



ITC MIDWEST
20789 780th Avenue
Albert Lea, MN 56007
phone: 507-377-6168
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October 12, 2010

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

Re: Expansion of Elk Substation – Request for Minor Alteration Authorization

Dear Dr. Haar:

ITC Midwest, LLC (“ITC”) is electronically filing this request for a Minor Alteration authorization pursuant to Minnesota Statute 216E.16 and Minnesota Rule 7850.4800. We will also provide three paper copies of this request to the Minnesota Public Utilities Commission and the Minnesota Office of Energy Security via US mail.

ITC proposes to expand the Elk Substation, in Nobles County. The expansion of the 161kV substation will be constructed within the existing ITC property just north of Worthington, MN.

Please call me at (507) 377-6000 ext. 2004 with any questions regarding this filing. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Gross', written over a horizontal line.

David Gross
Permit Coordinator

Enclosure

Cc: Wayne Smith, Nobles County Environmental Services Director – w/encl. (1)
Deborah Pile, Department of Commerce – w/encl. (3)

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PROJECT DESCRIPTION

Project components subject to Commission minor alteration determination consist of the following:

Elk Substation: The substation site is located just north of Worthington, MN on the east side of U.S. 59 in Nobles County. The site is on a 3.33 acre parcel owned by ITC.

This project consists of replacing both of the existing 35 MVA Elk 161/69 kV transformers with larger, 100 MVA transformers. Two new 161 kV breakers will also be installed. A new control building will be installed within the northwest portion of the substation yard. The cost of this project is estimated at \$5,100,000.

The west substation fence will be moved 25' to the west to 75' from the west property line to accommodate these improvements. The fence will extend the same distance as the existing fence, 290' to the north, to 40' from the north property line. This will expand the substation footprint from 1.07 acres to 1.23 acres, an increase of .16 acres, or 4.8%.

Drawings that show the site plan and project location are enclosed. (Figures 1-3)

The Elk Substation work is scheduled to begin in January 2011 with an in-service date of August 1, 2011.

PROJECT NEED

The Elk substation improvements were identified in Appendix A of the 2008 Midwest ISO Transmission Expansion Plan ("MTEP 08") as Project 1747, and the Midwest ISO Board approved the MTEP 08 Appendix A projects on December 4, 2008. The upgrades at ITC Elk Substation are needed to address NERC planning criteria violations. On the existing system the loss of a single element, or a NERC Category B multi-terminal contingency, will outage the Heron Lake-Brewster-Elk 161kV line, one of the Heron Lake 161/69kV transformers, and both Elk 161/69kV transformers. The addition of an Elk 161kV bus tie breaker and a 161kV breaker looking towards Brewster completely eliminates this Category B multi-terminal contingency. In addition, the existing system lacks adequate 161/69kV transformer capacity. The remaining Elk transformer would overload for the loss of the other transformer during many hours of the year. In order to address this concern, both of the Elk transformers will be upgraded to 100 MVA. The project increases reliability to the area by allowing for complete back up of the 161/69kV Elk transformers and by adding a 161kV breaker to the Heron Lake-Brewster-Elk 161kV line to eliminate all NERC Category B violations.

ANALYSIS

Minnesota Rule 7850.4800 establishes the standard for determining whether a change in a high voltage transmission line is a minor alteration. The rule provides that, “A minor alteration is a change in...a high voltage transmission line that does not result in significant changes in human or environmental impact of the facility.”

The proposed expansion of the Elk Substation will not result in significant changes in the human or environmental impacts of the facilities and therefore qualifies as a minor alteration.

- Aesthetic impacts will be minimal, since the transmission substation will be expanded within the existing parcel footprint.
- There will be no agricultural impacts since the substation site is not currently farmed.
- The expansion of the substation will conform to all minimum setback requirements.
- There will be no new tree clearing for this project as the substation expansion area is already wooded or grassland.
- The substation expansion is being done on the existing site. Therefore, no landowners will be significantly impacted.
- There will be minimal impacts to adjacent landowners as access to the site is off a paved County road onto ITC property. Vehicles will be able to travel from the paved County road to the project site without crossing others’ private property.
- The high voltage transmission substation has been in service for approximately 40 years. Expanding the substation on the existing parcel will have no significant human or environmental impacts.

NOTICE AND COMMENT REQUIREMENTS

Minnesota Rule 7850.4800, Subpart 2, provides that the Commission shall mail notice of receipt of the application to those persons on the general list and to those persons on the project contact list if such a list exists. The commission shall provide at least a ten day period for interested persons to submit comments on the application or to request the matter be brought to the commission for consideration.

