



**BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

**COMMENTS AND RECOMMENDATIONS OF THE  
MINNESOTA DEPARTMENT OF COMMERCE  
ENERGY FACILITY PERMITTING STAFF**

DOCKET No. ET-2/TL-06-980

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Meeting Date: January 25, 2007 ..... Agenda Item # 4

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Companies: Great River Energy

Docket No. ET-2/TL-06-980

**In the Matter of the Application for a Route Permit for the Mud Lake-  
Wilson Lake 115kV High Voltage Transmission Line**

Issue(s): Should the Commission find that the environmental assessment and the record address the issues identified in the Scoping Decision?  
Should the Commission issue a route permit identifying a route for the proposed 115 kV Mud Lake to Wilson Lake Transmission line project located in Crow Wing County?

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**Relevant Documents**

Great River Energy Application for a Route Permit	July 28, 2006
PUC Acceptance Order	September 7, 2006
Environmental Assessment Scoping Decision (also in docket 06-367)	October 19, 2006
Environmental Assessment (also in docket 06-367)	November 28, 2006
Public Hearing Transcripts (also in docket 06-367)	December 26, 2006
Administrative Law Judge's Summary of Public Testimony (also in docket 06-367)	January 16, 2007

The enclosed materials are work papers of the Department of Commerce Energy Facility Permitting Staff. They are intended for use by the Public Utilities Commission and are based on information already in the record unless otherwise noted.

This document can be made available in alternative formats; i.e. large print or audio tape by calling (651) 201-2202 (Voice) or 1-800-627-3529 (TTY relay service).

### **Documents Attached**

Attachment A proposed Findings of Fact, Conclusions of Law and Order

Attachment B proposed Route Permit and Official Route Maps

Attachment C Exhibit List

(Note: Relevant documents and additional information can be found on eDockets (06-980) or the PUC Facilities Permitting website <http://energyfacilities.puc.state.mn.us/Docket.html?Id=18665>)

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### **Statement of the Issues**

Should the Commission find that the Environmental Assessment (EA) and the record address the issues identified in the Scoping Decision? Should the Commission issue a Route Permit identifying a route for the proposed 115 kV Mud Lake to Wilson Lake Transmission line project (the "Project") located in Crow Wing County?

### **Introduction and Background**

On July 28, 2006, Great River Energy (GRE) filed a Route Permit Application under the Alternative Review Process for the Project. On the same date, GRE filed an application for a Certificate of Need (CN) for the Project (ET-2/CN-06-367). In its September 7, 2006, Order, the PUC accepted these applications as complete and combined the environmental review and public hearings in these dockets. An EA examining the impacts and alternatives in these dockets was issued by the DOC on November 27, 2006. Administrative Law Judge Eric Lipman presided over a joint Public Hearing on these matters on December 13, 2006, near Garrison, MN.

### ***Project Area***

The Project is proposed in Crow Wing County. The project area is east of Brainerd and terminates a few miles west of Garrison near the shores of Lake Mille Lacs. The Project parallels an existing transmission line and an existing state highway. An alternative route paralleling existing roads, an existing transmission line, and cross-country was also evaluated in the EA.

The area is rural and is rich in lakes, wetlands, forest and agricultural areas. The area contains seasonal homes, permanent residences, and commercial areas. Several transmission and distribution lines are present along the proposed route and alternative route.

### ***Project Description***

GRE proposes to build a new 115 kilovolt (kV) high voltage transmission line (HVTL) from the Mud Lake Substation owned by Minnesota Power to the Wilson Lake Substation owned by GRE's distribution customer Mille Lacs Energy Cooperative. The length of the proposed transmission line is approximately 12 miles. GRE also proposes a 4.55 acre expansion of the Wilson Lake Substation to accommodate new transmission and distribution infrastructure related to the Project.

GRE's proposed route begins at the Mud Lake Substation and parallels an existing 230 kV transmission line to Minnesota Trunk Highway 18 (Highway 18), a distance of about 1.5 miles. Upon intersecting Highway 18, the proposed line will turn east and run parallel to Highway 18 to the Wilson Lake Substation, a distance of approximately 10.5 miles. GRE indicates that it would build the proposed transmission line approximately 5 to 10 feet outside of the Highway 18 right-of-way (ROW) on easements to be acquired if a Route Permit is issued. GRE has not specified a preference for the north or south side of Highway 18, or a combination. GRE, in cooperation with the Mille Lacs Electric Cooperative and the Crow Wing Electric Cooperative, intends to rebuild and place existing electric distribution lines on all or a portion of the 115 kV transmission structures (known as an "underbuild") if the Highway 18 route is approved by the PUC.

## **Regulatory Process and Procedures**

### ***Notice of Intent and Application***

On June 16, 2006, GRE filed a Notice of Intent to file a transmission line Route Permit Application. On July 28, 2006, GRE filed a Route Permit Application under the Alternative Review Process for the Project. On the same date, GRE filed its Application for a Certificate of Need (CN) for the Project (ET-2/CN-06-367).

### ***Application Acceptance, Public Advisor, and Combined Proceedings***

On September 7, 2006, the PUC accepted these applications as complete and combined the environmental review and public hearings in these dockets. The Commission authorized the DOC to appoint a public advisor in the route permit proceeding.

