

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION  
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

4013

2001 SENATE INDUSTRY, BUSINESS AND LABOR

SCR 4013

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4013

Senate Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date January 29, 2001

Tape Number	Side A	Side B	Meter #
1	x		20 to 40.5
Committee Clerk Signature <i>Doris E. Poiry</i>			

Minutes:

The meeting was called to order. All committee members present. Hearing was opened on SCR 4013 a concurrent resolution approving the location, construction, and operation of hydroelectric transmission facility from Rugby to the Canadian border.

SENATOR KEN SOLBERG, District 7, cosponsor, introduced the resolution, urged do pass.

REPRESENTATIVE RON NELSON, District 7, urges do pass.

MARLOWE JOHNSON, Otter Tail Power, in favor of this bill.

TIM ROGELSTAD, Otter Tail Power Co., in charge of the transmission facility project, presented and explained exhibits regarding this project. All utilities work together to meet power needs. There was a need to improve transmission facilities for that area. Need on a contractual basis to deliver power to Manitoba, to meet those objectives ended up with this project. Good electrical services to north central ND increase transfer capability between Manitoba and ND. Currently three lines determine transfer capabilities, this would be a fourth one. This enables

Page 2

Senate Industry, Business and Labor Committee

Bill/Resolution Number SCR 4013

Hearing Date January 29, 2001.

handling of future growth for that area. ND transmission limits the amount of power transferred out of state, if major line goes down, have to reduce power output because not enough lines, now we would have an extra line. We already have ND Public Service Commission approval and the support of other utilities.

JOHN DWYER, Lignite Energy Council, endorse this resolution. This project increases the stability and reliability of the system.

BOB GRAVELINE, Utility Shareholders of ND. Written testimony attached. Urges do pass.

REPRESENTATIVE MERLE BOUCHER, District 9, Written testimony attached. In favor.

No opposing testimony. Hearing closed. SENATOR KREBSBACH: Move do pass.

SENATOR ESPEGARD: Seconded. Roll call vote: 7 yes; 0 no. Motion carried.

Floor carrier: SENATOR TOLLEFSON.

Date: 1/29/  
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 4013

Senate Industry, Business and Labor

Committee

☐ Subcommittee on \_\_\_\_\_  
or  
☐ Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass

Motion Made By Sen Krebsbach Seconded By Sen Espgaard

Senators	Yes	No	Senators	Yes	No
Senator Mutch - Chairman	✓		Senator Every	✓	
Senator Klein - Vice Chairman	✓		Senator Mathern	✓	
Senator Espgaard	✓				
Senator Krebsbach	✓				
Senator Tollefson	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment S. Tollefson

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE (410)**  
January 29, 2001 5:39 p.m.

Module No: SR-15-1882  
Carrier: Tollefson  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**SCR 4013: Industry, Business and Labor Committee (Sen. Mitch, Chairman)**  
recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).  
SCR 4013 was placed on the Eleventh order on the calendar.

2001 HOUSE INDUSTRY, BUSINESS AND LABOR  
SCR 4013

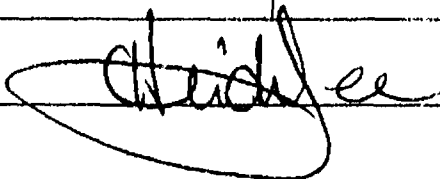
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4013

House Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date Feb. 19, 2001

Tape Number	Side A	Side B	Meter #
1	X		0-10.12
Committee Clerk Signature 			

Minutes:

Malone Johnson: *Ottertail* This is to construct a power line from Rugby to the Canadian border.

Tim Rogelstad: *Ottertail* Written testimony in support of bill.

Rep M. Klein: Is Manitoba going to continue this too?

Rogelstad: Yes, about 60 miles further.

Rep M. Klein: Are we taking more power or giving more power?

Rogelstad: More power is coming in.

Rep Koppang: Will this provide for more employees?

Rogelstad: Essentially yes with the addition of more generators.

