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Responses

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March 26, 2010

Suzanne Steinhauer
Project Manager
Minnesota Office of Energy Security
85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198

RE: Applicants' Comments on the Draft Environmental Impact Statement
In the Matter of the Application for a Route Permit for the Bemidji-Grand Rapids 230 kV Transmission Project,
MPUC Docket No. E017, E015, ET6/TL-07-1327

Dear Ms. Steinhauer:

Otter Tail Power Company, Minnesota Power, and Minnkota Power Cooperative, Inc. (the Applicants), who are proposing to construct the Bemidji-Grand Rapids 230 kV Transmission Project (Project), submit the following Comments on the Draft Environmental Impact Statement (DEIS) for the Project prepared by the Minnesota Department of Commerce Office of Energy Security (OES) and US Department of Agriculture, Rural Utilities Service (RUS).

When the Applicants filed their application for a route permit for the Project with the Minnesota Public Utilities Commission, they proposed the following routes, which are approximately 68 miles long:

- Route 1- This route generally follows the Great Lakes Gas Transmission Company (Great Lakes) pipeline right-of-way from the Wilton Substation to just east of Deer River, where it then follows a Minnesota Power 115 kV transmission line to the Boswell Substation. There are three alternative route sections for Route 1: 1A, 1B, and 1C.
- Route 2- This alternative generally follows U.S. Highway 2 (US 2) and the pipeline rights-of-way of Enbridge Pipelines LLC (Enbridge) for its entire length between the Wilton Substation and Boswell Substation. There is one alternative route section for Route 2: 2C.

The Applicants identified Route 1 in their route permit application as their preferred route. The preference was based on the Applicants' understanding that stakeholders did not want another impact added to the already disturbed Route 2 corridor, which contains US Highway 2, the Enbridge pipeline, and the BSNF railroad line, and also preferred that the Project not pass

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through the towns of Cass Lake and Bena.

However, through the DEIS public scoping process the Applicants learned that of those two routes, the US Forest Service, Chippewa National Forest (CNF) and Leech Lake Band of Ojibwe (LLBO) favor Route 2 through the central portion of the Project area, which follows the Enbridge pipeline right-of-way near US Highway 2. This is already a relatively highly disturbed area in comparison to Route 1. In addition, the Project can be located along Route 2 to avoid the Ten Section area of the CNF, which is of cultural and biological significance to the LLBO, and also avoid the CNF's Pike Bay Experimental Forest.

146-1

As a result, the Applicants now prefer a combination of Route 2 through the CNF and Leech Lake Reservation, and Route 1 on the east and west ends of the Project. A brief description of what is referred to as "Applicants' Route" is provided below:

> Beginning at the Wilton Substation west of Bemidji, the Applicants' Route follows Route 1 along the Great Lakes pipeline. At Hubbard County Highway 45, Applicants' Route diverts from the Great Lakes pipeline to the northeast to parallel the Enbridge pipelines and runs east to Route 2 at the Cass Lake Substation. From the Cass Lake Substation, Applicants' Route follows Route 2 along the Enbridge pipelines to a point 4.7 miles east of Bena, Minnesota. At this location, Route 1 is south of US Highway 2 while Route 2 is north of the highway. Applicants' Route generally follows Route 1 on the south side of the highway to the Boswell Substation in Cohasset, Minnesota.

The Applicants' Route has been entered into the route permit application record for the Project through pre-filed testimony in the contested case proceedings. The Applicants will be supporting this route in live testimony during the contested case evidentiary hearings before the ALJ.

All of the components of the Applicants'Route are reviewed and assessed in the DEIS. The Applicants' Route consists of 1) segments identified in the Applicants' Route Permit Application (Route Permit Segments), filed with the Minnesota Public Utilities Commission on June 4, 2008, and included in the OES scoping decision issued March 31, 2009; and 2) additional segments identified in the Revised OES Scoping Decision issued Febreuary 11, 2010.

Attachment 1 to these Comments provides a detailed text description of Applicants' Route, identifying which are Route Permit Segments and which Route Modification Segments. Attachment 2 provides maps of the Applicants' Route.