### ***Public Information Meetings***

The DOC noticed and held a Public Information and EA Scoping meeting on September 19, 2006, at the Garrison Township Hall near Garrison, Minnesota in accordance with Minnesota Rule 4400.2500. The purpose of the meeting and comment period were to provide the public with information about the Project, afford the public an opportunity to ask questions and present comments, and to solicit input on the content of the EA. The DOC accepted comments on the scope of the EA until October 6, 2006.

### ***Environmental Assessment***

Members of the public proposed an alternative route to be examined in the EA, which was incorporated into the EA Scoping Decision and the EA. The EA Scoping Decision was issued on October 19, 2006. The EA contained the information and analysis for the Route Permit and the Environmental Report required for the related Certificate of Need (ET-2/CN-06-367) docket. The EA was completed and made available on November 28, 2006.

### ***Public Hearing***

A joint Public Hearing was held on December 13, 2006, at the Garrison Township Hall near Garrison, MN. Administrative Law Judge Eric Lipman presided over the joint Public Hearing. Transcripts of the joint Public Hearing were filed with the PUC on December 26, 2006. The record containing all required documentation in this case is summarized on the project Exhibit List attached to these comments.

### ***Public Comments***

ALJ Lipman's summary of the joint Public Hearing provides an in-depth summation of the comments received during the hearing and during the public comment period.

### ***Standards for Permit Issuance***

The Power Plant Siting Act sets standards and criteria and outlines the factors to be considered in determining whether to issue a permit for a HVTL (Minnesota Statute 216E.03 and Minnesota Rules 4400.3050 – 4400.3150). Also, the law allows the PUC to place conditions on HVTL permits (Minnesota Statute 216E.03 and Minnesota Rule 4400.3650).

### **DOC EFP Staff Analysis and Comments**

Staff has prepared proposed Findings of Fact, Conclusions of Law and Order (Attachment A), and a proposed Route Permit (Attachment B). The Findings indicate that the permitting process has been conducted in accordance with Minnesota Rules Chapter 4400, identifies route impacts and mitigation measures, and makes conclusions of law. The proposed Route Permit includes measures to ensure the line is constructed in a safe, reliable manner and that impacts are minimized or mitigated. A list of documents that are part of the record in this proceeding are included on the attached Exhibit List (Attachment C).

### ***Staff Analysis***

DOC EFP staff has reviewed GRE's proposed Highway 18 route and the alternative route proposed by the public. The proposed route and alternative route were examined in detail in the EA and at the joint Public Hearing. Staff reviewed the public's concerns about the impacts presented by the Highway 18 route and the Applicant's concerns about reliability risks and difficulty of access related to the common corridor alternative route.

Both route options will have impacts to people and the environment, although none are expected to be irreversible impacts. Both routes require additional ROW easement acquisition, tree removal, construction work in wet areas, passing within 250 feet of homes or businesses, and both will have visual impacts. The Highway 18 route has fewer reliability risks, and is easier to access for maintenance or repairs. Fewer homes and businesses structures are within 250 feet of the alternative route.

Staff have two concerns about routing two redundant transmission lines for 9 to 10 miles along the alternative route. First, routing two redundant transmission lines critical to serving customers in the greater Lake Mille Lacs region on a cross country, common corridor raises the risk that a wind or ice storm could damage and cause outages on both lines simultaneously. The loss of both transmission lines simultaneously could have an impact to nearly all customers served by the GRE 69 kV system surrounding Lake Mille Lacs north of Isle and Vineland (see Application Figure 2-1 and Exhibit 33, p. 85-81). The Highway 18 provides a measure of geographic separation reducing the risk that both lines are lost simultaneously due to a single emergency.

Second, in the event that both lines are lost simultaneously, the Highway 18 route provides significantly better (faster, safer and easier) access for utility maintenance equipment allowing repair and restoration. Portions of the alternative route are far from access points potentially requiring specialized, limited availability maintenance equipment to traverse wetlands and cross county terrain to make repairs.

Finally, if the alternative route is selected, the Mille Lacs Energy Cooperative indicates that it will move forward with its distribution system improvements along Highway 18. Impacts along Highway 18 will result from acquisition of easements, tree clearing, and the new, taller distribution structures. Thus, if the route alternative is selected, greater human and environmental impacts will occur in total due to clearing and construction along both routes.

DOC EFP staff conclude that the alternative route does not provide significantly greater overall benefits, nor significantly fewer impacts than the Highway 18 route. GRE's proposed Highway 18 is the most reasonable route for the Mud Lake to Wilson Lake transmission line.

### **Commission Decision Options**

A. Approve and adopt the Findings of Fact, Conclusions and Order which:

(1) determines that the Environmental Assessment and the record created at the Public Hearing address the issues identified in the EA Scoping Decision;

(2) designates a route for the construction of a 12 mile, single circuit 115 kV high voltage transmission line and expansion of the Wilson Lake Substation as proposed in Great River Energy's Route Permit Application, dated July 28, 2006, and;

(3) issues a Route Permit to Great River Energy.

B. Approve and adopt the Findings of Fact, Conclusions and Order as above while imposing any further permit conditions as deemed appropriate.

C. Amend the Findings of Fact, Conclusions and Order and Route Permit as deemed appropriate.

D. Make some other decision deemed more appropriate.

**DOC EFP Staff Recommendation:** Staff recommends Option A.