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

January 2, 2007

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 Minnesota Department of Commerce Energy Facility Permitting Staff
Docket No. E105/TL-06-1624

Dear Dr. Haar:

Attached are the comments and recommendations of the Minnesota Department of Commerce (DOC) Energy Facility Permitting (EFP) Staff in the following matter: In the Matter of Minnesota Power (MP) and Great River Energy's (GRE) application for a HVTL Route Permit.

The facility (i.e., Tower Transmission Project) for which the permit is requested is approximately 15 miles of new transmission lines, a new Embarrass switching station, and a new Tower substation located in Saint Louis County in northeastern Minnesota.

The Department is providing you with:

A. Comments and Recommendations;
B. General route location map.

The Department EFP staff recommends acceptance of the HVTL permit application with the understanding that any additional information necessary for processing the application will be provided promptly. Staff is available to answer any questions the Commission may have.

Sincerely,

William Cole Storm, DOC EFP Staff

Enclosures

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

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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

DOCKET NO. E105/TL-06-1624

Meeting Date: January 11, 2007…….……Agenda Item #

Company: Great River Energy

Docket No. PUC Docket Number: E105/TL-06-1624

In the Matter of Minnesota Power (MP) and Great River Energy's (GRE) application for a HVTL Route Permit.

Issue(s): Should the Minnesota Public Utilities Commission accept or reject the HVTL Permit Application? Should the Commission authorize an advisory task force at this time?

DOC Staff: William Cole Storm….…….651-296-9535

Relevant Documents (in Commission Packet).

1. GRE's HVTL Permit Application, Dated December 22, 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.

1. General route location map.

(Note: Relevant documents and additional information can be found on eDockets (E105/TL-06-1624) or the PUC Facilities Permitting website http://energyfacilities.puc.state.mn.us/)

Statement of the Issue

Should the Public Utilities Commission (PUC) accept or reject the HVTL permit application for the Tower Transmission Line Project filed by the Applicant for a high voltage transmission line to be located in St. Louis County.

The selection of Public Advisor.

Should the Commission authorize an advisory task force at this time?

If the application is accepted, the PUC needs to notify the applicant in writing of the acceptance. If the application is rejected, the PUC must advise the applicant of the deficiencies in the application.

Introduction and Background

On November 29, 2005, Minnesota Power (MP) and Great River Energy (GRE) made a joint application to the Minnesota Public Utilities Commission (PUC) for Certification of two High-Voltage Transmission Line (HVTL) projects pursuant to the provisions of Minnesota Statutes 216B.2425 and Minnesota Rules, Chapter 7848, through the Biennial Transmission Projects Report proceeding. The two projects are referred to as "Tower" and "Badoura." The Tower project would be approximately 15 miles of new transmission lines, a new Embarrass switching station, and a new Tower substation located in Saint Louis County in northeastern Minnesota.

As part of its review of a Biennial Transmission Report requesting certification of a HVTL, the PUC is required to prepare a document called an Environmental Report (ER). Minn. Rules 4410.7030. On behave of the PUC; the DOC Energy Facility Permitting (EFP) staff prepared an ER based on its analyses of the information and data supplied in the two Biennial Projects Reports and several other relevant sources. In the ER the DOC evaluated the general potential impacts from construction, operation, and maintenance of the proposed HVTL along the broad corridor(s) proposed by the applicant and discussed ways to mitigate these potential impacts. The public is given an opportunity to participate in the development of the environmental report

On December 8, 2005, DOC EFP staff held a public meeting in the Tower area. The purpose of the public meeting was to provide the public with information about the project, afford the public an opportunity to ask questions and present comments, and to solicit input on the content of the ER. The comment period was held open until 5:00 pm January 10, 2006. On January 11, 2006,

after consideration of the public comments, the Commissioner of the DOC issued an Order outlining the content of the environmental report

In conjunction with the Commission's review procedures, the Minnesota Department of Commerce prepared and distributed an Environmental Report for the two projects on February 14, 2006.

