Minnesota Power hosted a series of 11 open house meetings from Oct. 29-Nov. 2 and Nov. 7-8, 2012. The project team gathered input from the public to consider when developing potential routes for the transmission line. Attendees were invited to learn about the project, provide feedback, and speak with the project team.

Who attended the workshops?

A total of 583 landowners, agencies, officials, NGOs, and other stakeholders attended the 11 meetings. In addition, 80 visitors accessed our online open house meeting held on the project website. The meetings were promoted via 48,872 mailed invitations, press releases, and newspaper advertisments.

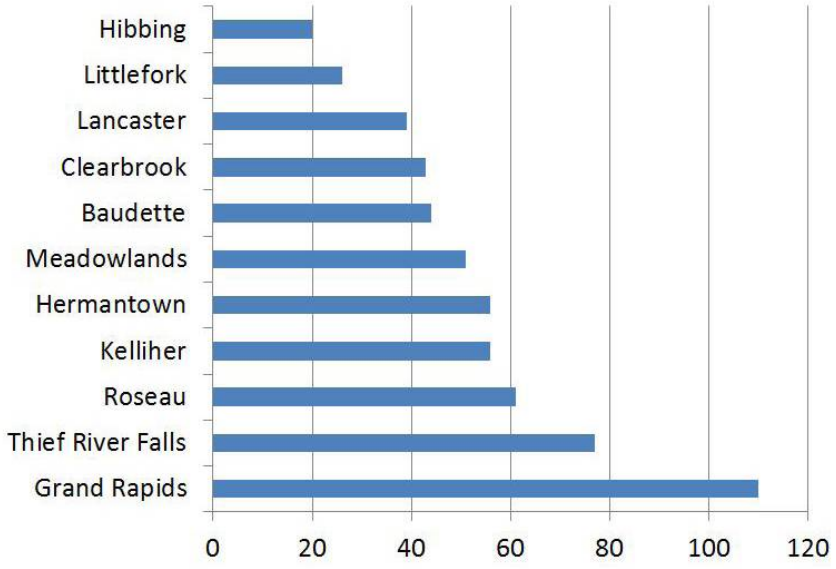
How was the meeting organized?

Meeting locations were chosen based on proximity to the project corridors and to minimize landowner driving distance. 10-15 project team member staffed each meeting. Attendees signed into the meeting upon entering, and were then led on a tour of information boards, aerial maps, and a GIS mapping station.

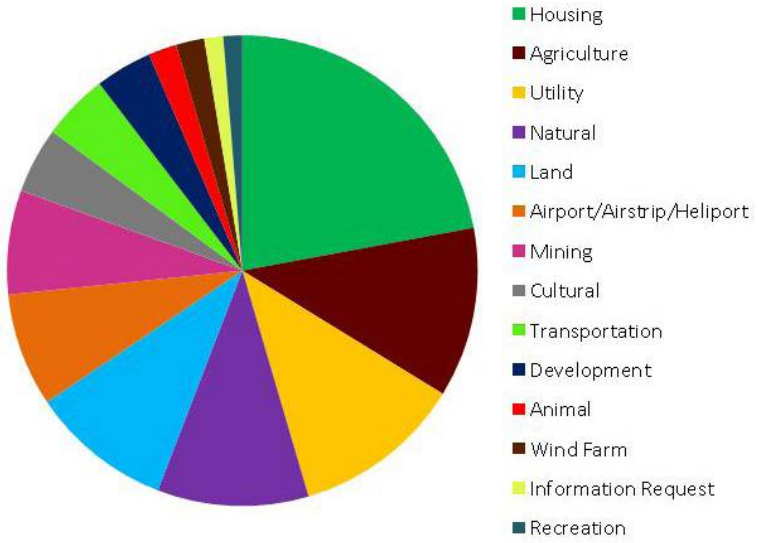
What kind of feedback was received?

Landowner concerns ranged from design and environmental questions to economic benefits to proximity to homes. Positive feedback was received about the project's extensive outreach efforts and inclusion of stakeholders early in the process.

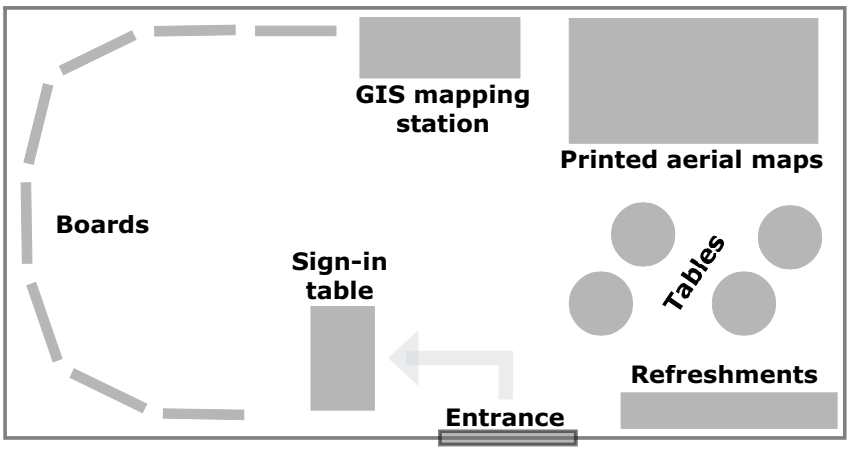
Meeting attendance (583 total)



