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February 1, 2018

Via U.S. Mail & Email: dnitschke@nd.gov

Darrell Nitschke
Executive Secretary
ND Public Service Commission
600 E. Boulevard Avenue
Bismarck, ND 58505-0480

Re: Otter Tail Power Company
Case No. PU-17-96
Minn-Kota Ag Products, Inc. - Richland County Public Convenience & Necessity

Dear Mr. Nitschke:

Minn-Kota Ag Products, Inc. respectfully submits its Petition to Intervene and Request to Present Oral and Written Comments.

An electronic copy of this filing is also being sent to you at dnitschk@nd.gov and to the North Dakota Public Service Commission at ndpsc@nd.gov.

Please feel free to contact me at (612) 632-3426 or by email at kermit.nash@gpmlaw.com if you have any questions.

Very truly yours,

Kermit J. Nash
Attorney

Enclosure

cc: Kimberly J. Radermacher (via U.S. Mail and email: kimrader@radermacherlaw.com)
Cary Stephenson (via U.S. Mail and email: cstephenson@otpc.com)
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Petition to Intervene and Request to Present Oral and Written Comments
Minn-Kota Ag Products, Inc.
Kermit Nash, Attorney

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Otter Tail Power Company
Minn-Kota Ag Products, Inc. – Richland County
Public Convenience & Necessity**

Case No. PU-17-96

**MINN-KOTA AG PRODUCTS, INC.'S PETITION
TO INTERVENE AND REQUEST TO PRESENT ORAL
AND WRITTEN COMMENTS**

Minn-Kota Ag Products, Inc. (“Minn-Kota”) respectfully submits this Petition, pursuant to the North Dakota Administrative Code, Section 69-02-02-05 of the rules of practice and procedure of the North Dakota Public Service Commission (“Commission”), to intervene in the above-referenced matter and to present oral and written comments in support of Otter Tail Power Company’s Application for a Certificate of Public Convenience and Necessity. In support of its petition, Minn-Kota states as follows:

1. Minn-Kota is in the process of constructing a state-of-the-art grain handling facility located on Highway 13, two miles east of Barney, North Dakota (“Facility”). The Facility will have ten steel bins with a capacity of 2.9 million bushels. When completed, the Facility will have a load out capacity of 80,000 bushels per hour, which will enable 110 rail cars to be loaded in less than eight hours. Minn-Kota anticipates that the Facility will be operational by the middle of June 2018 and plans to put the Facility into full service by July 1 of 2018. The Facility will use large electric motors to power augers and conveyors that will move the grain. The Facility will serve numerous area farmers. The plans for the current Facility will essentially be the first phase of many anticipated expansion phases for Minn-Kota.

2. Otter Tail Power Company (“OTP”) has made a proposal to provide electricity to the Facility. OTP is currently providing electricity to Minn-Kota pursuant to a temporary agreement.

3. Dakota Valley Electric Cooperative (“DVE”) also made a proposal to provide electricity to the Facility.

4. Access to reliable, reasonably priced electricity is critical to the success of the Facility. Based on careful review of the two competing proposals, Minn-Kota determined that OTP’s proposal would meet its needs and that DVE’s proposal would not. Accordingly, Minn-Kota has made a request to OTP to serve as Minn-Kota’s electricity provider.

5. Pursuant to the North Dakota Territorial Integrity Act, N.D.C.C. 49-02 *et seq.*, OTP applied to the Commission for a Certificate of Public Convenience and Necessity (“CPC&N”) in order to provide service to Minn-Kota.

6. DVE has objected to OTP’s application.

7. In determining whether to grant a CPC&N under the Territorial Integrity Act, the Commission must consider the following ten factors:

- a. From whom does the customer prefer electric service?
- b. What electric suppliers are operating in the general area?
- c. What electric supply lines exist within at least a two-mile radius of the location to be served, and when were they constructed?
- d. What customers are served by electric suppliers within at least a two-mile radius of the location to be served?
- e. What are the differences, if any, between the electric suppliers available to serve the area with respect to reliability of service?
- f. Which of the available electric suppliers will be able to serve the location in question more economically and still earn an adequate return on its investment?
- g. Which supplier’s extended electric service would best serve orderly and economic development of electric service in the general area?
- h. Would approval of the applications result in wasteful duplication of investment or service?

- i. Is it probable that the location in question will be included within the corporate limits of a municipality within the foreseeable future?
- j. Will service by either of the electric supplier in the area unreasonably interfere with the service or system of the other?

8. George Schuler IV of Minn-Kota testified at the hearing in support of OTP's application for the CPC&N. If permitted to intervene, OTP would continue to support OTP's application.

9. Minn-Kota's interests are not adequately represented by either party to the proceeding. DVE's interest, in opposing OTP's application, is the opposite of Minn-Kota's interests and is also contrary to the public interest. Although the interests of Minn-Kota and OTP are generally aligned, they are not identical. Obtaining a reliable source of power is critical to the viability of the Facility; indeed, the outcome of this case may have a significant role in whether the Facility succeeds or fails. Thus, for Minn-Kota, the stakes are extremely high. For OTP, Minn-Kota is just one customer among many and the impact on OTP if its application for a CPC&N is denied will be relatively modest.

10. Good cause exists to allow Minn-Kota's intervention at this time. Minn-Kota believes that it has a unique perspective on many of the issues before the Commission and that its written and oral comments will be helpful to the Commission in its consideration, in particular, of issues that were the focus of discussions at the most recent working session, held on December 20, 2017. At that time, the Commission had extensive discussion regarding, in particular, whether granting OTP's application would result in wasteful duplication of facilities and the impact of the Commission's decision on the public interest.