On March 29, 2006, a Public Hearing was held on this matter. The public hearing was presided over by Administrative Law Judge Richard Luis from the Minnesota Office of Administrative Hearings. The purpose of the hearings was to receive public comment on the need for the proposed projects. Judge Luis provided a summary report of comments received at the public hearing to the Public Utilities Commission to assist the Commission in making a final determination on the need for the proposed transmission lines.

On May 25, 2006, the PUC issued an Order certifying that the Tower Project is needed and designating the project as a priority electric transmission project.

Current Docket

GRE notified the PUC by letter dated November 29, 2006, that the Company intended to utilize the Alternative Permitting Process for the proposed Tower Transmission Line Project. This complies with the requirement of Minn. R. 4400.2000, subp. 2, to notify the PUC at least 10 days prior to submitting an application (The Power Plant Siting Act identifies the projects that qualify for review under the Alternative Review Process. Minn. Stat. 116C.575, subd. 20.

GRE filed the HVTL route permit application on December 22, 2006.

Regulatory Review Process

The application will be reviewed under the Alternative Review Process (Minnesota Rules 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 prepares a document called an Environmental Assessment, and a public hearing is required but it need not be a contested case hearing. The PUC has six months to reach a decision under the Alternative Process from the time the application is accepted.

The official process begins with the determination by the PUC that the application is substantially complete. If accepted January 11, 2007, the final route permit decision must be made by July 11, 2007.

Public Advisor

Upon acceptance of an application for a site and/or route permit, the Commission shall 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. Otherwise, the Commission could assign a PUC staff member as the public advisor.

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.

There are several reasons why an advisory task force may not be necessary in this case. The proposed line is relatively short. Additionally, between the previous processes (i.e., Biennial Transmission Projects Report, PUC Docket E-015/TL-05-867) and the current process (HVTL Route Permit, PUC Docket E105/TL-06-1624) the public will have ample opportunity to provide input into the environmental issues and route alternatives.

EFP Staff Analysis and Comments

DOC EFP staff has completed a review of the applicable rules and the Applicant's HVTL Route permit application for completeness. The Applicants must provide the information required by Minnesota Rules 4400.1150 and 4400.3150, including route descriptions and the potential impacts on the environment, the economy, health and human resources, and natural resources.

Minnesota Rule 4400.1250 subpart 3 states that the Commission can reject the application for deficiencies. However, the Commission can not find the application deficient if the required information can be provided by the applicant within 60 days and the lack of the information will not interfere with the public's ability to review the proposed project.

EFP staff has concluded the application is complete and that the PUC should accept the application with the understanding that if additional information is requested by the DOC EFP staff these requests will be addressed promptly. Application acceptance allows the applicant and staff to initiate the requirements of the rules.

The Applicants have indicated that they will comply with requests for additional information from the Commission, the Department, or other interested persons.

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.

Commission Decision Options

A. Application Acceptance

1. Accept the HVTL Route permit application submitted by MP and GRE for the Tower Transmission Line Project. Accepting the HVTL Route permit application marks the start date for the six month alternative review process and allows the DOC EFP Staff and the Applicants to initiate the actions required by Minnesota Rules 4400.2010. These actions include providing project descriptions to landowners, publishing notice of information meetings, and initiating the scoping and EA process required under the rules.
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