Although all of the route segments comprising the Applicants' Route are evaluated in the DEIS, the Applicants have prepared a table comparing the Applicants' Route with Routes 1, 2, and 3 in the DEIS to provide the public and decision-makers with a direct comparison of the routes. This comparison table is Attachment 3 to these Comments. The impacts are based on a combination of data gathered by the Applicants from existing databases, and new data developed through the Applicants' surveys of the Project area.

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Text, tables, and figures throughout the EIS have been supplemented with description and analysis of the "Applicants' Route," which is referred to as Route Alternative 4.

If you have any questions or need additional information about these Comments, please contact me at 218-739-8416 or akoeckeritz@otpco.com.

Sincerely,

s/Al Koeckeritz
Al Koeckeritz

cc: Stephanie Strength, RUS
Cathy Thompson, CNF
Cristi Corey-Luse, CNF
William Baer, US Army Corps of Engineers
Steve Mortenson, LLBO
Levi Brown, LLBO
Gina Lemon , LLBO THPO
Mary Ann Heidemann, State Historic Preservation Office
Valerie Svennson, Minnesota Department of Transportation
Jamie Schrenzel, Minnesota Department of Natural Resources
John Graves, Minnkota Power Cooperative
Bob Lindholm, Minnesota Power
Michelle Bissonnette, HDR, Inc.
Lydia Nelson, HDR, Inc.

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Attachment 1

APPLICANTS' ROUTE

The Applicants' Route begins at the Wilton Substation, the Project's western endpoint, and travels easterly to the Boswell Substation, the Project's eastern endpoint. The Applicants' Route follows Route 1 for 38.1 miles (55%), and Route 2 for 25.7 miles (37%). The crossover/transition between Routes 1 and 2 is 5.7 miles (8%).

Segment ID*	Length (Miles)	Map Number	Description
Wilton Substation to Cass Lake Substation (This section follows Route 1 for 13 miles and a cross-over segment for 5.7 miles.)			
1	5.2	1 - 2	From the Wilton Substation, the route runs south following two 69 kV power lines for 1.2 miles before intersecting with County State Aid Highway (CSAH) 14. At this point, the route continues south cross-country (on new alignment) for approximately 2,000 feet to the Great Lakes Gas pipeline right-of-way (ROW). The alignment turns southeast following the Great Lakes pipelines. Approximately 1,800 feet west of the Mississippi River, the alignment leaves the Great Lakes ROW to avoid a housing development by turning south for about 1,900 feet, and then east for about 2,700 feet; before returning to the Great Lakes ROW. The route then proceeds southeast to Otter Tail Power's 115 kV transmission line (Bemidji-to-Nary).
15	0.5	2	It then proceeds southeast along the Great Lakes pipeline, where the Bemidji-to-Nary line runs south-southeast, between Marquette and Carr lakes.
17a	0.7	2	Continues to follow the Great Lakes pipeline between CSAH 11 and Madison Avenue SW.
17b (part)	6.6	2 - 4	The route continues southeast following the Great Lakes pipeline to Hubbard County Highway 45. The route expands to allow for a potential alignment that avoids the Bemidji Slough WMA.
K	5.7	4 - 5	At County Road 45, the alignment begins the transition to Route 2 by turning to the northeast to travel cross-country for about 0.5 mile to the Enbridge ROW, just south of the Potlach Facility on the west side of Midge Lake. On the