Bob Graveline: *Utility Shareholders* Written testimony in support of bill.

John Dwyer: *Lignite Energy Counsel* We also support the bill.

Chairman Berg: We'll close the hearing on SCR 4013.



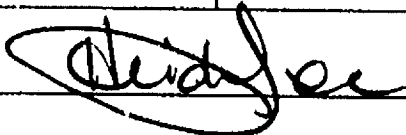
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4013

House Government and Veterans Affairs Committee

☐ Conference Committee

Hearing Date March 5, 2001

Tape Number	Side A	Side B	Meter #
2		X	13.2-15.0
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Vice-Chairman Keiser: I move a do pass.

Rep. N. Johnson: I second.

13 yea, 0 nay, 2 absent    Carrier Rep M. Klein

Date: 35-01  
Roll Call Vote #:

**2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. SCR 4013**

House Industry, Business and Labor Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass

Motion Made By Keiser Seconded By N. Johnson

Representatives	Yes	No	Representatives	Yes	No
Chairman- Rick Berg	✓		Rep. Jim Kasper	✓	
Vice-Chairman George Keiser	✓		Rep. Matthew M. Klein	✓	
Rep. Mary Ekstorm	✓		Rep. Myron Koppang	✓	
Rep. Rod Froelich			Rep. Doug Lemieux		✓
Rep. Glen Froseth	✓		Rep. Bill Pietsch	✓	
Rep. Roxanne Jensen	✓		Rep. Dan Ruby	✓	
Rep. Nancy Johnson	✓		Rep. Dale C. Severson	✓	
			Rep. Elwood Thorpe	✓	

Total (Yes) 13 No 0

Absent 2

Floor Assignment Rep M. Klein

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE (410)**

**March 9, 2001 8:43 a.m.**

**Module No: HR-41-5160**

**Carrier: M. Klein**

**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**SCR 4013: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends  
DO PASS (13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SCR 4013 was placed  
on the Fourteenth order on the calendar.**

2001 TESTIMONY

SCR 4013



# Utility Shareholders of North Dakota

## BOARD OF DIRECTORS

Bob Pile  
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John M. Olson  
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Richard Kunkel  
Wells Lake

Charles Axtman  
Jamestown

Bob Graveline, President  
Bismarck

Comments before the Senate IB&L Committee, 1/29/01 -- RE: SCR-4013

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, MY NAME IS BOB GRAVELINE OF THE UTILITY SHAREHOLDERS OF NORTH DAKOTA. OUR ASSOCIATION REPRESENTS THE INTERESTS OF MORE THAN 1,100 NORTH DAKOTANS WHO OWN SHARES OF STOCK IN OTTER TAIL POWER COMPANY, XCEL ENERGY COMPANY, OR MDU RESOURCES, THE THREE INVESTOR OWNED UTILITY COMPANIES PROVIDING SERVICE TO NORTH DAKOTA CONSUMERS.

I APPEAR IN SUPPORT OF SCR-4013

MANY NEWS ACCOUNTS HAVE BEEN WRITTEN THIS WINTER ABOUT THE STATE OF ENERGY IN THE UNITED STATES TODAY. YOU MAY HAVE NOTICED A FAIR NUMBER OF THOSE STORIES HAVE ADDRESSED THE PROBLEMS, NEEDS, AND INADEQUACY OF THE TRANSMISSION GRID. FURTHER, THESE STORIES FREQUENTLY GO ON TO CALL THE CURRENT TRANSMISSION SYSTEM AS THE MOST SERIOUS PROBLEM THAT NEEDS TO BE ADDRESSED.

FORTUNATELY, NORTH DAKOTA UTILITIES HAVE THE FORESIGHT AND UNDERSTANDING TO BUILD A TRANSMISSION SYSTEM THAT LOOKS TO THE FUTURE. THE PROJECT THAT IS THE SUBJECT OF THIS RESOLUTION IS ONE SUCH PROJECT THAT WILL HELP ASSURE THE FUTURE STRENGTH OF NORTH DAKOTA'S TRANSMISSION GRID.

