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June 20, 2011

BY OVERNIGHT MAIL

Public Service Commission
State of North Dakota
600 East Boulevard Avenue, Dept. 408
Bismarck, ND 58505-0480

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PUBLIC SERVICE COMMISSION

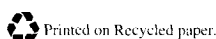
**Re: CapX2020 Project
Docket No. PU-10-606
Docket No. PU-10-607**

Dear Commissioners:

Thank you for allowing the City of Fargo to comment on the CapX2020 project. The City is generally in support of the project assuming the concerns below can be favorably addressed. We have received reassuring comments from CapX representatives; however, important decisions, including the corridor and actual routing, are in the hands of the Public Service Commission and thus the following comments are in order.

In general, the City of Fargo is concerned about potential interference the CapX project might have with the Fargo-Moorhead Metropolitan Area Flood Risk Management Project (commonly referred to as the Metro Flood Project), currently under study by the U.S. Army Corps of Engineers, planned to be constructed nearby. The cost of the Metro Flood Project is estimated at over \$1.7 billion. If constructed, the Metro Flood Project will significantly reduce the risks from flooding for approximately one-fifth of North Dakota's residents and tens of thousands of Minnesota residents. The 300-foot-wide easements obtained for the CapX project will have prohibitions and restrictions that preclude development. The presence of the very tall structures in the wrong location (inside the area protected by the Metro Flood Project) will impair development beyond the width of the easements themselves. The presence of the CapX transmission lines within the area to be protected by the Metro Flood Project would significantly reduce the benefit of the Metro Flood Project to taxpayers.

The plan being supported by the local entities in this area referred to as the Locally Preferred Plan (LPP) of the Metro Flood Project calls for a diversion channel to be constructed on the North Dakota side of the Red River beginning at a point about one mile north of the identified CapX2020 route. As both projects move west, that separation is reduced to about one-half mile. The site maps submitted by CapX of the proposed corridor for the CapX project show the location of the LPP diversion channel and your attention is called to those maps. The alignments for CapX and Metro Flood have not been finalized. It is this uncertainty that raises the biggest concern for the City of Fargo. With that preface, the comments by the City of Fargo are as follows:



1. We understand that the approval process includes approval of the corridor, followed by separate approval of the actual route or alignment. The hearing on June 23, 2011 is for the "corridor" of the CapX2020 project. The City of Fargo would prefer that the entire corridor be placed outside the Locally Preferred Plan of the diversion project; however, we have been assured by CapX representatives that CapX intends that the actual route for the CapX2020 project will not intersect, or interfere with, the Locally Preferred Plan of the diversion project. Nevertheless, the City would prefer if the entire corridor were outside the bounds of the Metro Flood Project. Again, to the extent land is protected from flooding by the Metro Project, we prefer that such land not be consumed by the easements, with their restrictions on development, acquired by CapX and that development of that land not be impaired by the presence of the CapX structures.

2. The Locally Preferred Plan of the Metro Flood Project contemplates staging of water to a depth of perhaps several feet in the area near-south of the diversion channel. Therefore, if the CapX structures are built within the envelope of the staging area, they may be affected by such staged water during flood events. Also, it would be unfortunate if Metro Flood Project sponsors were asked to mitigate against the impacts caused by staged water at Project sponsors' expense. We have been informed by CapX representatives that they will account for the possibility of floodwaters in their design and no mitigation will be necessary.

The City of Fargo appreciates the opportunity to provide these comments. Representatives of the City will be present at your June 23rd, 2011 hearing if Commissioners have any questions.

Sincerely,



Dennis R. Walaker
Mayor

DRW:se

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