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CapX2020 Granted Certificate of Need for 345-kilovolt Projects in Minnesota

ST. PAUL, Minn. -- The Minnesota Public Utilities Commission today granted the CapX2020 utilities a Certificate of Need to construct three 345-kilovolt electric transmission lines in Minnesota.

The decision confirms the need for a major upgrade of the region's transmission system to meet customers' growing demand for electricity and to increase access to new resources, including renewable energy in southern and western Minnesota and in North Dakota and South Dakota.

"The planning and regulatory review for high-voltage transmission lines is detailed, extensive and comprehensive," said Laura McCarten of Xcel Energy, a CapX2020 co-leader. "The commission's decision affirms the need for new infrastructure that will serve Minnesota customers with affordable, reliable electricity for years to come.

The projects' Certificate of Need application was filed in August 2007, starting a rigorous state review process that culminated in today's decision. The three transmission lines approved today are:

- A 240-mile, 345-kilovolt line between Brookings County, S.D., and Hampton, Minn., plus a related 345-kilovolt line between Marshall and Granite Falls, Minn.;
- A 250-mile, 345-kilovolt line between Fargo, N.D., and Alexandria, St. Cloud and Monticello, Minn.;
- A 150-mile, 345-kilovolt line between Hampton, Rochester, Minn., and La Crosse, Wis.

Today's decision concerned the need for the three lines. The commission has yet to decide on the lines' routes. Route Permit applications currently are under state review or in development; decisions are expected in 2010. State review processes for a 230-kilovolt line between Bemidji and Grand Rapids are under way; decisions on its Certificate of Need and Route Permit are expected in 2009 and 2010, respectively. The commission

also included a condition regarding guaranteeing a portion of the capacity of the Brookings, SD-Hampton, Minn., line for renewable energy.

Similar regulatory processes will be pursued for segments of the three 345-kilovolt lines in Wisconsin, North Dakota and South Dakota. Permits in those states will be filed in 2009 with decisions expected in 2010. Federal permits will also be applied for in 2009.

Increasing customer demand for electricity spurred need for new infrastructure

The CapX2020 planning process began in 2004 when utility engineers identified problems meeting expected increases in customers' electricity needs. Additionally, the lines will provide capacity for resources in transmission-constrained areas, particularly in southern and western Minnesota where new renewable generation is planned.

“Today’s decision provides direction for new transmission that will ensure customers in and near Minnesota will continue to receive reliable electricity and help provide capacity to meet the nation’s most aggressive renewable energy standard,” said Terry Grove of Great River Energy, a CapX2020 co-leader.

The conceptual plans identified in the 2004 studies underwent extensive analysis to ensure the four projects – the three 345-kilovolt projects and the 230-kilovolt project – would deliver reliable electricity and were appropriate investments for the utilities and their customers.

The CapX2020 organization was formed in 2005 to develop the new transmission lines. The planned 700 miles of electric lines is the largest development of new transmission in Minnesota in nearly 30 years, a period in which electricity demand has dramatically increased.

Along with Great River Energy, Elk River, Minn., and Xcel Energy, Minneapolis, utilities or groups that expect to participate in one or more of the CapX 2020 projects are: Central Minnesota Municipal Power Agency, Blue Earth, Minn.; Dairyland Power Cooperative, La Crosse, Wis.; Minnesota Power, Duluth, Minn.; Minnkota Power Cooperative, Grand Forks, N.D.; Missouri River Energy Services, Sioux Falls, S.D.; Otter Tail Power Company, Fergus Falls, Minn.; Rochester Public Utilities, Rochester, Minn.; Southern Minnesota Municipal Power Agency, Rochester, Minn., and WPPI Energy, Sun Prairie, Wis.

The ruling by the Minnesota Public Utilities Commission will be posted on the CapX 2020 Web site at www.capx2020.com.