THE UTILITY SHAREHOLDERS OF NORTH DAKOTA ENCOURAGES YOUR SUPPORT OF SCR-4013.

P.O. Box 1856  
Bismarck, ND 58502  
701-258-8864  
701-258-8865  
1-800-981-5132  
E-mail [usnd@usnd.org](mailto:usnd@usnd.org)  
[www.usnd.org](http://www.usnd.org)

**Testimony for Senate Concurrent Resolution No. 4013**

**For the Senate Industry, Business and Labor Committee**

**Senator Mutch, Chairman**

**Monday - January 29, 2001**

**Chairman Mutch and members of the Senate Industry, Business and Labor Committee.**

**For the record I am Representative Merle Boucher from District Nine.**

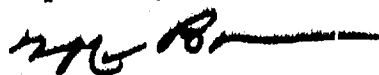
**Senate Concurrent Resolution No. 4013 acknowledges the approval of the location, construction and the operation of a hydroelectric transmission facility from Rugby to the Canadian border.**

**Otter Tail Power Company and Xcel Energy, Inc., have proposed the construction of a 230 - kilovolt transmission facility from Rugby to the Canadian border. At the Canadian border the facility will connect with one originating at Glenboro, Manitoba that is being constructed by Manitoba Hydro.**

**This international venture will provide an incremental 200 megawatts of transfer capability between Manitoba and the United States. This is a significant opportunity for North Dakota power plants to increase production.**

**The Public Service Commission has approved and issued a certificate of corridor compatibility and a route permit for the facility. I urge that Senate IBL concurs with the actions of the North Dakota Public Service Commission and gives HSC 4013 a due pass recommendation.**

**Respectfully submitted by:**



**Representative Merle Boucher**

**BEFORE THE NORTH DAKOTA SENATE  
INDUSTRY BUSINESS LABOR COMMITTEE**

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**In the Matter of Otter Tail Power Company's  
And Xcel Energy's Proposed  
230 kV Transmission Facility  
Rugby – Canadian Border**

