



Energy Facility Permitting
85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198
ph 651.296.4026 | fx 651.297.7891
www.energyfacilities.puc.state.mn.us

July 27, 2011

Dr. Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
127 7th Place East, Suite 350
St. Paul, MN 55101-2147

RE: Comments and Recommendations of the Department of Commerce Energy Facility Permitting Staff
Docket No. ET-2, E015/TL-11-318

Dear Dr. Haar:

Attached please find the comments and recommendations of the Department of Commerce Security Energy Facility Permitting in the following matter:

Application for a HVTL Route Permit for the Little Falls 115 kV Transmission Project

The site permit application was filed on June 16, 2011, by:

Marsha Parlow
Great River Energy
12300 Elm Creek Boulevard
Maple Grove, MN 55369

Energy Facility Permitting staff is available to answer any questions the Commission may have.

Sincerely,

A handwritten signature in black ink that reads "Suzanne Lamb Steinhauer". The signature is written in a cursive, flowing style.

Suzanne Lamb Steinhauer
Energy Facility Permitting

Attachments



BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS AND RECOMMENDATIONS OF THE
MINNESOTA OFFICE OF ENERGY SECURITY
ENERGY FACILITY PERMITTING STAFF

DOCKET NO. ET-2, E015/TL-11-318

Meeting Date: August 4, 2011.....Agenda Item #

Company: Great River Energy, Minnesota Power

Docket No. PUC Docket Number: ET-2, E015/TL-11-318
In the Matter of the Application for a HVTL Route Permit for the Little Falls 115 kV Transmission Project.

Issue(s): Should the Commission accept or reject the application as substantially complete? If accepted, should the Commission authorize the Department to appoint a public advisor and an advisory task force?

DOC Staff: Suzanne Lamb Steinhauer.....651-296-2888

Relevant Documents

Great River Energy/Minnesota Power HVTL Route Permit Application.....June 16, 2011
SHPO Response to Cultural Resource Literature Review.....July 22, 2011

The enclosed materials are work papers of the Department of Commerce (Department) Energy Facility Permitting (EFP) staff. They are intended for use by the Public Utilities Commission (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) by calling 651-296-0391 (voice). Persons with hearing or speech disabilities may call us through Minnesota Relay at 1-800-627-3529 or by dialing 711.

Documents Attached.

1. Site map illustrating the project area/location.

(Note: Relevant documents and additional information can be found on eDockets (ET-2, E015/TL-11-318) or the PUC Energy Facilities Permitting website

<http://energyfacilities.puc.state.mn.us/Docket.html?Id=32098>

Statement of the Issue

Should the Commission accept or reject the application as substantially complete under the Alternative Review Process of the Power Plant Siting Act (Minnesota Statutes 216E.001 to 216E.18)? If accepted, should the Commission authorize the EFP to appoint a public advisor and an advisory task force?

If the application is rejected, the Commission must advise the applicant of the deficiencies in the application.

Introduction and Background

On June 16, 2011, Great River Energy and Minnesota Power (Applicants) submitted a high voltage transmission line (HVTL) Route Permit application to the Commission for the proposed Little Falls 115 kV Transmission Line Project (Project).

Minnesota Statutes Section 216E.03, subd. 2, provides that no person may construct a high voltage transmission line without a route permit from the Commission. An HVTL is defined as a transmission line of 100 kV or more and greater than 1,500 feet in length in Minnesota Statutes Section 216E.01, subd. 4. The proposed transmission lines are HVTLs and therefore a route permit is required prior to construction. The application was submitted pursuant to the provisions of the Alternative Permitting Process outlined in Minnesota Rules 7850.2800, subpart 2 and 7850.2900.

Minnesota Statute 216B.243, subdivision 2, states that no Large Energy Facility shall be sited or constructed in Minnesota without issuance of a certificate of need by the Commission. Minnesota Statute 216B.2421 defines a “Large energy facility,” as relates to transmission lines as:

- (2) any high-voltage transmission line with a capacity of 200 kilovolts or more and greater than 1,400 feet in length;
- (3) any high-voltage transmission line with a capacity of 100 kilovolts or more with more than ten miles of its length in Minnesota or that crosses a state line.