Mapping comment results (154 total)



Typical meeting room layout



April 2013 Public Meeting Summary

Public Meeting Snapshot:

- **14** meetings between April 15 and 25
- **747** in-person attendees, 269 online attendees
- **249** mapping comments received
- **53** comment forms received
- **38** online meeting comments received

Why were the meetings held?

Minnesota Power hosted a series of 14 open house meetings between April 15 and April 25, 2013. The project team gathered input from the public to consider when developing the proposed route alternatives for the transmission line. Attendees were invited to learn about the project, provide feedback, and speak with the project team.

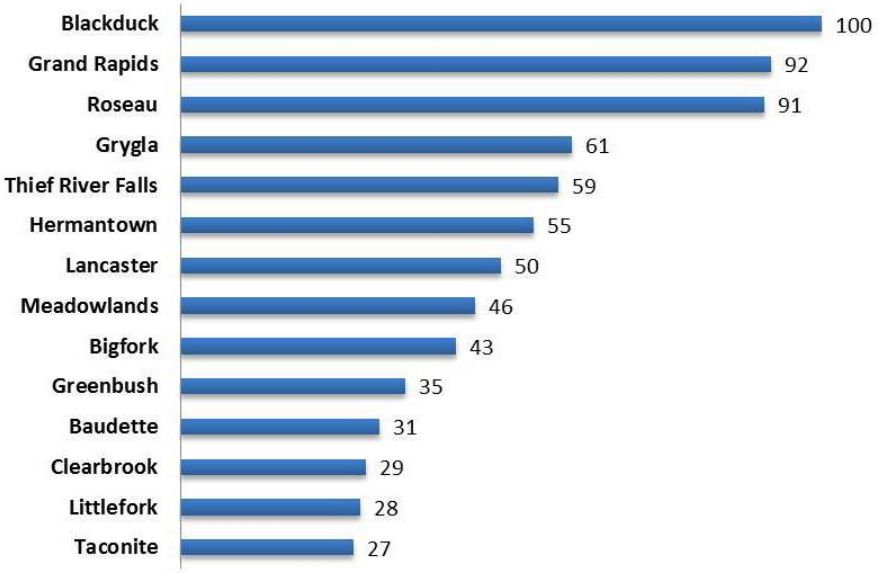
Who attended the meetings?

A total of 747 landowners, agencies, officials, NGOs, and other stakeholders attended. In addition, 269 unique visitors accessed our online open house meeting held on the project website. The meetings were promoted via 40,354 invitations mailed to landowners and 2,021 letters mailed to stakeholders. Additionally, press releases were sent to 77 media outlets, and advertisements placed in 31 publications.

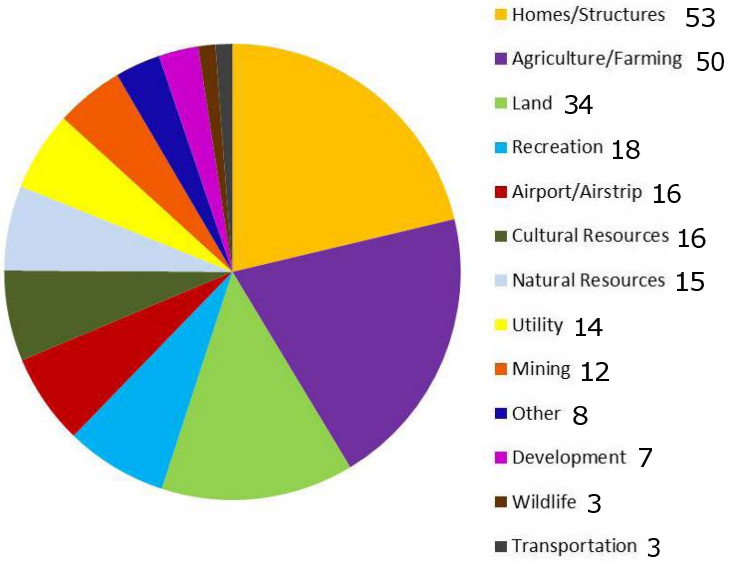
How were the meetings organized?

Meeting locations were determined by considering the proximity of the location to the route alternatives and travel distance for landowners. Up to 20 project team members staffed each meeting. Each team member presented meeting information using the boards, handouts, and maps.