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**January 29, 2001**

**Witness Exhibits: Tim Rogelstad**

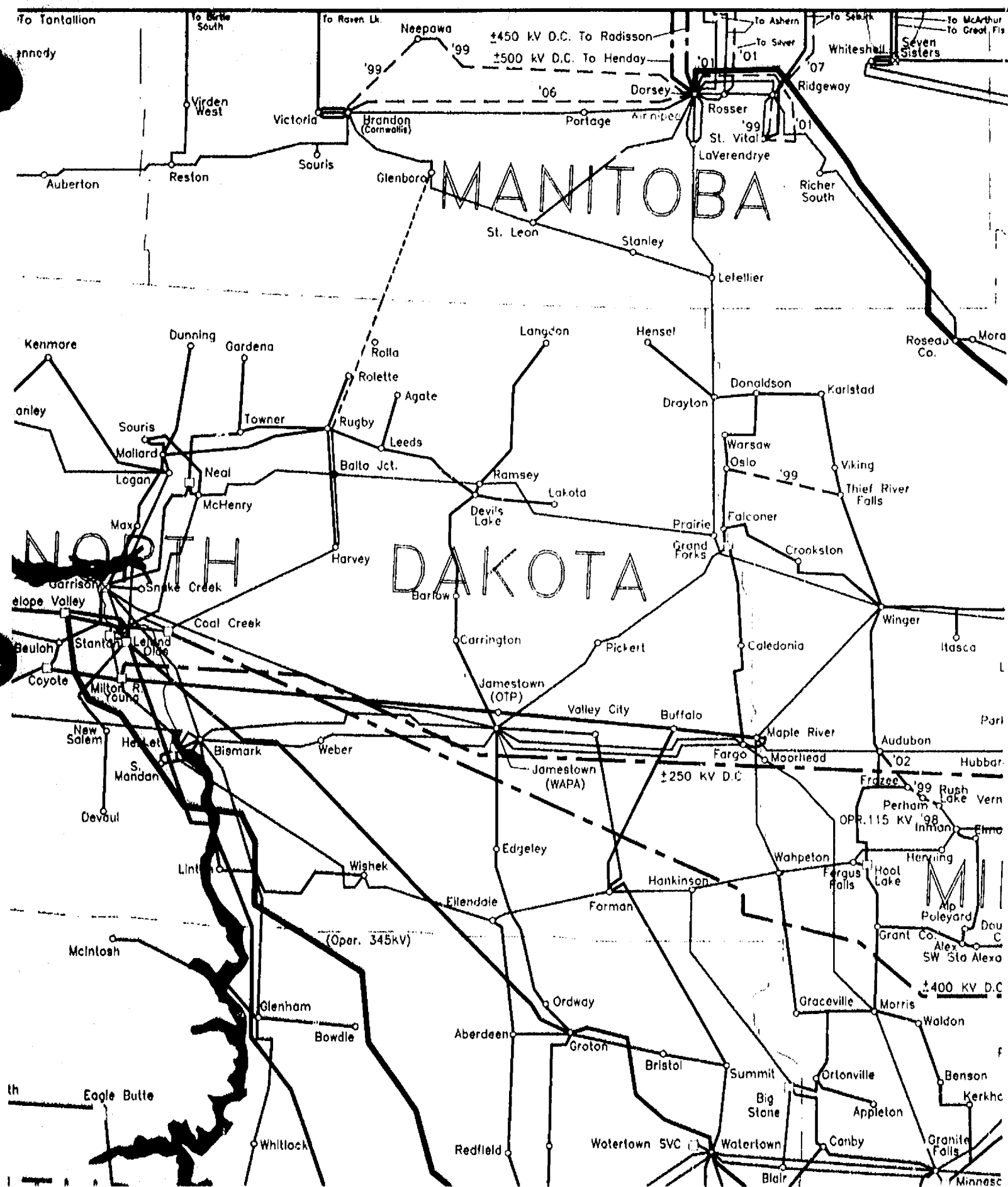




100-443887-100







Legend
1. Fixed Fuel
2. Hydro
3. Pumped Storage
4. Transmission Pathway



**PUBLIC SERVICE COMMISSION**

**STATE OF NORTH DAKOTA**

**Certificate of Corridor Compatibility for Transmission Facility**

**Certificate Number 79**

*This is to certify that the Commission has designated a transmission facility corridor for Otter Tail Power Company and Northern States Power Company, which is described as follows:*


***The corridor is approximately six miles wide by fifty three miles long, the center of which extends from Sections 11 and 12, Township 156N, Range 73W near Rugby, in a northerly direction to Sections 27 and 28, Township 164N, Range 69W at the Canadian border near Rolla.***


*The facility may be routed in this designated corridor in compliance with the transmission facility routing criteria. This certificate is issued in accordance with the Order of the Commission in Case No. Case No. PU-2280-00-200 dated December 29, 2000, and is subject to the conditions and limitations noted in the order.*

*Bismarck, North Dakota, December 29, 2000.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  
**Executive Secretary**

  
**Commissioner**

**PUBLIC SERVICE COMMISSION**

**STATE OF NORTH DAKOTA**

**Route Permit for the Construction of a Transmission Facility**

**Certificate Number 89**

*This is to certify that the Commission has designated a transmission facility route for Otter Tail Power Company and Northern States Power Company, which is described as follows:*


**An electric transmission line route originating in Township 156N, Range 72W, Section 7 in Pierce County near Rugby, North Dakota, and proceeding in a Northerly direction for approximately 53 miles terminating in Township 164N, Range 69W, Section 26 in Rolette County near Rolla, North Dakota.**


*This permit is issued in accordance with the Order of the Commission in Case No. Case No. PU-2280-00-200 dated December 29, 2000, and is subject to the conditions and limitations noted in the orders.*