The Project does not meet the criteria for a “large energy facility” because, although it has a capacity in excess of 100 kV, it is less than 10 miles long.

Project Description

The Project, as proposed by the Applicants, would provide an additional power delivery source to rural areas east of Little Falls. As proposed by Applicants the Project totals approximately 4.35 miles of transmission line and includes the following components:

- GRE would assume ownership of a 0.51 mile segment of Minnesota Power's Transmission Line 46 and construct approximately 3.84 miles of new overhead 115 kV transmission line between Minnesota Power's Little Falls Substation and Crow Wing Power's Little Falls Substation. The first 0.51 miles of this component would rebuild Minnesota Power's existing 46 115 kV transmission line.
- Construction of a new 0.51 mile 115 kV transmission line to reconnect Minnesota Power's 46 transmission line with the Minnesota Power Little Falls Substation.
- Modifications to the Minnesota Power Little Falls Substation to accommodate new 115 kV sources.
- Crow Wing Power will seek local approval to expand and modify their Little Falls Substation.

The Project is located east of Little Falls in Little Falls Township of Morrison County. The Applicants request a route width of 300 feet, within which a right-of-way of 100 to 120 feet would be located. GRE proposes using single pole structures with a height of approximately 60 to 85 feet and spans of approximately 300 to 400 feet between poles, for the majority of the route length. Minnesota Power proposes to use H-frame structures with a height of approximately 60 to 80 feet for its 0.51 mile segment.

The Applicants anticipate beginning construction in mid-2012, with an in-service date of November, 2012. The Project is expected to cost approximately \$2.8 million dollars.

State Regulatory Process and Procedures

The proposed Little Falls 115 kV Transmission Line Project qualifies for review under the Alternative Permitting Process authorized by Minnesota Statutes Section 216E.04, subd. 2(3), and Minnesota Rules 7850.2800, Subp. 1(C), for HVTLs between 100 and 200 kV.

Route permit applications must provide specific information about the proposed project including, but not limited to, applicant information, route description, environmental impacts, alternatives, and mitigation measures (Minn. R. 7850.3100). The Commission may accept an application as complete, reject an application and require additional information to be submitted, or accept an application as complete upon filing of supplemental information (Minn. R. 7850.3200).

The review process begins with the determination by the Commission that the application is complete. The Commission has six months to reach a final decision on the route permit application from the date the application is determined to be complete. The Commission may

extend this limit for up to three months for just cause or upon agreement of the applicant (Minn. R. 7850.3900).

Environmental Review

Applications for high voltage transmission line route permits are subject to environmental review, which is conducted by EFP staff under Minn. R. 7850.3700. The staff will provide notice and conduct public information and scoping meetings to solicit public comments on the scope of the environmental assessment (EA). The Department of Commerce will determine the scope of the EA. An EA is a written document that describes the human and environmental impacts of a proposed project (and selected alternative routes) and methods to mitigate such impacts.

The EA will be completed and made available prior to the public hearing.

Hearing Process

Applications for high voltage transmission line route permits under the alternative permitting process require a public hearing upon completion of the EA pursuant to Minn. R. 7850.3800. A portion of the hearing must be held in a county where the proposed project would be located.

The hearing must be conducted in the following manner, although the hearing examiner may vary the order in which the hearing proceeds:

- the staff shall make a brief presentation to describe the project, explain the process to be followed, and introduce documents to be included in the record, including the application, the environmental assessment, and various procedural documents;
- the applicant shall introduce its evidence by way of testimony and exhibits;
- the public must be afforded an opportunity to make an oral presentation, present documentary evidence, and ask questions of the applicant and staff;
- the hearing examiner shall provide a period of not less than 10 days for the submission of written comments into the record after the close of the hearing; and
- the hearing examiner shall transmit the complete record created at the hearing, including all written comments, within five days of the close of the record, unless the hearing examiner is prepare a report.

Public Advisor

Upon acceptance of an application for a site or route permit, the Commission must designate a staff person to act as the public advisor on the project (Minnesota Rule 7850.3400). The public advisor is someone who is available to answer questions from the public about the permitting process. In this role, the public advisor may not act as an advocate on behalf of any person.

