ENVIRONMENTAL ASSESSMENT

SCOPING DOCUMENT

MINNESOTA POWER

&

GREAT RIVER ENERGY

BADOURA TRANSMISSION PROJECT

PUC DOCKET #ET2, E015/TL-07-76

Prepared by the Staff of the

MINNESOTA DEPARTMENT OF COMMERCE

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1.0 INTRODUCTION

MP/GRE notified the PUC by letter dated January 12, 2007, that the Company intended to utilize the Alternative Permitting Process for the proposed Badoura 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.

MP & GRE filed the HVTL route permit application on March 16, 2007.

In accordance with the Power Plant Siting Act a site permit and a route permit is required before a high voltage transmission line (HVTL) can be constructed. 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 a HVTL are in Minnesota Rules Chapter 4400. A HVTL is defined as a conductor of electric energy and associated facilities designed for and capable of operating at a nominal voltage of 100 kilovolts or more either immediately or without significant modification.

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. Copies of the application, along with other pertinent documents can be obtained through the DOC Project Manager and maybe viewed at PUC web site (http://energyfacilities.puc.state.mn.us/Docket.html?Id=19051).

The official process begins with the determination by the PUC that the application is substantially complete. The PUC accepted the application on March 29, 2007; the final route permit decision must be made by September 27, 2007.

DOC will conduct public information/scoping meeting in which details concerning the proposed Badoura Transmission Project will be presented and governmental agencies, organizations, and the general public will be afforded an opportunity to ask questions and provide input into the environmental review scoping decision.

2.0 PROJECT DESCRIPTION

On November 1, 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.”

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 9, 2005, DOC EFP staff held a public meeting in Backus. 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 a joint 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 Badoura Project is needed and designating the project as a priority electric transmission project.

The facility (i.e., Badoura Transmission Project) for which the permit is requested consists of MP constructing and owning the new Pine River 115 kilovolt (kV) Substation and the new 115 kV transmission line between the Pequot Lakes, Pine River and Badoura substations (approximately 30 miles). GRE will construct and own the new 115 kV transmission line between the Badoura Substation and the Birch Lake Substation, and between the Badoura Substation and the Long Lake Substation (approximately 33 miles). Equipment modifications will be made at the Pequot Lakes, Badoura, Birch Lake and Long Lake substations to accommodate the new 115 kV transmission line.
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.

3.0 EA SCOPING PROCESS

The purpose of the scoping process is to provide the public with an opportunity to participate in the development of the scope of the EA by holding a public meeting and soliciting public comment.

On Tuesday, April 17, 2007, the Department of Commerce Energy Facility Permitting staff (DOC EFP) will hold a public information meeting at the Backus City Hall. The meeting will be held at 7:00 pm. The purpose of the meeting is to provide information to the public about the proposed project, to answer questions, and to allow the public an opportunity to suggest alternatives and impacts that should be considered during preparation of the environmental review document. Written comments may also be submitted; written comments must be submitted no later than Tuesday, May 1, 2007.

Written comments should be mailed to Bill Storm (bill.storm@state.mn.us), Minnesota Department of Commerce, 85 7th Place, Suite 500, St. Paul, Minnesota 55101-2198.

A scoping decision will be made by the Commissioner of the DOC. That decision will be made shortly after the close of the comment period. Persons who want to be advised of the Commission's scoping decision can register their names with the DOC EFP staff at the public meeting, on the PUC website or contact Bill Storm at (651) 296-9535. The final scoping decision will also be posted on the PUC website.

4.0 DRAFT SCOPING OUTLINE

The Environmental Assessment on the Badoura Transmission Project will address and provide information on the following matters:

A. GENERAL DESCRIPTION OF THE PROPOSAL

1. Purpose of the Transmission Line.
2. Project Location and Environmental Setting
3. Engineering and Operation Design
    a. Transmission Line and Structures
    b. Transmission Capacity
    a. Construction Procedures
    b. ROW Maintenance

B. IMPACTS AND MITIGATIVE MEASURES

1. Human Settlements
2. Noise
3. Aesthetics
4. Recreation
5. Transportation
6. Land Use
7. Prime Farmland
8. Soils and Geology
9. Flora
10. Fauna
11. Archaeological and Historic Features
12. Air Quality

13. Surface Water
14. Wetlands
15. Human Health and Safety to include Electric and Magnetic Fields (EMF)
16. Potential for radio, television and cell phone interference from transmission lines

C. ALTERNATIVE ROUTES

1. Peysenske Lake Alternative (aka MP/GRE Alternative Segment 9)

5.0 ALTERNATIVES TO BE ADDRESSED IN THE EA

The DOC EFP staff is not recommending that any additional routes be evaluated in the EA at this time.

6.0 SCHEDULE FOR COMPLETION OF EA

The Environmental Assessment on the HVTL will be completed by July 9, 2007.

Upon completion of the EA, the DOC EFP staff will notify those persons who have asked to be notified of the completion. In addition, the DOC EFP staff will publish notice of the availability of the EA in the EQB Monitor (the bi-weekly newsletter of the EQB). The EA will be made available for review and will be posted on the PUC webpage. The DOC EFP staff will hold a public hearing in the Backus area to provide an opportunity for the public to ask questions and to comment on the EA and the HVTL permit application. The public will also have a period of time (at least 10 days) after the hearing to submit written comments.

Comments on the EA shall become part of the record in the proceeding.

7.0 IDENTIFICATION OF PERMITS

The Environmental Assessment will include a list of permits that will be required for the project proposers to construct this project. The following permits have been identified as potential:

Permit	Jurisdiction
LOCAL APPROVALS	
Road Crossing Permits	County, Township
Land Permits	County, Township, City
Building Permits	County, Township, City
Over-width Load Permits	County, Township, City

Permit	Jurisdiction
Driveway/Access Permits	County, Township, City
STATE OF MINNESOTA APPROVALS	
Route Permit (Alternative Review Process)	Commission
Utility Permit (highway crossings)	MNDOT
License to Cross Public Waters	MDNR – Division of Lands and Minerals
License to Cross State Lands	MDNR – Division of Lands and Minerals
National Pollutant Discharge Elimination System (NPDES) Permit	MPCA
Section 401 Water Quality Certification	MPCA
FEDERAL APPROVALS	
Section 404 Approval	USACE
Environmental Approval	RUS