*Bismarck, North Dakota, December 29, 2000.*

**ATTEST:**

**PUBLIC SERVICE COMMISSION**

  
**Executive Secretary**

  
**Commissioner**



# **Minnkota Power**

**COOPERATIVE, INC.**

A Touchstone Energy® Partner 

1001 Road • P.O. Box 12200 • Grand Forks, ND 58208-3200 • Phone (701) 795-4000

September 27, 1999

Mr. John MacFarlane  
President & Chief Executive Officer  
Otter Tail Power Company  
P.O. Box 496  
Fergus Falls, MN 56538-0496

Dear John:

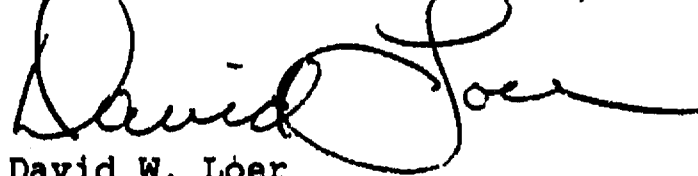
Minnkota is aware of the major transmission project being planned by Otter Tail Power Company and other area utilities that would involve constructing a 230 kV line between Harvey, ND and Glenboro, Manitoba.

In our view the project will improve the reliability of the high voltage transmission grid serving electric customers in north central North Dakota. The project will also enhance reliability of the regional transmission grid that delivers North Dakota coal field generation to load centers throughout North Dakota.

Although Minnkota is not a direct recipient of the enhanced load serving benefits of the project, we believe it is a good and sound project for the electric consumers of the region. We therefore support the efforts of Otter Tail Power Company and the other participants to complete this project.

Yours very truly,

MINNKOTA POWER COOPERATIVE, INC.



David W. Loer  
President & CEO

gae





# MONTANA-DAKOTA

UTILITIES CO.

A Division of MDC Resources Group, Inc.

220 North Fourth Street  
Bismarck, ND 58001  
(701) 222-7800

September 28, 1999

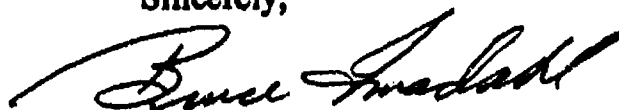
Mr. Rod Scheel  
Vice President-Electrical  
Otter Tail Power Company  
215 South Cascade Street  
Fergus Falls, Mn 56537

Dear Mr. Scheel:

Montana-Dakota Utilities Co. is a participant in the Red River Valley Subregional Planning Group (RRVSPG) of the MAPP Transmission Planning Subcommittee. The RRVSPG has reviewed the transmission options associated with the objectives to enhance the ability to export power to Manitoba and to provide increased reliability to the loads in north central North Dakota. The analysis of the RRVSPG indicates the Harvey, North Dakota to Glenboro, Manitoba 230 kV line is the best line to meet both the objectives.

Based upon the studies performed to date, Montana-Dakota supports the efforts of Otter Tail Power Co. in its endeavors to site and construct this transmission line and its associated terminal facilities.

Sincerely,



Bruce Imsdahl  
Vice President-Energy Supply

GLP/cw  
D-6



17645 East Highway 10 • P.O. Box 800 • Elk River, Minnesota 55330-0800 • 612-441-3121 • Fax 612-241-2366

January 18, 2000

Mr. Rod Scheel,  
Vice President - Electrical  
Otter Tail Power Company  
215 South Cascade Street  
Fergus Falls, MN 56537

Dear Mr. Scheel:

Great River Energy supports Otter Tail Power Company's efforts to construct the Harvey, North Dakota to Glenboro, Manitoba 230 kV line and associated terminal facilities.

Area utilities have identified near-term needs of providing reliable service to loads in north central North Dakota, providing additional power export capability from North Dakota to Manitoba and, if possible, increasing power export capability from North Dakota to Minnesota. The Mid-Continent Area Power Pool Red River Valley Sub-Regional Planning Group, of which GRE is a member, has conducted a comprehensive analysis to identify the transmission facilities which best meet these needs and has concluded that the Harvey - Glenboro project is the best overall solution.

