

STATE OF MINNESOTA PUBLIC UTILITIES COMMISSION

In the Matter of the Xcel Energy Application for a Route Permit for the Chisago Transmission Line Project MPUC DOCKET NO. E002/TL-06-1677	PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER ISSUING A ROUTE PERMIT
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The above-captioned matter came before the Minnesota Public Utilities Commission (Commission) on January 24, 2008, acting on an application by Northern States Power dba Xcel Energy for a Route Permit to construct approximately 13.5 miles of new 115/161 kilovolt (kV) transmission lines interconnecting the Chisago County Substation in Minnesota and the Apple River Substation in Wisconsin, including adding a new Lawrence Creek Substation near Taylors Falls, Minnesota, to meet the needs of Xcel Energy customers in east central Minnesota and north western Wisconsin.

Public hearings and evidentiary hearings were held from September 4-10, 2007. The public hearing record closed on September 17, 2007.

FINDINGS OF FACT

1. The Summary of Evidence (Findings 1-96, Conclusion 8, and Conclusions 65-120) of the Administrative Law Judge in his Report of November 19, 2007, is hereby adopted by the Commission as Findings of Fact in the Route Permit docket above (E002/TL-06-1677), except as amended below.
2. Conclusions No. 8 and Nos. 65-120 shall be renumbered Findings Nos. 97-152 respectively.
3. Finding No. 63 is amended as follows:

If the Applicants receive a Certificate of Need to construct the transmission facilities, routing approvals must also be obtained from the Commission ~~and local authorities~~ to construct any approved lines. Applicants are simultaneously applying for the required Route Permit for the proposed transmission facilities using the Alternative Permitting Process. Applicants assert that that construction on an approved line could begin during calendar year 2008. Applicants estimate that the project could be operational by 2010.

4. Finding No. 97 (Conclusion No. 8) is amended as follows:

In addition, Minn. R. ~~7849.0230~~ 7849.7030 requires that the Department prepare an Environmental Report evaluating the proposal and any alternatives. Because the Applicants are simultaneously seeking a Route Permit under the Alternative Permitting Process governed by Minn. R. 7849.5500 to 7849.5720, the Commission, in its February 12, 2007 order, combined the environmental review in both the Certificate of Need and Route Permit Dockets. The Commission directed that the environmental assessment completed in the Alternative Permitting Process address the Certificate of Need analysis of alternatives.

5. Finding No. 130 (Conclusion No. 98) is amended as follows:

~~Yet, as detailed further below, because the “Around the Lakes Over Head Alternative”~~ A number of options avoids the special and definite tourism-related impacts associated with routing the line along the City of Lindstrom’s downtown corridor, it best and better balances the various needs of regional customers.

6. Finding No. 137 (Conclusion No. 105) is amended as follows:

~~As detailed in the Memorandum below, notwithstanding the \$1.4 million added incremental costs associated with the alternatives, “Around the Lakes Over Head Alternative,” this alternative path is one that~~ the Commission should closely consider alternative paths. By avoiding the special and definite tourism-related impacts associated with routing the line along the City of Lindstrom’s downtown corridor, the ~~“Around the Lakes Over Head Alternative”~~ best alternatives better balances the various needs of regional customers.

7. New Findings No. 153-160 are added concerning alternatives to the proposal through downtown Lindstrom to read as follows:

153. The “Around the Lake” (ATL) alternative was originally investigated by the Applicant at the request of Department of Commerce Energy Facility Permitting staff (EFP) while investigating if there were viable alternatives to routing overhead through downtown Lindstrom.

154. The ATL alternative data was reviewed by the Department of Commerce Commissioner, and the option was rejected as not warranting further review in the Environmental Assessment due to the following discovery:

- A. The alternative creates 7.1 miles of new corridor, requiring the acquisition of an equal length of new private easement;

- B. The incremental cost was estimated at approximately 4 million dollars. (Xcel Energy eventually recalculated the incremental cost estimate to approximately 2 million dollars.)
- C. The route would be within 300 feet of approximately 45 residences, including six residences that would be within 100 feet of the route.
- D. Construction of the line would require clearing approximately 2,700 linear feet of trees along the right of way, resulting in approximately 3.1 acres of tree clearing along the alternative.
- E. While currently rural residential in nature for most of the alternative, there is residential development being constructed at the intersection of Furuby Road/CSAH 20 and Oasis Road. Other developments are planned in the vicinity of North Center Lake.
- F. The route would cross nine NWI wetlands, including one that is approximately 800 feet wide. If this wetland could not be spanned, further coordination with the Army Corps of Engineers would be necessary due to the issue of placing fill in a previously un-impacted wetland.

155. The city of Lindstrom introduced an “Under the Lake” (UTL) alternative in Direct Testimony. The line would run east from the Lindstrom Substation through County Road 9 under the lakes and return south to the Shafer Substation.