The Commission can authorize the EFP to name a staff member from the EFP staff as the public advisor or assign a Commission staff member.

Advisory Task Force

The Commission may appoint an advisory task force (Minnesota Statute 216E.08). An advisory task force must, at a minimum, include representatives of local governmental units in the

affected area. A task force can be charged with identifying additional routes or specific impacts to be evaluated in the EA and terminates when the Department issues an EA scoping decision.

The Commission is not required to assign an advisory task force for every project. In the event that the Commission does not name a task force, the rules allow a citizen to request appointment of a task force (Minnesota Rule 7850.3600). The Commission would then need to determine at its next meeting if a task force should be appointed or not.

The decision whether to appoint an advisory task force does not need to be made at the time of accepting the application; however, it should be made as soon as practicable to ensure its charge can be completed prior to the EA scoping decision by the Department.

EFP Staff Analysis and Comments

EFP staff conducted a completeness review of GRE and Minnesota Power's Energy's Little Falls 115 kV Transmission Line Project HVTL route permit application and concludes that the Application meets the content requirements of Minnesota Rule 7850.3100 and is complete. Application acceptance allows staff to initiate and conduct the public participation and environmental review process.

Advisory Task Force

In analyzing the merits of establishing an Advisory Task Force for the project, EFP staff considered four project characteristics: size, complexity, known or anticipated controversy and sensitive resources. The proposed design information and preliminary environmental data contained in the HVTL route permit application were used to complete the following evaluation:

Project Size. The Project is not a large project either in size, 115 kV, or length, approximately 4.35 miles.

Complexity. The Project is simple and straightforward and involves connecting two substations.

Known/Anticipated Controversy. EFP staff anticipates a low to moderate level of public interest with this project, based on a review of the information contained in the application and conversations with the Applicants.

Sensitive Resources. No federal listed species or critical habitats are documented within the proposed route. While not crossed by the proposed Route, portions of the Crane Meadows National Wildlife Refuge, the Popple Lake Wildlife Management Area (WMA), and the Rice-Skunk WMA are all located are within a mile of the Project. Based on the information in the application and its appendices, it appears the primary natural resource concerns are with the potential for avian collisions with the Project. This type of issue would be addressed in the Environmental Assessment.

Rare and unique natural features include federal and state protected and rare species, remnant areas of native vegetation, significant natural resource sites, and significant

natural features. The only known rare species known to be in the area of the Project is the Blanding's turtle.

In a letter filed by the Applicants on July 22, 2011, the Minnesota State Historic Preservation Office concurred with Westwood Professional Service's assessment that, based on the information know at this time, no known archaeological or historic properties are likely to be affected by the Project.

Based on the analysis above, EFP staff believes that an advisory task force is not warranted in this case.

Commission Decision Options

A. Application Acceptance

1. Accept the HVTL Route permit application submitted by Great River Energy and Minnesota Power for the Little Falls 115 kV Transmission Project as complete and authorize EFP staff to process the application under the alternative review process pursuant to Minnesota Rules 7850.2800 to 7850.3900.
2. Reject the HVTL Route permit application as incomplete and issue an order indicating the specific deficiencies to be remedied before the Application can be accepted.
3. Find the Application complete upon the submission of supplementary information.
4. Make another decision deemed more appropriate.

B. Public Advisor

1. Authorize the EFP staff to name a public advisor in this case.
2. Appoint a Commission staff person as public advisor.
3. Make another decision deemed more appropriate.