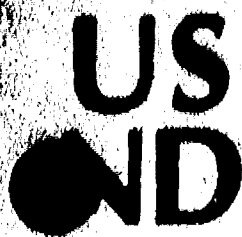
Increasing the power export capability from North Dakota to Minnesota would allow GRE to better utilize our existing North Dakota generating plants and thus enhance their long-term economic viability and benefit our customer-owners.

Sincerely,

GREAT RIVER ENERGY

William R. Kaul  
Vice President Transmission

99/01/18 H:\My Documents\WM00 01 18 OTP Support Letter.doc



## Utility Shareholders of North Dakota

### BOARD OF DIRECTORS

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Grand Forks

David Kunkel  
Wills Lake

Charles Axtman  
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Bob Graveline, President  
Bismarck

Comments before the House IB&L Committee, 2/19/01 -- RE: SCR-4013

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Bismarck, ND 58502  
258-8864  
Fax 701-258-8865  
1-800-981-5132  
E-mail [usnd@usnd.org](mailto:usnd@usnd.org)  
[www.usnd.org](http://www.usnd.org)

SCR 4013

**BEFORE THE NORTH DAKOTA HOUSE  
INDUSTRY BUSINESS LABOR COMMITTEE**

---

**In the Matter of Otter Tail Power Company's  
And Xcel Energy's Proposed  
230 kV Transmission Facility  
Rugby – Canadian Border**

---

**February 19, 2001**

**Witness Exhibits: Tim Rogelstad**

### ***Introduction***

Good morning members of the House Industry, Business, and Labor committee. My name is Tim Rogelstad. I am an employee of Otter Tail Power Company and my current position within the company is Manager of Transmission Planning. I am a registered Professional Engineer in the state of North Dakota. I am pleased to be here this morning to discuss the proposed Rugby - Canadian border 230 kV transmission project. The purpose of my testimony is to discuss some of the technical details associated with this project.

### ***Project Description***

Otter Tail Power Company and Xcel Energy (formerly Northern States Power Company) are proposing to construct a 56 mile 230 kV transmission line originating at Rugby, North Dakota and continuing north near Rolette and Rolla, North Dakota to the Canadian border. The project will connect at the United States - Canada border with a similar facility being planned by Manitoba Hydro, a Canadian electric utility. In Canada, the line will terminate at an existing substation near Glenboro, Manitoba. Otter Tail and Xcel are responsible for the construction and costs of the facilities in the United States, and Manitoba Hydro is responsible for the construction and costs of the facilities in Canada. In my testimony materials I have included a map of the area showing the approximate location of the facilities in the United States. This is shown as Exhibit 1.

This project will integrate into another transmission project that is underway. That project is the Harvey - Rugby 230 kV transmission project.

### ***Project Need***

Now I would like to discuss the background of the project and explain why we are doing the project. The project stems from the results of technical studies completed by North Dakota electric utilities. Otter Tail and Xcel are members of the Mid-Continent Area Power Pool known as MAPP, which is among other things a regional reliability council. MAPP helps coordinate the planning studies between the utilities in a region that includes the Dakota's, Nebraska, Minnesota and Iowa.

To help understand the need for the facility, I offer some background on MAPP's transmission planning processes and how the facility fits into that project.

Transmission facilities planned by the region's electric utilities are performed under the auspices of MAPP's regional transmission processes. The purpose of MAPP's regional transmission and reliability function is to realize, safeguard, maintain and further the reliability of the interconnected transmission operations among MAPP members and the region generally, and to provide highly reliable, safe electric service at a reasonable cost.