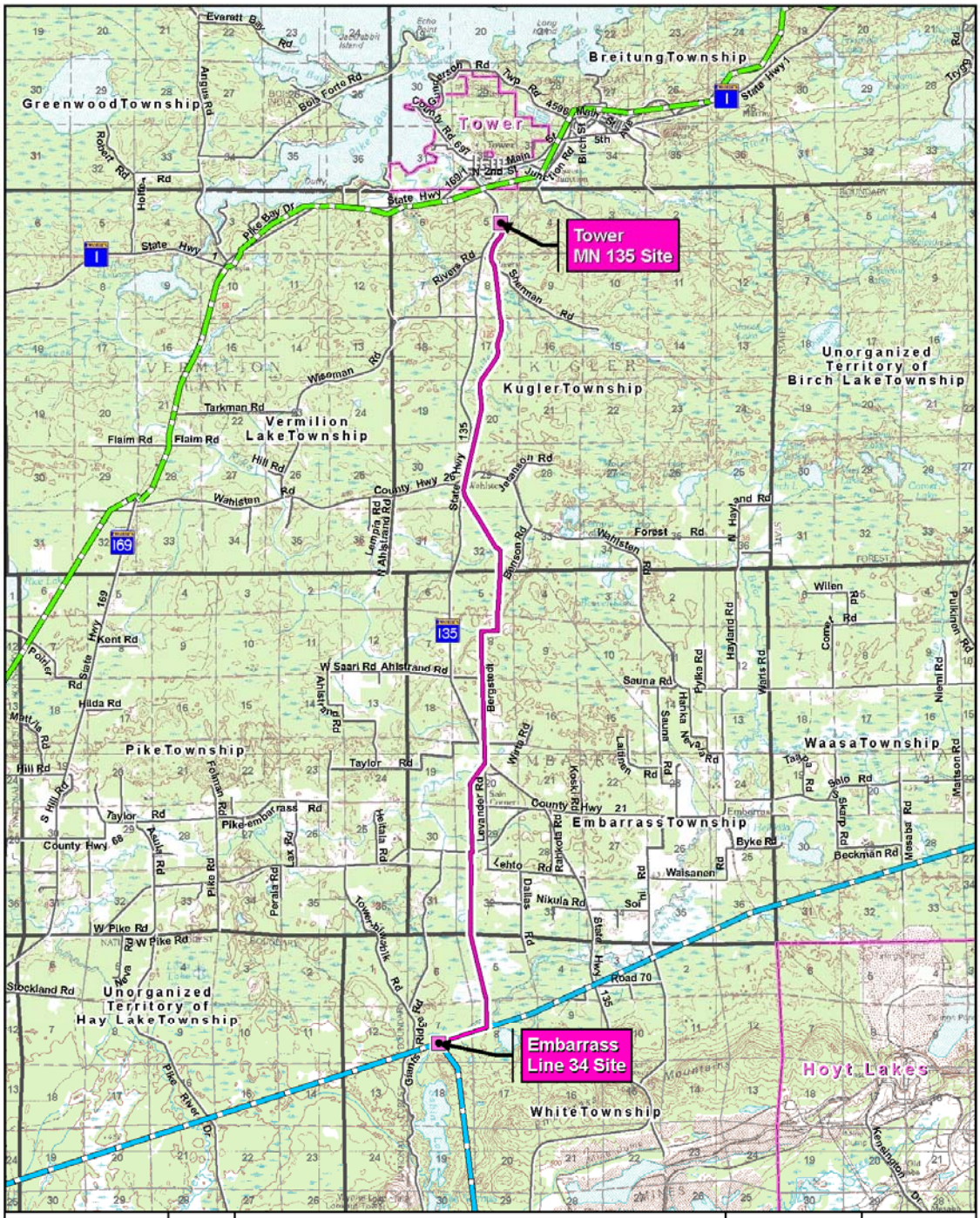
1. Authorize the Minnesota Department of Commerce Energy Facilities Permitting staff to name a public advisor in this case.
2. Appoint a PUC staff person as public advisor.
3. Make another decision deemed more appropriate.

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.

EFP Staff Recommendation

Staff recommends Options A-1, B-1 and C-3.


Tower
MN 135 Site
Embarrass
Line 34 Site
Breitung Township
Greenwood Township
Kugler Township
Vermilion Lake Township
Unorganized Territory of Birch Lake Township
Pike Township
Waasa Township
Embarrass Township
Unorganized Territory of Hay Lake Township
White Township
Hoyt Lakes
Tower
State Hwy 1
State Hwy 169
State Hwy 135
County Hwy 21
County Hwy 68
Road 70
Legend
Proposed Substation Sites
HVTL Proposed Route (300ft width)
Existing MP 46kV Transmission Line
Existing MP 115kV Transmission Line
Roads
PLS Section Lines (+/- 50' to 200')
Civil Township Boundaries
Municipal Boundaries
Projection: UTM, Zone 15, Meters NAD83
0 1 Miles
Source: USGS, MNDNR, LMIC, EGB, MnDOT, and SEH.
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Project Number AMNPOW0507.01
November 2006
Minnesota Power
Great River Energy
Figure 1-3
Proposed Route