Meeting attendance (747 total)



Mapping comment results (249 total)



Common feedback received

- Support for holding another round of meetings for the final route alternatives
- Questions and concerns about agriculture: diagonal crossings, aerial spraying and compatibility
- Questions and concerns about avoiding residences and structures
- Concerns about EMF and stray voltage
- Questions about following existing transmission lines
- Questions about ROW payment and use
- Questions about CRP's coming out of production

State & Federal Agency Meetings Summary

Agency Meetings To-Date

Minnesota Power offered to meet with State and Federal agencies individually to begin to understand their environmental review requirements, permitting and mitigation strategies and to discuss the proposed project's schedule and process as relevant to that agency. In total, 13 agency meetings were held between June 2012 and April 2013, directly prior to public meetings. An all-agency meeting was held in December 2012 to provide a project update and to begin the inter-agency discussions for the project.

In all, 16 agencies have attended at least one project meeting.

13 agency meetings held

16 agencies attended

AGENCY	MEETING DATE
MN Public Utilities Commission	June 6, 2012 & December 11, 2012
US Army Corps of Engineers	June 7 & December 11, 2012; April 22, 2013
US Fish and Wildlife Service	June 20, 2012 & December 11, 2012
MN Department of Transportation	June 20, 2012 & December 11, 2012
MN Department of Natural Resources	June 26, 2012, December 11, 2012 & March 21, 2013
MN Department of Commerce	July 12, 2012, September 4, 2012 & December 11, 2012
MN Department of Agriculture	September 5, 2012
MN Pollution Control Agency	September 4, 2012
US Bureau of Indian Affairs	October 2, 2012
MN State Historic Preservation Office	October 2, 2012
US Forest Service - Chippewa National Forest	October 30, 2012 & December 11, 2012
US Department of Agriculture – Natural Resources Conservation Services	December 11, 2012
Advisory Council on Historic Preservation	December 11, 2012
US Environmental Protection Agency	December 11, 2012
Midwest ISO	December 11, 2012
US Department of Energy	December 11, 2012

In addition to the agency meetings listed above, Minnesota Power began holding monthly agency conference calls in February 2013 to provide updates on the project, gather feedback on the routing process and to facilitate interagency coordination as the project develops. Twenty-eight staff from seven state agencies and seven federal agencies have been invited to participate on the calls.

PUBLIC OUTREACH:

- October - November 2012: 11 corridor public meetings
- April 2013: 14 public route alternatives meetings
- Ongoing: Project website, email, and hotline

STAKEHOLDER OUTREACH:

- August 2012: 11 workshops held for community representatives

STATE/FEDERAL AGENCY OUTREACH:

- October - June 2012: 12 individual agency meetings held
- December 2012: All-agency meeting held
- Ongoing: Monthly conference calls with agencies

ROUTING CRITERIA

Minnesota Power considers environmental and engineering guidelines, regulatory requirements, and public and agency input to develop a set of routing criteria to help determine which areas provide opportunities or constraints for transmission line development.

Example opportunities:	Example constraints:
• Existing transmission lines	• Community & industrial development
• Existing pipelines	• Existing infrastructure & agriculture
• Roadways & railroads	• Public, private, and protected lands
• Property lines	• Natural & cultural resources
• Public Land Survey System lines	• Reliability, constructability, & cost

ROW) easements

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Typical ROW acquisition process

- The final route is determined.
- Minnesota Power contacts the landowner to begin discussing right-of-way needs.
- Minnesota Power makes offer to landowner based on fair market value.
- Minnesota Power and the landowner agree and the easement is recorded.
- Minnesota Power constructs, operates, and maintains the transmission line within the

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What is the project?

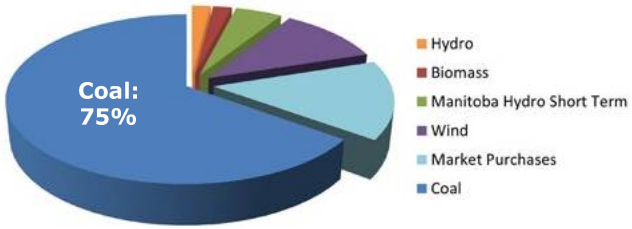
The Great Northern Transmission Line will carry hydropower from Manit
customers, providing access to a reasonably priced, emission-free energ
load supply characteristics, price certainty and resource optimization fle
alternatives for meeting customer requirements. Project components inclu

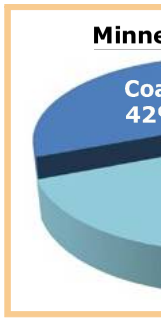
- A 500 kV transmission line from the Canadian border to the Iron Ra
- A 345 kV double-circuit transmission line from the Iron Range Substa near Duluth.

Why is the project needed?