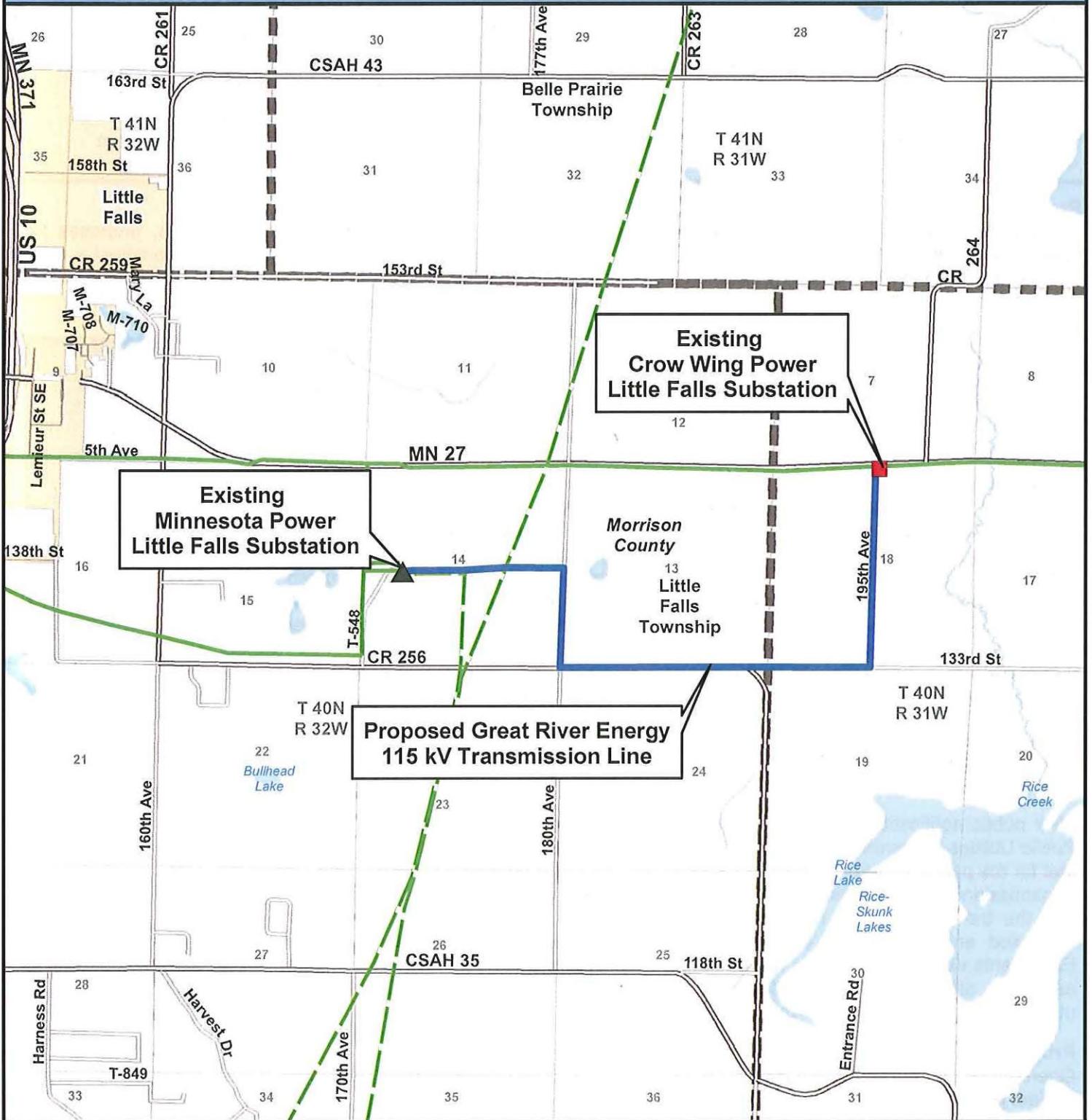
C. Advisory Task Force

1. Authorize EFP staff to establish an advisory task force with a proposed structure and charge for the task force.
2. Determine that based on the available information an advisory task force is not necessary.
3. Make another decision deemed more appropriate.

EFP Staff Recommendation

Staff recommends Options A1, B1 and C2.

Project Map



Crow Wing Power

■ Existing Distribution Sub

Great River Energy

— Proposed 115 kV Transmission Line

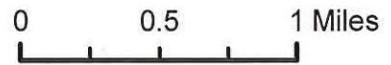
— Existing Single Circuit 69 kV Transmission Line

Minnesota Power

▲ Transmission Substation

— 34.5 kV Transmission Line

— 115 kV AC Transmission Line



GREAT RIVER ENERGY

A Teuchrone Energy Cooperative



Date last revised: 11/23/2010