156. The Department does not consider the UTL option to be feasible or viable due to the following discovery:

- A. The option impacts an additional 25 landowners along 2.3 miles of new right of way, requiring new easements.
- B. Due to potential for significant impacts to lakes and wetlands, this option would require a permit from DNR, with the requirement that no other “feasible and prudent” route existed (Minnesota Rule 6135.1100, Subp. 4B).
- C. Unknown operational and maintenance costs would be associated with this option, exacerbated by the admission of Xcel Energy that it has no experience installing or operating underwater lines.
- D. Depending on land and water installation options, the additional costs to employ this alternative would range from approximately 15 million to 22 million dollars above the proposed route.

157. The advisory working group recommended a “First Avenue Underground” (FAU) option along 1st Avenue North for inclusion in the Environment Assessment. This would underground the line from Linden Street through to Hwy 8.

158. The Commissioner included the option for review in the EA. The impacts of the FAU option are as follows:

- A. The FAU option does not create new additional easement or private right of way impacts beyond the proposed route.
- B. The FAU alternative partially mitigates the aesthetic, visual impacts along the downtown corridor if the existing transmission is removed, leaving the existing distribution and other utility lines on shortened poles.
- C. The FAU alternative would have an incremental cost of 2.3 million dollars above the proposed route.
- D. Under a planned reconstruction of Highway 8 as reversed pairs, the Department of Transportation (DOT) would acquire the right of way along 1st Avenue North from the city to create the eastbound lanes.
- E. The Department of Transportation Commissioner entered a letter into the record stating that the DOT does not allow longitudinal private utilities under its right of way.
- F. The DOT “Policies and Procedures” document states any parallel underground easement would have to be at the outer edge of the right of way.
- G. Undergrounding technology includes 3 foot conduit for routing, but requires intermittent 8 foot by 20 foot vaults for installing and accessing the transmission line for maintenance.
- H. The final plan for reconfiguring 1st Avenue for the HWY 8 project has not been completed. If Xcel Energy were to install underground along the alternative in a manner that would eventually interfere with DOT right of way, the Applicant could incur a major expense in relocating its transmission line.

159. In Rebuttal Testimony, Xcel Energy introduced an additional alternative to the proposal through downtown Lindstrom. The “Newell Avenue Underground” (NAU) option would reroute and underground the transmission line to avoid 1st Avenue. The segment would begin north of 1st Avenue, run down Linden Street to Newell Avenue, under Newell Avenue to Broadway Street, north under Broadway Street and perpendicularly under Hwy 8 where it would re-rise east of Broadway Street.

160. The Department finds the Newell Avenue alternate to be a feasible and viable alternative due to the following discovery:

- A. The NAU segment would require approximately .5 mile of new corridor. However, no new private easements would be required with the placement under the avenue within the city right of way.
- B. There are approximately 63 residences and 16 businesses along this corridor. Short term impacts along the route would occur during construction of the underground system. There would be no long term environmental or economic impacts to residences or businesses.
- C. The incremental cost for implementing this alternative would be approximately 3.5 million dollars, or approximately 5.5 percent of the total project cost. The incremental cost does not factor in any potential mitigation costs along 1st Avenue for conditions that may be imposed by the Commission in the route permit for the proposed route.
- D. The NAU option does not achieve complete mitigation of visual, aesthetic impacts along 1st Avenue as existing poles, though shortened, would remain to hold existing distribution and utilities. However, the city could choose in the future to implement its own mitigation by relocating or burying those remaining visual impacts.
- E. The viability of the NAU alternative is enhanced if the city of Lindstrom shares in the costs of implementing the option by freely providing easement within its right of way.

Based on the Findings of Fact, the Commission makes the following:

CONCLUSIONS OF LAW

1. Any of the foregoing Findings more properly designated as Conclusions are hereby adopted as such.
2. The PUC has jurisdiction over the subject matter of this proceeding pursuant to Minnesota Statute 216E.03, subdivision.
3. The Project qualifies for review under the Alternative Review Process of Minnesota Statute 216E.04 and Minnesota Rule 7849.5510.
4. The Applicant, the DOC and the PUC have complied with all procedural requirements of law.
5. The DOC has completed an Environmental Assessment on this Project as required by Minnesota Statute 216E.04, subdivision 5 and Minnesota Rule 7849.5700, and considered all the pertinent factors in determining whether the HVTL Route Permit should be approved.
6. The conditions included in the Route Permit are reasonable and appropriate.

Based on the Findings of Fact and Conclusions contained herein and the entire record of this proceeding, the Commission hereby makes the following:

ORDER

1. A Route Permit is hereby issued to Xcel Energy to construct approximately 13.5 miles of 115 and 161 kilovolt (kV) transmission line and upgrade associated facilities.
2. Xcel Energy is authorized by this route permit to construct a new Lawrence Creek Substation near Taylors Falls, Minnesota.
3. The HVTL Route Permit shall be issued in the form attached hereto, with the maps showing the approved route, and the conditions described therein.

Approved and adopted this _____ day of January, 2008

BY ORDER OF THE COMMISSION

Burl W. Haar,
Executive Secretary