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: April 20, 2006 .....Agenda Item # ____4_____

Companies: Great River Energy and
the Itasca-Mantrap Cooperative Electrical Association

Docket No. **PUC Docket Number: ET2/TL-06-468**

In the Matter of the Application of GRE and Itasca-Mantrap for a High Voltage Transmission Line Route Permit under the Alternative Permitting Process.

Issue(s): A. Should the Commission accept the application for a High Voltage Transmission Line (HVTL) Route Permit under the Alternative Permitting Process as complete?
B. Should the Commission appoint a Public Advisor?
C. Should the Commission appoint a Citizen Advisory Task Force?

DOC Project Manger: Adam Sokolski ……651-296-2096

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.

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Relevant Documents (in Commission Packet)

GRE Notice of Intent to Submit a Route Permit Application under the Alternate Permitting Process (#1)	March 23, 2006
GRE and Itasca-Mantrap RDO Project Route Permit Application (#2)	April 6, 2006

Document Attached

Flow Chart HVTL Route and Power Plant Site Alternative Permitting Process

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

Statement of the Issues

Should the Minnesota Public Utilities Commission (the PUC or Commission) accept as complete the Great River Energy (GRE) and Itasca-Mantrap Cooperative Electrical Association (Itasca-Mantrap) Application for a High Voltage Transmission Line Route Permit under the Alternative Permitting Process? Should the PUC appoint a public advisor? Should the Commission appoint a Citizen Advisory Task Force?

Background

GRE is a generation and transmission cooperative providing electricity to 28 member distribution cooperatives in Minnesota. Itasca-Mantrap is a distribution cooperative serving the Park Rapids, MN area.

The Applicants propose upgrading approximately 2.5 miles of existing 34.5 kV line to a 115 kV High Voltage Transmission Line (HVTL) within existing right-of-way (ROW) between the Itasca-Mantrap RDO Substation in Park Rapids, MN and the GRE "HP" 115 kV HVTL. A portion of the upgraded transmission line will include approximately one (1) mile of double circuit 115/34.5 kV line along Trunk Highway 87. Finally, the Applicants propose to upgrade the Itasca-Mantrap RDO substation to allow a 115 kV electrical source. See the Applicant's Figures 4-1 and 6-1 in the permit application.

According to the Applicants, the Park Rapids area served by Itasca-Mantrap is facing problems maintaining minimum voltage levels under certain system contingencies. The entire Park Rapids area, including the RDO Substation, is served by a radial 115 kV circuit. The RDO Substation serves the Lamb-Weston-RDO (RDO plant) potato processing plant, which has a peak load of approximately 10 MW. When the RDO plant is at its peak load it will draw down or pull down voltage levels on the surrounding 34.5 kV system served by the radial 115 kV circuit. This may result in brownouts or rolling blackouts under certain system contingencies such as unplanned or planned transmission outages, especially on loss of the radial 115 kV circuit.

The Applicants indicate that the RDO Project is one step in alleviating reliability issues in the Park Rapids area. Voltage support will improve in the Park Rapids area served by the 34.5 kV circuit by switching the RDO Substation to a 115 kV source. The proposed project will also provide greater voltage stability for the RDO potato processing plant.

The Applicants indicate that the proposed Long Lake-Badoura 115 kV project will be the second step in alleviating reliability problems in the Park Rapids area. The Long Lake-Badoura project is currently being reviewed by the Commission for a Certificate of Need (CN) under the biennial transmission planning process. See PUC Docket ET2, E015/TL-05-867.

If the RDO Project is issued a HVTL Route Permit, GRE will own the upgraded 115 kV transmission lines proposed in the Application. Itasca-Mantrap will continue to own the RDO Substation, as well as the proposed substation upgrades. The Applicants indicate the desire to begin construction of the proposed RDO Project as soon as late summer or autumn 2006.

A Certificate of Need (CN) is not required for the GRE RDO Project, as the size of the HVTL proposed is between 100 and 200 kV and the length of the HVTL proposed is less than ten miles and does not cross a state border.

A Route Permit is required for the GRE RDO project because the Application proposes increasing the voltage of an existing transmission line from under 100 kilovolts to over 100 kilovolts. Minnesota Rule, part 4400.0400 subpart 3, indicates that a route permit is required for projects which increase the voltage of an existing transmission line from under 100 kilovolts to over 100 kilovolts.

Minnesota Rule 4400.2000 specifies eligibility requirements for projects reviewed under the Alternative Permitting Process. The RDO Project is eligible for the Alternative Permitting Process.

Procedural Background

On March 22, 2005, the Applicants filed a Notice of Intent to Submit an Application under the Alternative Review Process (#1 in Packet). Minnesota Rules, part 4400.2000, subp. 2 requires a Notice of Intent to be filed at least 10 days prior to submitting an application for a using the alternative permitting process.

