



Energy Facility Permitting
85 7th Place East, Ste 500
Saint Paul, MN 55155-2198
Minnesota Department of Commerce

November 20, 2006

Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
127 7th Place East, Suite 350
St. Paul, MN 55101-2147
Via Hand Delivery and Electronic Filing

RE: Comments and Recommendations of the Minnesota Department of Commerce
Energy Facility Permitting Staff
Docket No. ET2/TL-06-468

Dear Dr. Haar:

Attached are the Comments and Recommendations of the Minnesota Department of Commerce Energy Facility Permitting Staff in the following matter:

In the matter of the Application of Great River Energy for a Transmission Route Permit under the Alternative Permitting Process for the RDO 115 kV Project in Hubbard County.

The Department EFP staff recommends approval of the proposed minor alteration.

Staff is available to answer any questions the Commission may have.

Sincerely,

Adam M. Sokolski, Project Manager
Energy Facilities Permitting Staff

Attachments

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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

DOCKET NO. ET2/TL-06-468

Meeting Date: November 30, 2006.....Agenda Item # 1

Company: Great River Energy and Itasca-Mantrap Cooperative Electrical Association

Docket No. **ET2/TL-06-468**
In the matter of the Application of Great River Energy for a Transmission Route Permit under the Alternative Permitting Process for the RDO 115 kV Project in Hubbard County.

Issue(s): Should the Minnesota Public Utilities Commission (PUC) grant a minor alteration to Great River Energy (GRE) to make the requested alignment change in the GRE RDO Transmission Project under the Minor Alteration provisions of Minnesota Rule 4400.3820?

DOC Staff: Adam Sokolski651-296-2096

Relevant Documents (in Commission Packet)

Minor Alteration Application - Great River EnergyOctober 26, 2006
Notice of Request for Minor Alteration of a Route PermitOctober 27, 2006

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).

(Note: Relevant documents and additional information can be found on eDockets (06-468) or the PUC Facilities Permitting website, <http://energyfacilities.puc.state.mn.us/Docket.html?Id=18517>)

Statement of the Issue

GRE is requesting a minor alteration of its RDO Transmission Line (HVTL) permit to avoid condemnation proceedings to acquire an easement for the transmission project.

Should the Minnesota Public Utilities Commission (PUC) grant or deny authorization to Great River Energy (GRE) to make the requested alignment change in the RDO Transmission Project under the Minor Alteration provisions of Minnesota Rule 4400.3820?

Introduction and Background

On September 7, 2006, the Commission issued a route permit to GRE for the RDO Transmission Project. The permit authorized GRE to upgrade its existing 34.5 kV transmission line to 115 kV, to carry a portion of the existing 34.5 kV line on double-circuit structures with the 115 kV line, and to install associated equipment at the RDO Substation.

GRE has started the right-of-way acquisition and construction planning process to build the RDO Transmission Project. However, the Company reports that it has been unable to reach an easement agreement with a party on the south side of Highway 87.

Section III.b of the Permit reads:

Route Segment 2A: The line in segment 2A will be double-circuit 115 kV and 34.5 kV. The route will cross from the north side to the south side of TH 87 near the half section line in Straight River Township Sections 12 and 13. Upon crossing TH 87, the route turns east and runs generally parallel to TH 87 for approximately one mile to the GRE “HP” 115 kV transmission line in Hubbard Township Section 18. GRE is permitted to acquire up to 100 feet of new ROW in segment 2A. GRE shall place transmission line structures no more than 10 feet outside of the TH 87 clear zone or ROW from the point the line crosses TH 87 to the point it meets the existing GRE 34.5 kV ROW east of 159th Avenue. East of 159th Avenue, GRE shall place structures as close as practicable to existing structures.

Project Location

The area in question is along the eastern end of route segment 2A near the intersection of Minnesota Trunk Highway 87 and 159th Avenue (see attached map). The September 7, 2006, route permit authorized the HVTL along the south side of Highway 87 in this segment.

The Applicant

GRE is proposing this minor alteration. GRE is a not-for-profit generation and transmission cooperative based in Elk River, Minn. GRE provides electrical energy and related services to 28 member distribution cooperatives that, in turn, supply electricity and related services to more than 500,000 residential, commercial and industrial customers in Minnesota and Wisconsin.

