

**STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION**

LeRoy Koppendraye	Chair
Marshall Johnson	Commissioner
Kenneth Nickolai	Commissioner
Thomas Pugh	Commissioner
Phyllis Reha	Commissioner

In the matter of the request by Otter Tail Power Company for a Certificate of Need for a 115 kilovolt transmission line from the Appleton Substation to the Canby Substation

**PETITION FOR
EXEMPTION FROM
CERTAIN FILING
REQUIREMENTS**

Docket No. E017/CN-06-677

I. Introduction

Otter Tail Power Company is proposing to construct a 115 kilovolt transmission line between a substation in Appleton, Minnesota, and a substation in Canby, Minnesota, a distance of approximately 42 miles. This transmission line is needed to address a load-serving issue in the Yellow Medicine, Lac Qui Parle, Chippewa, Big Stone, and Swift County area.

A Certificate of Need is required under Minnesota Statutes § 216B.243 for a high voltage transmission line of the voltage and length proposed here. Otter Tail Power Company is planning to file its Certificate of Need Application by August 15, 2006.

Minnesota Rules part 7849.0200, subpart 6 provides that before submitting an application for a Certificate of Need, an applicant may file a request for an exemption from certain of the specified data requirements spelled out in the rules. This Petition is filed to request an exemption from certain portions of the filing requirements. With respect to each exemption request, the information specified in the rule is unnecessary to a determination of the need for this particular transmission line and the information that the applicant will submit instead will allow the Commission to determine the need.

II. Exemption Requests

A. Consumption data and forecasts (Minnesota Rules part 7849.0270)

1. System-wide data

Minnesota Rules part 7849.0270, subparts 1 and 2, set forth a number of categories for which data are required, including peak demand, consumption, weekday load factors, and forecasts, for the applicant's entire service area and system. Because the line proposed here is intended to serve Otter Tail Power Company's customers in the Appleton-Canby area, the company requests an exemption from the requirement that data be provided for the applicant's entire service area and system.

What Otter Tail Power Company would intend to provide in the Certificate of Need application is the requested data for the area to be served by this new line. That area includes essentially the counties of Yellow Medicine, Lac Qui Parle, Chippewa, Big Stone, and Swift. The area extends from Ortonville on the west to Benson on the east, and from Appleton in the north to Canby in the south. Information regarding Otter Tail Power Company's entire service area and transmission system is not helpful in determining the need for this new line.

While the proposed transmission line will be constructed and owned by Otter Tail Power Company, there are customers in this five-county area served by Missouri River Energy Services (MRES) and Great River Energy (GRE) who will benefit directly from this line. The type of demand and consumption data that Otter Tail Power Company will provide in the Certificate of Need application will cover all the customers in the load center, not just Otter Tail Power Company's customers but those customers in the area served by MRES and GRE as well. The applicant will provide data for customers served not only out of the Appleton and Canby substations, but also those served out of Dawson, Ortonville, Benson, and Graceville substations.

Subpart 2.F. requires the applicant to provide the average system weekday load factor for each month. This information is particularly not relevant to consideration of the need for new transmission to serve a load center, and the applicant requests an exemption from this data requirement.

Minnesota Rules part 7849.0220, subpart 2, specifically recognizes that when a proposed transmission line is intended to deliver electric power to a particular load center, the applicant should provide the information in part 7849.0270 for that load center and not for the entire system. Granting an exemption here would be consistent with the provisions of that rule.

Also, the Commission has recognized with two other similar transmission line projects – ones intended to serve a particular load center like this project is designed to do – that system-wide data is unnecessary and that data specific to the load center should be

provided. One project is the Great River Energy's Wilson Lake Project, for which the Commission just recently granted an exemption. *See* PUC Docket No. ET-2/CN-06-367. In a separate GRE matter involving a line in the Maple Grove – Plymouth area in Hennepin County, the Commission in 2002 also allowed GRE to supply the necessary information for only the intended load center. *See* PUC Docket No. ET-2/CN-02-536.

2. Consumer categories

Minnesota Rules part 7849.0270, subpart 2.B, requires that demand and consumption and forecast data be broken out into various customer categories. Not only is submission of this data for the entire Otter Tail Power Company system unnecessary, as addressed above, it is also unnecessary to submit data for the load center by customer category, and the applicant requests an exemption from this requirement. Instead, the applicant will provide the requested data for the load center for all customers combined.