11. If permitted to intervene and granted leave to provide the Commission with oral and written comments Minn-Kota intends to address, among other things, the following points, summarized in Paragraphs 12-17.

12. Duplication of Facilities and Service Reliability – OTP’s proposal is to construct a substation adjacent to the Facility, which would be fed by a line running along the boundary of Minn-Kota’s property and served by OTP’s existing line. Initially, Minn-Kota would be the only customer served by the substation, although the additional capacity would be available to serve other customers in the future, including Minn-Kota’s future expansion of the Facility. DVE’s proposal, in contrast, is to provide service from a distant substation, connected to the Facility by nearly 16 miles of underground cables. Because of the benefit of OTP’s proposed service, which benefits are not provided by DVE’s proposal, not only for Minn-Kota but for all customers served by the electric grid in the area, facilities to be constructed under OTP’s proposal cannot properly be seen as “wasteful.”

13. The Minn-Kota facility will use electric motors that produce, in the aggregate, 4,000 horsepower. Those motors will place a substantial burden on the grid, especially at start-up, which could have an adverse impact on electric service to other customers. One of the issues that the Commission discussed at its December 20 working session was the use of “soft start” motors which could mitigate concerns about the potential for other customers to experience brown out or other disruptions when the facility motors are started up. Because OTP’s proposal is to initially provide a dedicated substation for the Facility, the need for soft start motors will be reduced – enabling more efficient operation of the Facility – and the potential for adverse impact on other customers will be eliminated.

14. At the working session, there was discussion regarding DVE’s offer to “waive,” in part, its requirements that Minn-Kota use soft start motors. Minn-Kota believes that DVE’s waiver proposal is inadequately defined and presents two concerns. First, waiving soft start requirements, although superficially responding to Minn-Kota’s desire for maximum efficiency,

will put other customers at risk, by increasing the likelihood that customers served by the grid in that portion of the state will experience brown outs or other service disruptions, especially when the Facility's motors start up. Second, DVE cannot provide any assurance that its waiver proposal would not result in the degradation of service for other DVE customers served by that same part of the electricity grid. If it is determined that the waiver of the soft start requirement results in an undue amount of disruption of service to other customers, Minn-Kota may, sooner rather than later, be required to retrofit the Facility with soft start motors – resulting in unnecessary expense and business interruption – and/or to pay DVE's expenses to augment the grid to enable it to provide sufficiently stable service.

15. Public Interest – Concerns about reliable service affect not just Minn-Kota but the public generally. As described above, the load that Minn-Kota's Facility requires that the electric service be sufficiently robust in order to avoid any adverse effect on other customers. OTP's proposal, because it involves a dedicated service, eliminates the potential for adverse effects on other customers.

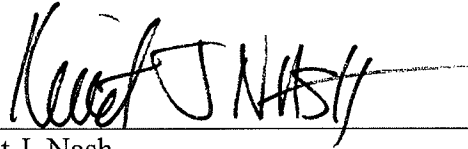
16. The Facility, when it becomes operational, will elevate the equivalent of 70 semi truck loads of grain per hour 160 feet upwards in conjunction with every other part of the Facility. A loss of power will cause chain and belt conveyors to stop working, which will cause grain to fall backwards into the elevator legs and plug the system. Such an occurrence would, at best, require the Facility to shut down so that the system can be cleaned out and restarted or, at worst, result in substantial damage to expensive equipment. Here, too, the harm to Minn-Kota would also hurt the public. If the Facility is required to go offline for any significant period of time, farmers and grain haulers in the area who depend on the Facility will need to find an alternative outlet.

17. The OTP proposal will accommodate anticipated future expansion of the Facility; the DVE proposal will not. Thus, OTP also will benefit the public interest by expanding employment opportunities and increasing economic activity in the region.

18. Allowing intervention by Minn-Kota will not result in any prejudicial delay in completing the proceeding. Allowing Minn-Kota to provide oral and written comments will not require any undue delay and such comments are likely to assist the Commission in its decision-making. OTP's CPC&N application relates solely to service to be provided to Minn-Kota. No other party will be affected.

For the foregoing reasons, Minn-Kota respectfully requests that it be permitted to intervene in the proceeding. Additionally, Minn-Kota requests leave to provide the Commission with oral and written comments regarding the issues to be determined.

Dated: February 1, 2018



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North Dakota Public Service Commission Docket No: PU-17-96

Certificate of Electronic Service

State of Minnesota)
)ss
County of Hennepin)

I, Kermit J. Nash, do hereby certify that on February 1, 2018, I served the following document:

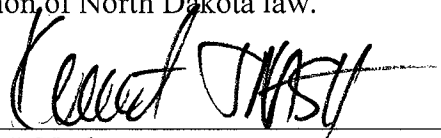
Minn-Kota Ag Products Inc.'s Petition to Intervene and Request to Present Oral and Written Comments

by sending a true and correct copy thereof via email to:

Public Service Commission at ndpsc@nd.gov
Darrell Nitschke at dnitschk@nd.gov
Kimberly Radermacher at kimrader@radermacherlaw.com
Cary Stephenson at cstephenson@otpc.com
Zachary Pelham at zep@pearce-durick.com
Zachary Smith at zsmith@ndarec.com

To the best of my knowledge, information and believe, such address is the actual email addresses of the parties intended to be served. That the above documents were duly e-mailed and served in accordance with the applicable provision of North Dakota law.

Dated: February 1, 2018



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