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April 12, 2010

Carole Schmidt
Great River Energy
12300 Elm Creek Blvd.
Maple Grove, MN 55369

Don Dewey
Itasca County Environmental Services
123 NE 4th St.
Grand Rapids, MN 55744

**Re: Local Review of Pokegama 115 kV Substation and Transmission Line
Commission Docket Number: ET2/LR-10-268**

Dear Ms. Schmidt and Mr. Dewey,

This letter confirms that the Minnesota Public Utilities Commission (Commission) has received notification that Great River Energy intends to seek local review to construct a new 115 kilovolt (kV) substation (“Pokegama substation”) and approximately eight miles of new 115 kV transmission line to energize this substation. The substation and transmission line will be located near the City of Grand Rapids in Itasca County.

Under the Power Plant Siting Act, a permit from the Commission is required for transmission line projects over 100 kV (Minn. Stat. § 216E). However, local review and permitting is possible for eligible projects. For such projects, a utility may apply to a local unit of government instead of the Commission for a permit to build the project. This letter confirms that Great River Energy’s proposed project is eligible for local review (Minn. Stat. § 216E.05).

Great River Energy has indicated that Itasca County is the local unit of government with jurisdiction to permit the project. A zoning permit application was submitted to the county on March 23, 2010. A local unit of government may relinquish its jurisdiction by requesting the Commission to assume jurisdiction within 60 days of the filing of an application with the local unit of government (Minn. Rules 7850.5300, subp. 4).

An environmental review process, including the development of an environmental assessment, must be conducted by the local unit of government with jurisdiction over the project. This letter

acknowledges that Itasca County is the responsible governmental unit for the proposed project and associated environmental review.

Specific requirements with regard to the environmental review process include:

- (1) providing an opportunity for the public to participate in the development of the scope of the environmental assessment before it is prepared,
- (2) publishing notice in the EQB Monitor when the assessment is available for review and the procedure for commenting on the assessment, and
- (3) withholding a final decision on the project until at least ten days after the notice appears in the EQB Monitor.

Itasca County must also provide a copy of the environmental assessment to the Commission when it is completed (Minn. Rules 7850.5300, subp. 5). Electronic filing (eFiling) of the environmental assessment is encouraged (<https://www.edockets.state.mn.us/EFiling>). Files of less than five megabytes (5 MB) in size are also encouraged.

Finally, this letter confirms that Great River Energy has sent the required notice to those persons on the Commission's general notification list that a permit has been applied for from a local unit of government (Minn. Rules 7850.5300, subp. 3).

Please contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Ray Kirsch". The signature is fluid and cursive, with a large initial "R" and "K".

Ray Kirsch
Energy Facility Permitting
Office of Energy Security
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651-296-7588

cc: Burl Haar, Commission
Bob Cupit, Commission