- **DIVERSIFY ENERGY SOURCES.** Minnesota Power is working to diver Northern Transmission Line will increase hydropower as a key compo
- **MEET DEMAND.** The Great Northern Transmission Line will bring po within Minnesota Power's service territory, including the Iron Range, t
- **INCREASE RELIABILITY.** The Great Northern Transmission Line provi flexible, and cost competitive hydropower resource.

Minnesota Power Energy Sources in 2013

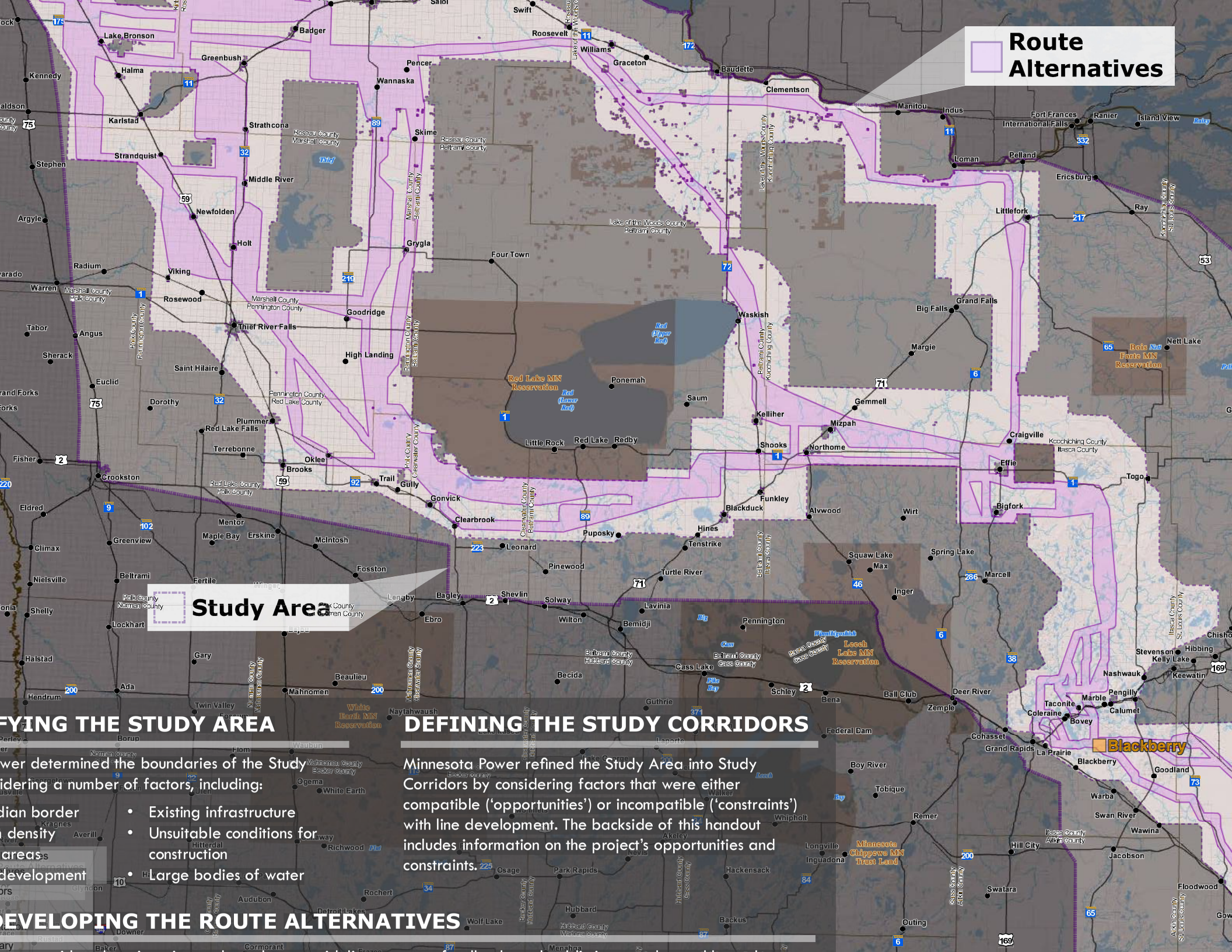




What is the project schedule?

The project schedule is driven by state and federal regulatory requirem
in-service date.

We are here



FYING THE STUDY AREA

wer determined the boundaries of the Study
idering a number of factors, including:

- dian border
- density
- areas
- development
- Existing infrastructure
- Unsuitable conditions for construction
- Large bodies of water

DEFINING THE STUDY CORRIDORS

Minnesota Power refined the Study Area into Study Corridors by considering factors that were either compatible ('opportunities') or incompatible ('constraints') with line development. The backside of this handout includes information on the project's opportunities and constraints.

DEVELOPING THE ROUTE ALTERNATIVES