

April 1, 2011

VIA HAND-DELIVERY

Mr. Darrell Nitschke
Executive Secretary
North Dakota Public Service Commission
600 E. Boulevard, Dept. 408
Bismarck, ND 58505-0480

RECEIVED

APR 01 2011

PUBLIC SERVICE COMMISSION

**RE: Minnkota Power Cooperative, Inc.
345 kV Transmission Line – Center
to Grand Forks – Siting Application
Case No. PU-09-670**

Dear Mr. Nitschke:

Please find enclosed herewith for filing an original and ten (10) copies of a letter from Minnkota Power Cooperative, Inc., to the North Dakota Public Service Commission regarding the above-referenced matter. A CD containing a copy of the enclosed letter and this letter in electronic format is also enclosed.

Should you have any questions, please let me know.

Sincerely,



MOLLIE M. SMITH

MMS/ms

Enclosure

cc: Mr. Jerry Lein, North Dakota Public Service Commission (w/encl. – *via hand-delivery*)
Mr. Gerad Paul (w/encl. – *via e-mail*)
Mr. Mike Hennes (w/encl. – *via e-mail*)
Mr. John Graves (w/encl. – *via e-mail*)
Mr. Wally Lang (w/encl. – *via e-mail*)
Ms. Michelle Bissonnette (w/encl. – *via e-mail*)
Mr. Brian Hunker (w/encl. – *via e-mail*)

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April 1, 2011

VIA HAND DELIVERY

Commission Chairman Tony Clark
Commissioner Kevin Cramer
Commissioner Brian P. Kalk
c/o Mr. Darrell Nitschke
Executive Secretary
North Dakota Public Service Commission
600 E. Boulevard, Dept. 408
Bismarck, ND 58505-0480

**RE: Minnkota Power Cooperative, Inc.
345 kV Transmission Line – Center
to Grand Forks – Siting Application
Case No. PU-09-670**

Dear Commissioners:

It has come to Minnkota Power Cooperative, Inc.'s ("Minnkota") attention that requests have been made for the North Dakota Public Service Commission ("Commission") to move the public hearing dates on the Certificate of Corridor Compatibility application ("Corridor application") submitted by Minnkota for its Center to Grand Forks 345 kV Transmission Line Project ("Project"). Specifically, Minnkota understands that the Commission has been asked to change the public hearing dates to sometime in June, rather than May 3, 4 and 13, as currently scheduled, in order to avoid spring planting. Minnkota fully understands the desire to avoid scheduling hearings during spring planting; however, for several reasons that are discussed further below, Minnkota respectfully requests that the Commission not change the public hearing dates on its Corridor application.

As the Commission is aware, unlike many other transmission facility projects that have come before the Commission in recent years, Minnkota's Project is undergoing separate Certificate of Corridor Compatibility and Route Permit proceedings. Consequently, if the public hearings on the Corridor application are delayed, the Route Permit application process will likely also be delayed, as will the issuance of a Route Permit for the Project.

Delay in the issuance of a Route Permit for the Project will potentially have a negative economic impact on Minnkota. Minnkota utilized the dates for the public hearings set during the Commission's March 9, 2011, Administrative Meeting as a milestone in its master schedule for coordinating its acquisition and delivery of materials necessary for the construction of the Project. For instance, Minnkota is scheduled to receive shipments of transmission structures from the manufacturer in June, in the amount of approximately 10-20 truck loads per day. Minnkota has planned to have the initial transmission structure shipments delivered to its two existing laydown

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areas for storage. Other shipments have been scheduled so as to arrive at the time that Minnkota anticipates that a Route Permit for the Project will have been issued, based upon the current permitting schedule. These shipments will be delivered to the Project-specific temporary laydown areas approved by the Commission in the Route Permit.

If, however, the Corridor application process is delayed and, in turn, the Route Permit application process and issuance of a Route Permit are delayed, Minnkota will either have to halt delivery of the transmission structures and pay significant storage fees to the manufacturer, or try to find areas other than the Project-specific temporary laydown areas where it can store the incoming transmission structures. If the latter option is chosen, Minnkota will also incur the additional cost of several crews using heavy equipment moving the transmission structures from the temporary storage areas to the Project-specific temporary laydown areas following issuance of a Route Permit. Either way, the Project costs will increase, which will impact Minnkota and its member-owner distribution cooperatives and their customers. Additionally, multiple handlings of these large steel transmission structures will increase the safety risks and potential for accidental damage.

