



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: September 7, 2006Agenda Item # 4

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 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 RDO Project in Hubbard County?

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Relevant Documents (in Commission Packet)

- Route Permit Application April 6, 2006
- GRE Letter Proposing Route Alternative May 23, 2006
- Audrey Schmitz Comment Letter May 27, 2006
- Scoping Decision June 14, 2006
- Environmental Assessment..... July 12, 2006
- Post Hearing Comments of Audrey Schmitz August 8, 2006
- Post Hearing Comments of Minnesota Dept. of Transportation..... August 8, 2006
- Post Hearing Comments of Dennis Thompson..... August 15, 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).

Documents Attached

- Attachment A. Findings of Fact, Conclusions of Law and Order
- Attachment B. Proposed Route Permit
- Attachment C. Exhibit List

(Footnote: see eDockets (06-468) or the PUC Facilities Permitting website for additional documents <http://energyfacilities.puc.state.mn.us>)

Statement of the Issue

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 RDO Project in Hubbard County?

Introduction and Background

A route permit from the PUC is required to construct a High Voltage Transmission Line (HVTL), which is a transmission line and associated facilities capable of operation at 100 kilovolts or more. The Power Plant Siting Act requirement became law in 1973 in Minnesota Statutes, 116C.51 through 116C.69. The rules to implement the permitting requirement for an HVTL are in Minnesota Rules Chapter 4400.

The Applicant

The Applicants are Great River Energy (GRE), a generation and transmission cooperative, and Itasca-Mantrap Cooperative Electrical Association (Itasca-Mantrap), a distribution cooperative and customer of GRE.

Project Location

The Project is located south of the city of Park Rapids, in Hubbard County, Minnesota in the following townships:

Township Name	Township	Range	Section
Straight River	T139N	35W	12 and 13
Hubbard	T139N	34W	18

Project Description

The proposed GRE RDO Project ("Project") consists of upgrading an existing 34.5 kV transmission line to a 115 kV transmission line from the existing Itasca-Mantrap RDO

Substation, traveling approximately 2.5 miles along existing and new transmission rights-of-way (ROW) to the GRE 115 kV “HP” transmission line. A portion of the line is proposed to be double-circuit 115 kV/34.5 kV.

The project is intended to upgrade the RDO Substation from a 34.5 kV electrical supply source to a 115 kV supply source. GRE indicates the project is one of several intended to improve electric system reliability in the Park Rapids area.

Regulatory Process and Procedures

Application & Acceptance

On April 6, 2006, GRE and Itasca-Mantrap submitted a site permit application to the Minnesota Public Utilities Commission (PUC or Commission) for the proposed project.

On April 21, 2006, the Commission accepted the application as complete.

Public Information and EA Scoping Meeting

The Application was reviewed under the Alternative Permitting Process procedures set forth in Minn. Rules 4400.2000 to 4400.2900. These rules require the preparation of an EA. Chapter 4400 also requires a number of procedural steps in administering the permit application (public notices, public meeting and a public hearing).

A public information and EA scoping meeting was held May 15, 2006, at the Straight River Township Hall near Park Rapids, Minnesota, and public comments were accepted through June 2, 2006. The EA Scoping Decision was signed by the DOC Commissioner on June 14, 2006. The EA was made available on July 12, 2006.

Public Hearing

A public hearing was held on August 3, 2006, at the Straight River Township Hall. Deborah Pile, DOC EFP Unit Supervisor, presided over the hearing. Public comments were accepted until August 18, 2006.

The record containing all required documentation in this case is summarized on the project Exhibit List provided as Attachment C to these comments. Additional documents pertaining to this project are available on the PUC webpage:

<http://energyfacilities.puc.state.mn.us/Docket.html?Id=18517>

Public Comments

Two public comment letters were received during the scoping process for the EA. One letter addressed a preference to route the proposed project on the north side of Minnesota Trunk

Highway (TH) 87. The other letter proposed a route alternative, which was subsequently studied in the EA.

At the public hearing, questions were raised about the merits of the proposed route and route alternative. In addition, persons attending discussed the merits of using the north or south side of TH 87 as the route for the new line.

Three written comments were received during the comment period following the hearing. One preferred the route on the north side of TH 87 (segment 2), another preferred the route on the south side of TH 87 (segment 2A) and the third described the Minnesota Department of Transportation's ROW along a portion of TH 87.

Standards for Permit Issuance

The test for issuing a route permit for a HVTL is to determine whether a project is compatible with environmental preservation and the efficient use of resources (Minnesota Statute 116C.53). 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 116C.57 and Minnesota Rules 4400.3050 – 4400.3150). Also, the law allows the PUC to place conditions on HVTL permits (Minnesota Statute 116C.57 and Minnesota Rule 4400.3650).

DOC EFP Staff Analysis and Comments

Findings of Fact, proposed Route Permit and Record

Staff has prepared draft 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).

Analysis

Both route options under consideration will impact homes along TH 87. These impacts are reflected in Findings 60, 62 and 63.

The proposed route permit authorizes a route for the GRE RDO Project along the existing 34.5 kV ROW in segment 1 and along the south side of TH 87 in segment 2A. Findings 62 and 63 indicate that segment 2A reduces transmission line impacts at three homes less than 110 feet from the segment 2 route by placing the new double-circuit line across the highway. Segment 2A will incrementally increase impacts at one home on the south side of the highway, approximately 200 – 250 feet from the line.

If segment 2 is authorized, impacts will increase at all four homes closest to the line. Three of these homes are currently within 110 feet of the existing 34.5 kV line, one is approximately 200 – 250 feet.

The proposed route permit sections below address and provide mitigation measures for these impacts:

- Section II, paragraph (a), Authorized Route, requires GRE to locate transmission line structures no more than 10 feet outside of the MDOT highway clear zone or official ROW.
- Permit Condition IV. B. 4. requires GRE to minimize tree removal along the route, while meeting the applicable electrical code requirements.
- Permit Condition IV. B. 7. requires GRE to restore its existing ROW on the north side of TH 87, which further reduces impacts.

Segment 2A minimizes impacts at the greatest number of homes.

PUC 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 a new 115 kV high voltage transmission line route of 2.5 miles from a the existing RDO Substation to the GRE 115 kV “HP” transmission line in Hubbard County, and; (3) issues a route permit to Great River Energy and Itasca-Mantrap Cooperative Electrical Association.
- 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 Site Permit as deemed appropriate.
- D. Make some other decision deemed more appropriate.

Department of Commerce Staff Recommendation:

Staff recommends Option A.