Project Description

Since being issued the route permit for the RDO Transmission Project, GRE has encountered a potential delay in acquiring right-of-way easements on the south side of Highway 87. The Company decided to investigate the option of avoiding this parcel by placing one (1) 115/34.5 kV transmission structure on the north side of Highway 87 on an existing GRE 34.5 kV easement allowing the line to cross from the south side to the north side, and back to the south side of Highway 87. The alteration affects approximately 500 feet of transmission line.

The proposed change would allow GRE to construct the project without initiating condemnation proceedings on a parcel on the south side of the highway. GRE indicates that landowners affected by the minor alteration on the north side of Highway 87 have agreed to easements which would accommodate the transmission line.

GRE indicates that the effect of this proposal will allow GRE to build the RDO Transmission Project sooner and at a lower cost than proceeding with condemnation actions on the south side of Highway 87.

Regulatory Process and Procedures

The PUC is the permitting authority under Minnesota Rule 4400.3820 for minor alterations.

A minor alteration is defined as a change in a high voltage transmission line that does not result in significant changes in the human or environmental impact of the facility. The term “minor alteration” requires a determination that the proposed alteration does not result in significant changes in the human or environmental impacts.

Minnesota Rule 4400.3820 specifies requirements for the application, review, and public notice procedures to be used in seeking authorization of a minor alteration. The following necessary and sufficient steps are accounted for in the process:

1. GRE submitted its minor alteration application in writing to the PUC on October 26, 2006. A minor alteration “is a minor shift in alignment and will not result in significant changes to human or environmental resources in the vicinity.” The application includes a map of the proposed minor alteration and the information required by Minnesota Rule 4400.3820.
2. DOC EFP staff mailed a public notice of receipt of the application to those persons on the general distribution list and to persons on the RDO Transmission Project mailing list on October 27, 2006. The notice established a 10 day comment period for the public to be made aware of and make comments on the alteration. The comment period closed on November 10, 2006.

According to Minnesota Rule 4400.3820, subd 3, the PUC must make a determination within ten days of the close of comments to authorize or deny the minor alteration request.

No public comments were received by the close of the comment period. One potentially affected landowner on the north side of Highway 87 called DOC staff to discuss the minor alteration. EFP staff requested that GRE contact this landowner to discuss tree clearing questions. Both parties report that few, if any, trees will to be cleared on his property and that GRE will work with the landowner if tree removal is necessary.

DOC EFP Staff Analysis and Comments

DOC EFP staff did not discover any significant issues during the review of the minor alteration application request.

The original route permit authorized the RDO Transmission Project entirely on the south side of Highway 87. This was done to move the new, 115/34.5 kV double-circuit line away from existing homes on the north side of the highway and to consolidate the route on agricultural lands owned or controlled by the company benefiting from the project.

An existing 34.5 kV line owned by GRE is located on the north side of Highway 87 in this segment. The property owner affected by the proposed minor alteration has signed an easement with GRE agreeing to the proposed minor alteration and construction of the transmission line structure on the north side of Highway 87.

There would be no adverse effect on the natural or human environment by authorizing the minor alteration.

GRE estimates the difference in construction cost would be equal to or less than condemnation proceedings to acquire right-of-way on the south side of Highway 87. GRE indicates that, if approved, the alteration will allow the RDO Transmission Project to be completed by the summer of 2007.

PUC Decision Options

According to the provisions of the rule, the PUC may select one of the following actions:

- A. Authorize Great River Energy's (GRE) minor alteration request to realign a portion of the GRE RDO Transmission Project to the north side of Highway 87 near 159th Street in Hubbard County, Minnesota, under the minor alteration provisions of Minnesota Rule 4400.3820. PUC authorizes GRE to place one (1) 115/34.5 kV transmission line structure and associated equipment on the north side of Highway 87 near 159th Avenue.
- B. Determine that the alteration is not minor and requires a full permitting decision.
- C. Authorize the minor alteration but impose reasonable conditions on the approval.
- D. Deny the minor alteration request.
- E. Make some other decision deemed more appropriate.

DOC EFP staff recommends option A.

