



**BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

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

**DOCKET NO. ET2 /TL-06-980**

Meeting Date: August 17, 2006

Agenda Item # \_\_\_\_\_

Company: Great River Energy

Docket No. ET2/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 accept the application as complete?
  - Should the Commission appoint a public advisor?
  - Should the Commission appoint a Citizen Advisory Task Force?
  - Should the Commission join the environmental review document in this docket with the related Certificate of Need proceeding?
  - Should the Commission conduct a joint public hearing?

DOC Staff: Adam M. Sokolski ..... 651-296-2096

**Relevant Documents** (in Commission Packet)

Initial Filing- Route Permit Application - Great River Energy ..... July 28, 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).

(Relevant documents and additional information can be found on eFilings (06-980) or the PUC Facilities Permitting website: <http://energyfacilities.puc.state.mn.us>)

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## **Statement of the Issues**

Should the Commission accept the route permit application as complete? If complete and accepted, should the Commission appoint a public advisor? Should the Commission appoint an advisory task force? Should the Commission join the environmental review document in this docket with the related Certificate of Need proceeding (ET2/CN-06-367)? Should the Commission conduct a joint public hearing(s)?

## **Introduction and Background**

On July 28, 2006, Great River Energy (GRE) filed a route permit application under the alternative review process for the Mud Lake to Wilson Lake transmission line project. On the same date, GRE filed an application for a Certificate of Need (CN) for the same transmission project (ET2/CN-06-367).

### ***Project Area***

The GRE Mud Lake to Wilson Lake transmission line project is proposed in Crow Wing County, Minnesota. The project area is east of Brainerd and terminates a few miles west of Garrison near the shores of Lake Mille Lacs. The project as proposed would parallel an existing transmission line and an existing state highway.

The project 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.

### ***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 this project.

GRE's proposed route begins at the Mud Lake Substation and parallels an existing 230 kV transmission line to the Oak Lawn Substation, a distance of about 1.5 miles. At the Oak Lawn Substation, the proposed line will turn eastward and run parallel to Minnesota Trunk Highway 18 (TH 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 TH

18 right-of-way on easements to be acquired if a route permit is issued. GRE has not specified a preference for the north or south side of TH 18, nor a combination.

## **Regulatory Process and Procedures**

### ***Eligibility and Completeness***

High voltage transmission lines with a voltage between 100 kV and 200 kV are eligible for the Alternative Review Process (Minnesota Rule 4400.2010) of the Power Plant Siting Act (Minnesota Statutes 116C.51 to 116C.69). Under the Alternative Review Process, an applicant is not required to propose any alternative sites or routes. The Department of Commerce Energy Facility Permitting Staff conducts a public information and scoping meeting, prepares an Environmental Assessment (EA), and a public hearing is required but it need not be a contested case hearing.

Route permit applications under the alternative review process must provide specific information about the proposed project, applicant, environmental impacts, alternatives and mitigation measures (Minnesota Rule 4400.2100). 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 (Minnesota Rule 4400.2200).

The review process begins with the determination by the PUC that the application is complete. The PUC has six months to reach a decision from the time the application is accepted (Minnesota Rule 4400.2200).

### ***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 4400.1450). 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 Department to name a staff member from the EFP staff as the public advisor or assign a PUC staff member.

### ***Advisory Task Force***

The Commission has the authority to appoint an advisory task force (Minnesota Statute 116C.59). An advisory task force requires representatives of local governmental units and interested local persons. A task force can be charged with identifying additional routes or specific impacts to be evaluated in the EA and terminates when the DOC Commissioner issues a EA scoping decision. The PUC is not required to assign an advisory task force for every project.

If the Commission does not name a task force, the rules allow a citizen to request appointment of a task force (Minnesota Rule 4400.2650). The PUC would then need to determine at their 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 a EA scoping decision by the DOC Commissioner.

### ***Environmental Review***

Applications for Certificate of Need and route permits are both subject to environmental review, which is conducted by DOC EFP staff. In situations when a CN and a route permit application for the same project are considered simultaneously, the Commission may join environmental review documents and conduct environmental review following the siting and routing procedures (Minnesota Rule 4410.7060).

