

State of Minnesota
DEPARTMENT OF COMMERCE
DIVISION OF ENERGY RESOURCES

Utility Information Request

Docket Number: E015/CN-12-1163

Date of Request:

Requested From: David Moeller
Minnesota Power

Response Due:

Analyst Requesting Information: Steve Rakow

Type of Inquiry: Financial Rate of Return Rate Design
 Engineering Forecasting Conservation
 Cost of Service CIP Other:

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No.	
1	<p>Regarding any transmission serve request(s) (TSR) for the power purchase agreement with Manitoba Hydro included in Minnesota Power's resource plan, please provide the following data and supporting documents:</p> <ul style="list-style-type: none">a. The current status of the TSR(s);b. Findings from any studies that have been completed or are in draft form related to the TSR(s); andc. The current schedule for the remainder of the TSR proceeding(s).

Response:

- a. The TSR Minnesota Power requested is under study by MISO transmission planning engineers. Most recently Minnesota Power requested MISO study the optimal transmission solutions for transfers of 250MW, 750MW and 1100MW. Those studies are nearing completion with Minnesota Power and Manitoba Hydro collaborating on the correct modeling assumptions on both systems to provide the most accurate results. Preliminary study results are expected by the end of 2012, at that time Minnesota Power and Manitoba Hydro will have the opportunity to review MISO's determination and agree on the outcome before publication.

Response by: David R Moeller

List sources of information:

Title: Senior Attorney

Department: Legal Services

Telephone: 218-723-3963

- b. In addition to the TSR study referenced above, Minnesota Power has commissioned power flow studies with Excel Engineering to analyze the impact of incremental wind power generation injection at both Fargo, ND and Brookings, SD. This study work quantifies the North Dakota export limit resulting from the congestion of wind injection and simultaneous imports of 1100 MW from Manitoba Hydro. This study work is nearing completion and the results will be forwarded to the Department as soon as they are available.

Two large MISO sponsored studies are also underway. The MISO Manitoba Wind Synergy Study and the Northern Area Study, both of these studies continue to work their way through the MISO stakeholder process. Attached to this response are the latest updates from MISO to the stakeholder community for each of these studies. The results to date from both of these studies indicate that the Winnipeg to Iron Range to Duluth Project (Great Northern Transmission Line) has positive economic benefits to the MISO footprint.

- c. Once final study results of the TSR study are completed by MISO and accepted by Minnesota Power and other interested TSR parties, the parties will develop and execute a Facilities Construction Agreement (FCA). The FCA will define the project, outline the ownership of the project, provide project milestones and address the allocation of transmission rights. Since the Great Northern Transmission Line will be participant funded and will not be eligible for MISO cost allocation, the execution of the FCA will conclude the TSR process and MISO will move this project into Appendix A of the MISO MTEP.

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