**This planning process is an ongoing, dynamic, and collaborative process among all of the MAPP utilities.**

**It starts with each MAPP member that owns transmission facilities. These members are required by MAPP to prepare and maintain a plan for its individual transmission facilities. The plans are comprehensive in nature and are required to conform to MAPP's reliability and transmission assessment standards. The plans assess, at a minimum, the following: the member's current and expected transmission requirements to serve all of its retail and wholesale customers, its transmission wheeling obligations, coordination of the plan with neighboring utilities' plans, and any other contractual or regulatory obligation of the member that in any way affects its transmission facilities. In addition to the individual utilities' plans, MAPP has also authorized the formation of sub-regional planning group, such as the Red River Valley Sub-regional Planning Group (RRV SPG). The purpose of these sub-regional groups is to develop coordinated sub-regional transmission plan aimed at an expanded, but specific geographic area.**

**Using as a basis the individual and sub-regional plans, MAPP, through its Regional Transmission Committee, develops a Regional Transmission Plan for all transmission facilities (115 kV and higher) in the MAPP region. The plans are based on a ten-year rolling forecast. The purpose of the regional plan is to enable the transmission needs of MAPP members and the region generally to be met on a consistent, reliable, environmentally responsible, economic and non-duplicative basis. The regional plan uses a ranking system in which projects are compared against alternative projects on the basis of costs, reliability concerns and benefits, contractual and other obligation of the affected utilities, permitting concerns, and other factors. Once identified by MAPP as a necessary and prudent project, MAPP relies on the most affected utility to use their best efforts in supporting and implementing the project.**

### ***Project Benefits***

**The project will provide multiple benefits to the region, including strengthening electric reliability as well as providing socio-economic benefits. For Otter Tail Power Company, the primary reason for participating in this project is to improve the reliability of the transmission system in north central North Dakota. This project will provide immediate reliability benefits for all electric customers in that region. By shoring up the reliability in the region, necessary electric infrastructure will be in place to support future economic development in north central North Dakota.**

**Additionally, utilities in the region identified a need to increase the transfer capability between the United States and Manitoba. This objective is accomplished by this project. The expected transfer capability is expected to increase by 200,000 kilowatts in each direction.**

**In North Dakota there is more generation available than load. This results in the ability for the North Dakota generators to sell out of the state. The transportation system for this**

electric power is the electric transmission system. Currently, the electrical system is transmission limited. By that I mean, if more transmission was available, more generation could be sold outside of North Dakota. While this project does not entirely eliminate this problem on its own, it will improve the ability for North Dakota generation to run at maximum levels more time during the year.

When certain transmission facilities are out of service for an unplanned event or planned event, North Dakota generation must back down because there is not enough transmission to reliably transport the electrical energy out of the state. This project will reduce the amount of time that generators need to back down from their maximum levels when other transmission facilities are out of service.

Currently, there are three transmission lines between the United States and Manitoba. The addition of the Rugby - Glenboro line will provide geographic diversity between the existing lines between the United States and Manitoba. By having transmission lines located farther apart, the likelihood that a storm could move through the area and take down all transmission lines between the United States and Manitoba is reduced.

When the project is placed in-service, it will create a significant tax base for the local economy. The property tax is estimated to be around \$200,000 annually.

### ***Project Approvals & Endorsements***

The project has been approved and endorsed by numerous entities. From the technical and electrical reliability perspective, the Mid-continent Area Power Pool Design Review Subcommittee (DRS) has approved the project. The MAPP DRS is the entity responsible for ensuring that transmission and generation additions meet the reliability standards of the MAPP region.

In addition to the reliability approvals, Otter Tail and Xcel have obtained all of the necessary approvals from the North Dakota Public Service Commission. These include a Corridor Certificate and Route Permit for the project. Copies of the certificate and permit can be found in Exhibit 3. In order to obtain PSC approval, detailed environmental analysis was performed and verified, and public hearings were held.

Otter Tail and Xcel have also received letters of endorsement from other utilities including Montana-Dakota Utilities, Great River Energy, and Minnkota Power Cooperative. These letters are included in Exhibit 4.

Another significant endorsement for the project is from the North Dakota Lignite Energy Council. North Dakota Lignite Energy Council has gone on record supporting the project. I believe Mr. John Dwyer will be testifying in a few minutes in support of the project.