Otter Tail Power Company's best estimate of the number of people in the area to be served by this line is less than 25,000. The number of individual customers in the area is certainly far less than that. It would be difficult and burdensome to sort out the requested data for each customer category, since the categories would be quite small, and more importantly, such a breakout of the data would be relatively meaningless in determining the need for this line. Further, while focusing on customer category may be helpful when a new generating source is proposed, it is not useful in determining whether a new transmission line is needed to serve a growing demand in a specific load center.

Otter Tail Power Company will provide the requested demand and consumption and forecast data for the local load serving area as a composite. This will also include customers in the area served by MRES and GRE. That data will be sufficient to analyze the need for the proposed project.

B. System capacity (Minnesota Rules part 7849.0280)

It makes sense that if an exemption from providing system-wide data under part 7849.0270 is granted, then the information required in this rule relating to the capacity of the entire system is also not necessary, and instead data relating to the load center should be adequate. Also, many of the provisions of this rule, particularly subparts B. through G. and subpart I, relate to generation. Since the project here is a new transmission line, information about generation capacity is irrelevant. Otter Tail Power Company requests that the Commission grant such an exemption.

The exemption requested here also is one that was requested by GRE in both the Wilson Lake Project and the Maple Grove - Plymouth project, and the Commission granted both requests. The Commission did require GRE to provide information about its power planning programs in accordance with item A. of the rule, and Otter Tail Power Company will also provide a brief discussion of its programs in its application.

Several provisions of part 7849.0280 require information for both the summer season and the winter season. The load center at issue here is a summer peaking area. The summer peak demand is what is driving the need to upgrade facilities in the area, and summer statistics are what Otter Tail Power Company has focused on. The applicant can provide data supporting the conclusion that the area is a summer peaking area, but it would be of little assistance in evaluating the need for this project to require submission of the same type of forecast data for the winter season as will be submitted for the summer season, and the applicant requests an exemption from any requirement to address winter peaks.

C. Conservation programs (Minnesota Rules part 7849.0290)

As with the other requests, information on conservation programs throughout the company's entire service area is not pertinent to a determination of what is the situation in the affected load center. Otter Tail Power Company requests an exemption from the requirement to provide this information for the entire service area and approval to provide information related to the load center instead.

D. Joint ownership and multiparty use (Minnesota Rules part 7849.0220, subpart 3)

Minnesota Rules part 7849.0220, subpart 3, provides that if the proposed high voltage transmission line (which is defined to include associated facilities such as substations) is to be owned jointly by two or more utilities, the information required in the rules must be provided by each joint owner. In this case, the Appleton substation is owned by MRES. However, no part of the proposed transmission line will be owned by MRES. Otter Tail Power Company requests either a clarification or an exemption that it is not required to include in the certificate of need application all the same information about MRES that is required about the applicant.

As indicated above, Otter Tail Power Company will provide information about the demand and consumption by MRES' customers in the load center to be served by this new line (and also about GRE customers in the area). However, MRES is not a co-applicant for this certificate of need and should not be required to submit information in response to any of the data requirements.

In the Wilson Lake matter recently considered by the Commission, the PUC granted an exemption from this requirement to GRE. In that case, GRE was proposing to construct a new transmission line that would connect to a substation owned by Minnesota Power. The Commission did not require GRE to provide information about Minnesota Power. Similarly, Otter Tail Power Company should not be required to include in the application information about MRES (or GRE) beyond what it has indicated will be addressed regarding demand and forecasts in the load center by all customers regardless of provider.

III. CONCLUSION

Otter Tail Power Company respectfully requests that the Public Utilities Commission grant the exemptions requested herein. Specifically, Otter Tail Power Company requests an exemption from the data requirements of Minnesota Rules parts 7849.0270, 7849.0280, and 7849.0290, relating to the submission of certain information on a system-wide basis and that the Commission authorize the applicant to submit the information as it relates to the load center involved in this project. Further, the applicant requests clarification or an exemption that information regarding Missouri River Energy Services, the owner of one of the substations involved in this project, is not required to be submitted in the Certificate of Need application.

Dated: May 12, 2006

Respectfully submitted,

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