The most recent case of the PUC joining environmental review documents is found in the Big Stone Transmission CN and route permitting dockets (CN-05-619 and TL-05-1275).

### ***Public Hearing(s)***

Applications for Certificate of Need and route permits both require a public hearing to be held. In situations when CN and route permit applications for the same project are considered simultaneously, Minnesota Statute 216.243, subd. 4, states “Unless the commission determines that a joint hearing on siting and need under this subdivision and section 116C.57, subdivision 2d, is not feasible or more efficient, or otherwise not in the public interest, a joint hearing under those subdivisions shall be held.”

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

### ***Completeness***

DOC EFP staff conducted completeness review of the GRE Mud Lake to Wilson Lake route permit application and conclude that the Application meets the content requirements of Minnesota Rule 4400.2100 and is complete. Application acceptance allows staff to initiate and conduct the public participation and environmental review process.

### ***Advisory Task Force***

There are several reasons why an advisory task force may not be necessary in this case. Most of the proposed route follows an existing state highway or an existing high voltage transmission line. The project is compatible with area land use, which is comprised of rural, low density, recreational, agricultural and forested lands. The proposed line is relatively short. Some homes and businesses are near TH 18 and the proposed route; however this is routine in routing cases and always analyzed in the EA. The proposed project has been discussed in biennial transmission reports and has not generated controversy.

Based on the analysis above, DOC EFP staff concludes that an advisory task force is not warranted in this case and that the alternative routing process provides adequate opportunities for citizens to identify issues and route alternatives to be addressed in the EA.

### ***Environmental Review***

The GRE Mud Lake to Wilson Lake route permit application and CN dockets are examples where joint environmental review can provide due process, the required review, and an expeditious environmental analysis, while providing a consolidated and less confusing process for public participation.

DOC EFP staff concludes that it is feasible and in the public interest to join environmental review in these related dockets.

***Public Hearing(s)***

The Legislature has indicated that joint hearings are to be conducted in related CN and routing proceedings.

DOC EFP staff note that in this case, joint public hearings will provide a common forum for public comments, issues and testimony considering need and route. This may help reduce public confusion about the difference between need and route proceedings. Joint hearings will be more efficient by allowing a single notification and procedure for the hearing(s), rather than two.

DOC EFP staff concludes that it is feasible and in the public interest to join environmental review in these related dockets.

**PUC Decision Options:**

**A. Application Acceptance**

1. Accept the Great River Energy Mud Lake to Wilson Lake transmission line route permit Application under the alternative review process as complete.
2. Reject the 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 Minnesota Department of Commerce Energy Facilities Permitting staff to name a public advisor in this case.
2. Appoint a PUC staff person as public advisor.
3. Make another decision deemed more appropriate.

**C. Advisory Task Force**

1. Authorize DOC EFP staff to establish an advisory task force, and develop a proposed structure and charge for the task force.
2. Take no action on an advisory task force at this time.
3. Determine that an advisory task force is not necessary.
4. Make another decision deemed more appropriate.

**D. Environmental Review**

1. Combine the environmental review documents and procedures in ET2/CN-06-367 and ET2/TL-06-980 as allowed by Minnesota Rule 4410.7060 and authorize DOC EFP staff to initiate and conduct the environmental review process.
2. Decline to combine environmental review documents and procedures and authorize the DOC EFP staff to initiate and conduct separate environmental review processes.
3. Make another decision deemed more appropriate.

**E. Joint Public Hearings**

1. Join the public hearings in ET2/CN-06-367 and ET2/TL-06-980. Authorize DOC EFP and PUC staff to request assignment of an Administrative Law Judge to schedule, notice, and preside over the joint public hearing(s), and implement other actions necessary to carry out the hearing process.
2. Find that joint public hearing(s) to consider both permitting and need in the dockets ET2/CN-06-367 and ET2/TL-06-980 is not feasible, not in the public interest, or not more efficient than separate public hearing(s). Direct the PUC staff and DOC EFP staff to request the assignment of an ALJ from the Office of Administrative Hearings to schedule, notice, and preside over separate public hearings, and implement other actions necessary to carry out the hearing process.
3. Make another decision deemed more appropriate.

**DOC EFP Staff Recommendations:** Staff recommends options A1, B1, C2 or C3, D1, E1