On April 6, 2006, the Applicants submitted a Route Permit Application under the Alternative Review Process for the proposed RDO Project (#2 in Packet). The Application proposes upgrading and replacing approximately 2.5 miles of 34.5 kV electrical line with approximately 2.5 miles of 115 kV HVTL transmission line. The Application indicates that the proposed project will be constructed within the existing route.

Minnesota Rule 4400.2200 requires a completeness determination to be made within 10 working days of the Application's submission to the Commission. Thus, under the Rules, the Commission has until April 20, 2006 to consider the Application's completeness.

The date of the Commission's Order accepting the Application complete marks the start of the procedural schedule for the PUC to make a final decision on the permit. The Alternative Permitting Process guided by Minnesota Rules 4400.2000 to 2950 requires final Commission action on the route permit within 6 months of accepting the Application. If the PUC accepts the Application as complete today, April 20, 2006, a final route permit decision will need to be made on or about October 20, 2006. Acceptance of the Application allows DOC EFP staff to initiate the public review requirements found in Minnesota Rules 4400.2500 – 4400.2900.

Minnesota Rule 4400.2400 requires that upon acceptance of an application, the Commission must appoint a public advisor for the project. The public advisor assists the public in participating in the permitting process and answers questions about the project being reviewed. The Advisor is prohibited from giving legal advice and/or acting as an advocate on behalf of any person.

Minnesota Rules 4400.2650 gives the Commission discretion to appoint a Citizens Advisory Task Force (CATF) to inform the Scoping Decision for the Environmental Assessment (EA) of the proposed project. A decision to appoint such a task force may occur from the date of acceptance until the end of the comment period informing the EA Scoping decision. Historically, neither the EQB nor the PUC have appointed CATFs for projects under the alternative permitting process.

The RDO Project will be reviewed under the Alternative Review Process (Minnesota Rules, parts 4400.2000-2950). DOC EFP staff will hold a public information meeting in the Park Rapids area and initiate a comment period to solicit input on the scope of the EA. The DOC Commissioner will issue an EA scoping decision which will require specific impacts be evaluated in the EA. DOC EFP staff will prepare and issue an EA based on the scoping document and requirements in Minnesota Rules, part 4400.2750.

The DOC EFP staff will publish notice and hold a public hearing on the project after the EA has been completed. Notice of the hearing will provided as required under Minnesota Rule 4400.2850 and will be held in the Park Rapids area. The record will remain open for at least ten days after the hearing to allow additional public comment.

Upon the close of the official record, the DOC EFP staff will bring this matter with the full record, proposed findings of fact and conclusions, and a proposed route permit to the Commission for final action.

Below are the DOC EFP staff's recommendations

Completeness of Application
The DOC EFP staff has reviewed the Route Permit Application for compliance with the application requirements of Minnesota Statutes 116C.51 – 116C.69 and Minnesota Rules Chapter 4400. The RDO Project Application complies with the Statute and Rule by providing all the information required. Staff recommends that the Commission accept the GRE and Itasca Mantrap Application for the RDO Project as complete.

Public Advisor
Minnesota Rule 4400.2400 requires that the Commission appoint a Public Advisor for applications accepted as complete. The DOC EFP staff recommends that the PUC appoint Ms. Deborah Pile, DOC EFP staff supervisor, as the Public Advisor for the GRE RDO route permitting project.

Citizens Advisory Task Force
Minnesota Rules 4400.2650 gives the Commission discretion to appoint a Citizens Advisory Task Force to inform the Scoping Decision for the Environmental Assessment of the proposed project.

Staff find that the Proposed RDO Project is a short HVTL segment proposed entirely within existing ROW. The Applicants have conducted a pre-application public meeting and initiated discussions with landowners potentially impacted by the proposed project. The Project does not appear to pose significant environmental, human, economic, or community impacts.

Given the size and scope of the proposed RDO Project, EFP staff does not recommend that the PUC appoint a Citizens Advisory Task Force for the RDO Project route permitting process.

Commission Decision Options

A. Accept the Application of Great River Energy and Itasca-Mantrap Electric Cooperative Association for a route permit under the alternative permitting process. Appoint Ms. Deborah Pile as public advisor. Determine that a Citizens Advisory Task Force is not necessary to identify additional route alternatives to be evaluated in the Environmental Assessment. Direct the Department EFP staff to initiate the public review process required by Minnesota Rules 4400.2500 to 4400.2900. Authorize Department EFP staff to name a hearing examiner to conduct the public hearing on the project at a later date; or

B. Reject the application as incomplete and issue an order indicating the specific deficiencies to be remedied before the application can be accepted; or

C. Make some other decision deemed more appropriate.

DOC EFP Staff Recommendation

Staff recommends Option A.