

Citizens Against the Mesaba Project (CAMP)

Charlotte Neigh, Co-Chair

25886 Spruce Drive • Bovey, Minnesota 55709 • Tel/Fax (218) 245-1844 • e-mail neighcan@northlc.com

April 29, 2008

By U.S. Mail

Burl W. Haar, Exec. Secy.
Minnesota Public Utilities Commission
121 E. Seventh Place - #350
St. Paul, Minnesota 55101-2147

Re: Docket No. E-6472/CN-07-1640
**Petition for Reconsideration of
4/18/08 Order**

Dear Dr. Haar:

In reviewing the PUC's 4/18/08 order regarding transmission facilities associated with the Mesaba Project, I find some factual errors.

At the top of page 3 is an enumeration of "significant public investment" in the Mesaba Project, which includes "\$800,000,000 in federal loan guarantees", and a \$36,000,000 DOE "grant".

The Project has not received or yet qualified for any federal loan guarantees. The most recent public information was DOE's announcement in October 2007 that the Project was one of sixteen pre-applicants selected to submit full applications. These competing projects will be ranked by criteria contained in the final rule (10 CFR Part 609).

Section 609.6 lists twenty-nine detailed requirements for submitting an application, several of which are likely to present obstacles for the Mesaba Project, particularly the lack of a PPA and insufficient private equity. Section 609.7 states that greater weight will be given to applications that rely upon a smaller guarantee percentage; this conflicts with Excelsior's stated expectation of receiving the maximum 80%.

It is also incorrect to characterize the DOE funding as a "grant". The contract is a "Cooperative Agreement" for cost sharing, which: contemplates repayment; makes only \$22.245 million available for the preliminary design phase in budget period 1, which expired yesterday (4/28/08); and makes continuation funding contingent on satisfactory progress. One of the tasks for this budget period that was not accomplished is "completing the power purchase agreement approval process".

Language in the order that substantially misstates the financial status of the Mesaba Project should be corrected.

Very truly yours,

Charlotte Neigh, Co-Chair
Citizens Against the Mesaba Project