Delays in the hearing schedule and, ultimately, the issuance of a Route Permit for the Project, may also negatively impact the Project's construction schedule. Currently, Minnkota plans to have its transmission structure foundation contractor begin installation of the transmission structure foundations as soon as possible after issuance of a Route Permit for the Project. Transmission structure foundation installation is the below-grade work, *i.e.*, auguring a shaft, installing a metal rebar cage, and pouring concrete, that provides the foundation for the transmission structure. Once sufficient foundation work has been completed and the foundations have had a chance to cure (at least 2-4 weeks), then the line contractor can begin the installation of the transmission structures, which are bolted to the foundations.

If Minnkota is able to have the foundation contractor begin work in late summer/early fall of 2011, the foundation contractor should have sufficient work completed before winter so that both the line contractor and the foundation contractor can begin work on the Project as soon as weather permits the following spring. However, if the issuance of the Route Permit is delayed and the foundation contractor is unable to begin foundation installation this fall, then the 2012 spring start date for the line contractor will be delayed by 4-6 weeks to allow for sufficient completion of and cure-time for the foundation work. This delay, in turn, will impact the remainder of the Project's construction schedule.

In addition to the potential impacts to the Project, moving the hearing dates to June may alleviate some scheduling conflicts, but create others. For instance, while Minnkota understands that early May public hearings have the potential to conflict with spring planting, there is also the danger that delaying the public hearings on the Corridor application will result in public hearings on the Route Permit application that conflict with fall harvesting, which is equally problematic. Also, while moving the public hearings to June may accommodate some people's schedules, it is just as likely that the new hearing dates will conflict with other people's schedules for different reasons, particularly given that the summer months are often a busy time.

While there are likely no ideal hearing dates that will work for everyone, the fact that the Commission has scheduled three hearings at three different locations already offers multiple opportunities for the public to participate in the Corridor application review process. Likewise, conducting separate Certificate of Corridor Compatibility and Route Permit application proceedings for this Project inherently provides additional opportunities for public involvement, as compared to many other permitting proceedings. An additional way for the Commission to accommodate the various schedules of those persons who may wish to participate would be to offer evening or early morning public hearing sessions at both the hearings on the Corridor application and the hearings on the Route Permit application, and Minnkota is willing to assist in whatever way it can to facilitate offering those additional public hearing sessions.

Finally, if the Commission does choose to change the public hearing dates for the Corridor application, Minnkota requests that the Commission authorize Minnkota's use of the Project-specific temporary laydown areas at the time that a Certificate of Corridor Compatibility is issued for the Project, rather than requiring Minnkota to wait to utilize the temporary laydown areas until a Route Permit has been issued. As noted above, if the temporary laydown areas can not be utilized until a Route Permit is issued, and the issuance of a Route Permit is delayed as a result of changing the date of the public hearings on the Corridor application, Minnkota may incur additional transmission structure storage and/or transportation costs. However, receiving approval to utilize the Project-specific temporary laydown areas during the Certificate of Corridor Compatibility process should enable Minnkota to avoid incurring those additional costs.

Minnkota understands the importance of and encourages public involvement in the Commission's Certificate of Corridor Compatibility and Route Permit processes for the Project, just as it has encouraged public involvement throughout the extensive pre-application and National Environmental Policy Act ("NEPA") review processes, which included a Macro-Corridor Study that reviewed several six-mile-wide corridors and an Environmental Assessment with Scoping process that analyzed three potential routes within the Macro-Corridors, all of which ultimately resulted in Minnkota's development of the 1,000-foot-wide Project Corridor presented in its Corridor application. However, as discussed above, Minnkota believes that there are ways to facilitate public involvement without changing the public hearing dates on its Corridor application, and that changing the public hearing dates will undoubtedly result in conflicts for others who wish to participate in the permitting process. Date changes could also result in economic impacts to and construction delays for the Project. For these reasons, Minnkota requests that the public hearing dates on its Corridor application for the Project remain May 3, 4 and 13, and that evening and/or early morning sessions be added on those dates.

Should you have any questions, please do not hesitate to contact me.

Sincerely,



MOLLIE M. SMITH

MMS/ms

cc: Mr. Jerry Lein, North Dakota Public Service Commission (*via hand-delivery*)
Mr. Gerad Paul (*via e-mail*)
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