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January 9, 2015

**VIA ELECTRONIC FILING**

Dan Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
350 Seventh Street East, Suite 350  
St. Paul, MN 55101

RE: In the Matter of Minnesota Power's Petition for Approval of a  
250MW Power Purchase Agreement with Manitoba Hydro  
Annual Compliance Filing  
Docket No. E015/M-11-938

Dear Mr. Wolf:

In accordance with the Minnesota Public Utilities Commission's ("Commission") February 1, 2012 Order in the above-referenced Docket, Minnesota Power provides this third report on the milestones achieved regarding Manitoba Hydro's new hydraulic generating facilities and the joint work of Manitoba Hydro and Minnesota Power in developing the new major transmission facilities to be in-service by June 1, 2020. Attached to this cover letter is an update from Manitoba Hydro on its developments. In addition, parties are briefing the Administrative Law Judge in the Certificate of Need docket for the Great Northern Transmission Line (Docket No. E015/CN-12-1163). Finally, on April 15, 2014, Minnesota Power submitted a Route Permit application for the Great Northern Transmission Line (Docket No. E015/TL-14-21). On January 6, 2015, the Commission reviewed the Department of Commerce's environmental scoping recommendation from the scoping hearings that occurred in July 2014.

Please contact me at the number above should you have any questions relating to this matter.

Yours truly,

David R. Moeller

Attachment  
c: Service List





360 Portage Avenue • Winnipeg Manitoba Canada • R3C 0G8  
Telephone / N° de téléphone : 204-360-3806 • Fax / N° de télécopieur : 204-360-6137  
dcormie@hydro.mb.ca

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David R. Moeller  
Attorney  
Minnesota Power  
30 West Superior Street  
Duluth, MN 55802

Dear Mr. Moeller

Re: Status of Keeyask Generating Station

In response to your request, Manitoba Hydro is providing the following status report on the 695 MW Keeyask Generating Station.

On July 2, 2014 the Province released the Manitoba Public Utilities Board report on the Needs For and Alternatives To (NFAT) review of the Manitoba Hydro's Preferred Development Plan. The report supported the immediate next steps of Manitoba Hydro's plan to build the Keeyask Generating Station and a new 500 kV transmission interconnection to the United States.

With that favourable recommendation, the Province issued Manitoba Hydro the necessary approvals and licenses to proceed with construction of Keeyask including an Environmental License on July 2, 2014 which was also supported by the recommendations of the Manitoba Clean Environment Commission.

Actual construction on Keeyask commenced on July 16, 2014. The first generator unit in-service date is targeted for 2019 with all units being commissioned by 2020. Once completed, the Keeyask Generating Station will generate an average of 4.4 billion kilowatt hours of renewable energy each year.

Manitoba Hydro will continue to work through the regulatory approvals process for the Canadian portion of the interconnection project.

In February 2014 Manitoba Hydro began construction on the Bipole III Transmission Project that will deliver Keeyask power from northern Manitoba to southern Manitoba. Manitoba Conservation and Water Stewardship had granted an Environmental License to Manitoba Hydro for this project on August 14, 2013. Bipole III has an in-service date of July 2018.

With the in-service of Keeyask and Bipole III, Manitoba Hydro anticipates having sufficient capacity and energy available to supply the 250 MW System Power Sale Agreement with Minnesota Power commencing in 2020.

Yours truly,

A handwritten signature in black ink, appearing to read 'A. Cormie', with a long horizontal flourish extending to the right.

A. David Cormie, P.Eng.  
Division Manager  
Power Sales and Operations

STATE OF MINNESOTA     )  
  ) ss  
COUNTY OF ST. LOUIS     )

AFFIDAVIT OF SERVICE VIA  
ELECTRONIC FILING AND  
U. S. MAIL

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Susan Romans of the City of Duluth, County of St. Louis, State of Minnesota, says that on the 9<sup>th</sup> day of January, 2015, she served Minnesota Power's Compliance Filing in Docket No. E015/M-11-938 on the Minnesota Public Utilities Commission and the Energy Resources Division of the Minnesota Department of Commerce of via electronic filing. The remaining parties on the attached service list were served as indicated on the list.



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Susan Romans

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St  Duluth, MN 558022191	Electronic Service	Yes	OFF_SL_11-938_11-938
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	No	OFF_SL_11-938_11-938
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500  Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_11-938_11-938
Elizabeth	Goodpaster	bgoodpaster@mncenter.org	MN Center for Environmental Advocacy	Suite 206 26 East Exchange Street St. Paul, MN 551011667	Electronic Service	No	OFF_SL_11-938_11-938
Burl W.	Haar	burl.haar@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_11-938_11-938
Margaret	Hodnik	mhodnik@mnpower.com	Minnesota Power	30 West Superior Street  Duluth, MN 55802	Electronic Service	No	OFF_SL_11-938_11-938
Lori	Hoyum	lhoyum@mnpower.com	Minnesota Power	30 West Superior Street  Duluth, MN 55802	Electronic Service	No	OFF_SL_11-938_11-938
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Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W  Farmington, MN 55024	Electronic Service	No	OFF_SL_11-938_11-938
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	No	OFF_SL_11-938_11-938

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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Daryl	Maxwell	dmaxwell@hydro.mb.ca	Manitoba Hydro	360 Portage Ave FL 16 PO Box 815, Station Main Winnipeg, Manitoba R3C 2P4  Canada	Electronic Service	No	OFF_SL_11-938_11-938
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St  Duluth, MN 558022093	Electronic Service	Yes	OFF_SL_11-938_11-938
Andrew	Moratzka	apmoratzka@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_11-938_11-938
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Eric	Swanson	eswanson@winthrop.com	Winthrop Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_11-938_11-938
Karen	Turnboom	karen.turnboom@newpagecorp.com	NewPage Corporation	100 Central Avenue  Duluth, MN 55807	Electronic Service	No	OFF_SL_11-938_11-938