Pursuant to Minnesota Rule 7829.0700, ITC requests that the following persons be placed on the Commission’s official list for this matter:

David Gross
Permit Coordinator
ITC Midwest
20789 780th Avenue
Albert Lea, MN 56007

Dave Grover
Manager, Regulatory Strategy
ITC Midwest
444 Cedar Street, Suite 1020
St. Paul, MN 55101

Utility Employee Responsible for Filing

David Gross
Permit Coordinator
ITC Midwest
20789 780th Avenue
Albert Lea, MN 56007
(507) 377-6000 ext. 2004 office
(507) 320-2422 cell
(507) 377-1190 fax

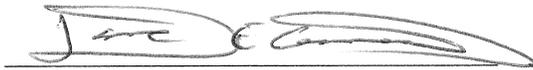
CONCLUSION

ITC respectfully requests the Commission authorize the Elk Substation Expansion as a minor alteration, as provided in Minnesota Rule 7850.4800.

Dated:

ITC Holdings, Inc.
d/b/a ITC Midwest LLC

By:

A handwritten signature in black ink, appearing to read "David Gross", written over a horizontal line.

David Gross
Permit Coordinator

Elk Substation Expansion Exhibit



FIGURE 1

Elk Substation Expansion Exhibit Inset

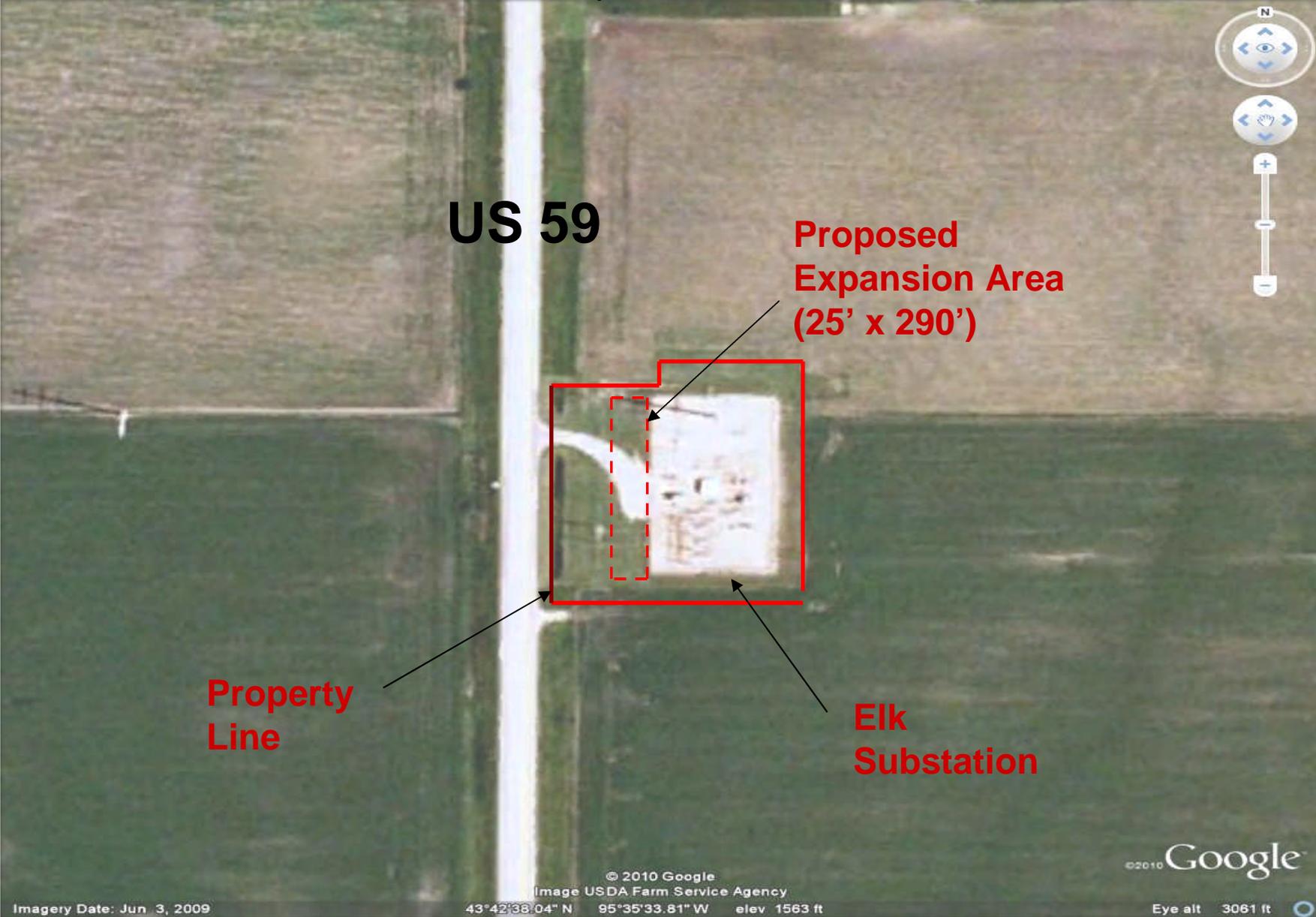
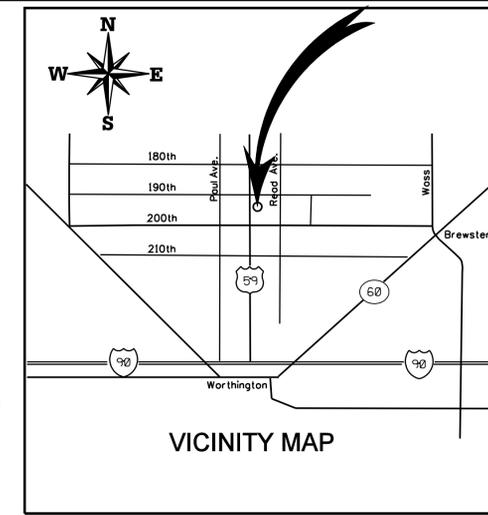
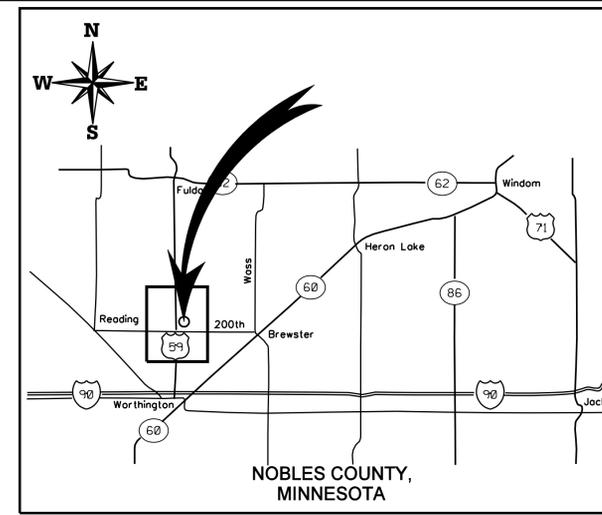
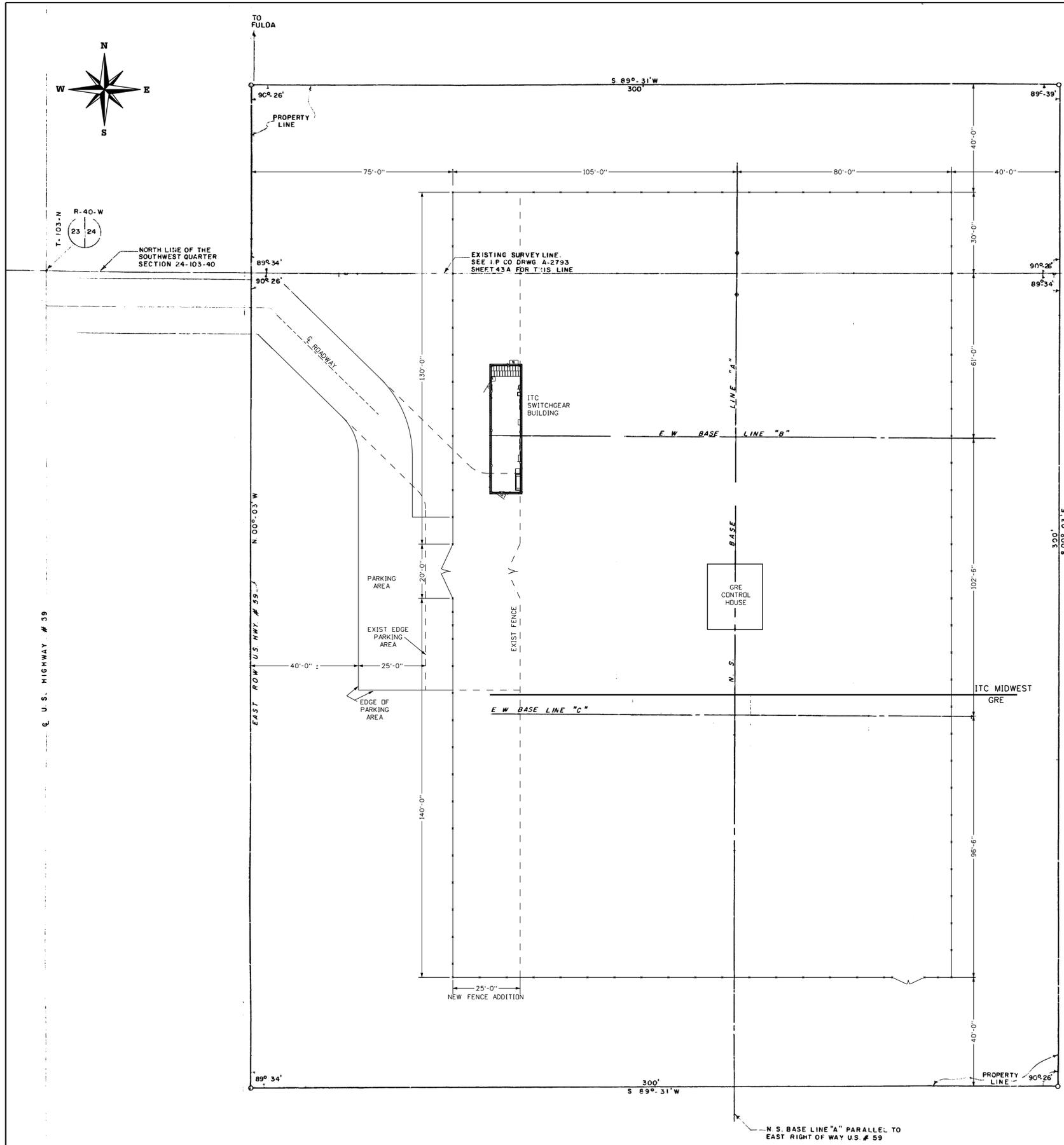


FIGURE 2



PROPERTY CODE: 14024 (T) - ELK SUBSTATION

A tract of land in the Southwest Quarter (SW 1/4) of the Northwest Quarter (NW 1/4) of Section 24, Township 103 North, Range 40 West of the 5th P.M. described as follows: Beginning at the Southwest corner of the Northwest Quarter (NW 1/4) of said Section 24; thence North 89° 31' East along the South line of said Northwest Quarter (NW 1/4) of said Section 24, a distance of 394.30 feet, thence North 00° 03' West along a line parallel with and 300 feet Easterly from the Easterly right of way line of Trunk Highway No. 59, a distance of 70.00 feet; thence South 89° 31' West along a line parallel with said South line of the Southwest Quarter (SW 1/4) of the Northwest Quarter (NW 1/4) of said Section 24, a distance of 394.67 feet, to the West line of said Northwest Quarter (NW 1/4) of Section 24; thence South 00° 22' East along said West line, a distance of 70.00 feet to the point of beginning, said tract containing 0.63 acres. Subject to public highway along the West side of said tract

AND

A tract of land in the Northwest Quarter (NW 1/4) of the Southwest Quarter (SW 1/4) of Section 24, Township 103 North, Range 40 West of the 5th P.M. described as follows: Beginning at the Northwest corner of the Southwest Quarter (SW 1/4) of said Section 24, Township 103 North, Range 40 West of the 5th P.M., thence North 89° 31' East along the North line of said Southwest Quarter (SW 1/4) of said Section 24, a distance of 394.30 feet; thence South 00° 03' East along a line parallel with and 300.00 feet Easterly from the Easterly right of way line of Trunk Highway No. 59, a distance of 300 feet; thence South 89° 31' West along a line parallel with said North line, a distance of 388.65 feet, to the West line of said Southwest Quarter (SW 1/4) of said Section 24; thence North 00° 22' West along a West line of said Section 24, a distance of 300.00 feet to the point of beginning. Said tract contacting 2.70 acres. Subject to public highway along the West side thereof.

FIGURE 3

SUPersedes DRAWING A4807, REV.1

ITC MIDWEST
FULDA, MN

NO.	DATE	REVISION	BY	CHK'D	APP'D
0	08-20-2010	REPLACE TRANSFORMERS LM00026403 FOR CONSTRUCTION	UE1-GS	UE1-TO	ITC-JS

CONFIDENTIAL
These documents are for the use of ITC Holdings. ITC Holdings disclaims all warranties, both expressed and implied. Use by anyone other than ITC Holdings is at their own risk.



ELK SUBSTATION
GENERAL ARRANGEMENT
SITE PLAN

Scale: 1" = 20'-0"

DWG. NO.

14024-02-01

TR 10/10/10
Plotted: SDATES
File: \$FILES