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Segment ID*	Length (Miles)	Map Number	Description
			south side of Midge Lake, the alignment continues southeast and east along the south side of the Enbridge ROW for over 5 miles to the Cass Lake Substation.
Cass Lake Substation to Pike Bay (This section follows Route 2 for 2.9 miles.)			
21 & F	2.9	5 - 6	The Applicants have identified an alignment through the City of Cass Lake that avoids crossing on or over the St. Regis Paper Superfund site. The alignment exits the Cass Lake Substation going east and is aligned north of the existing Enbridge pipelines to Hwy 371. The alignment turns south along Hwy 371 for about 1,400 feet, crossing the BNSF tracks and then turns east (crossing Hwy 371) at Golf Course Road. The alignment continues southeast for approximately 4,300 feet through a parcel owned by the Chippewa National Forest (CNF), then turns northeast for approximately 1,050 feet, then north for approximately 1,375 feet to the north side of the BNSF tracks. This alignment avoids the St. Regis Superfund site and BNSF lands except where crossing the tracks.
Pike Bay to Bena (This section follows Route 2 for 18.7 miles.)			
31	2.8	6	Beginning on the east side of the City of Cass Lake, the route continues east for about 1.25 miles, north of the BNSF railway and crossing Enbridge pipelines at three separate crossings. The Applicants' Route then crosses to the north side of US Highway 2 to avoid the constrained area with multiple ROWs between Pike Bay and the highway. The route travels on the north side of US Highway 2 for about 1.5 miles to the east side of Pike Bay.
33 (expanded)	15.9	7- 9	On the east side of Pike Bay, Applicants' Route crosses to the south side of US Highway 2 following the Enbridge ROWs. The alignment continues east on the south side of the Enbridge ROW for approximately 15.5 miles to the City of Bena.

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Bena to Mississippi River (This section follows Route 2 for 4.1 miles and Route 1 for 7.5 miles.)			
33 (part, expanded)	4.1	9 - 10	From Bena, the Applicant's Route continues to travel east along the south side of the Enbridge and Great River Energy ROWs, yet north of the Great Lakes and new proposed Enbridge ROWs.
37b (expanded)	7.3	10 - 11	The Applicants' Route rejoins Route 1, which shifted north to parallel the Enbridge pipeline ROW. The alignment is south of existing Enbridge ROW, but north of the Great Lakes and new Enbridge ROW. Applicants' Route continues east following Great River Energy, Enbridge, and Great Lakes ROWs to just west of the Mississippi River.
39	0.2	12	Applicants' Route travels southeast, following Great River Energy's 69 kV power line between Enbridge pipelines and Great Lakes pipelines.
Mississippi River Crossing (This section follows Route 1 for 0.9 mile.)			
41	0.9	12	The alignment then turns east to cross the Mississippi River on the south side of the Enbridge, Great Lakes, and Great River Energy ROWs.
Mississippi River to Boswell Substation (This section follows Route 1 for 16.7 miles.)			
42	0.6	12	Continues east along Great Lakes, Enbridge and Great Lakes Energy ROWs to just east of CR 119.
47	1.4	12	From CR 119, the Applicants' Route departs from the Great Lakes, Enbridge, and Great River Energy ROWs on a cross-country segment by turning south for about 1,580 feet, then east for about 0.7 miles, and then north for about 0.5 mile to avoid residences.
51	0.9	12	Applicants' Route then rejoins the Great Lakes ROWs to head northeast on the south side of Ball Club Lake, past CSAH 18, where Great River Energy's 69 kV power line intersects the Great Lakes ROW.
57	0.9	13	The route continues northeast along the Great Lakes and

			Great River Energy ROWs to where the 69 kV power line turns north.
58	5.8	13 - 14	Heads east from the 69 kV transmission line for about 2.0 miles along the Great Lakes ROW to Cedar Road. At Cedar Road, Segment 58 turns southeast for 3.8 miles paralleling the ROW for Great Lakes pipeline. Segment 58 runs south of the City of Zemple and north of White Oak Lake.
66	0.7	14	Heads east following the Great Lakes ROW from the BNSF railway to CASH 11 and a Minnesota Power 115 kV transmission line.
68	1.8	14	The alignment travels southeast along the south side of the Minnesota Power 115 kV line to the intersection of the line and the BNSF railway.
69	3.7	14 - 15	Continues southeast along the 115 kV transmission line ROW from the intersection of the BNSF railway to the north side of the Boswell Substation.
73	0.9	15	The alignment then turns south along the east side of the Minnesota Power 115 kV line for about 0.9 mile to the Boswell Substation.
Total Route Length	**69.5**		

* Numeric IDs indicate route segments identified in the Route Permit Application; letter IDs indicate route expansion areas described in the Draft EIS. Some segments have IDs from both the Route Application and Draft EIS.

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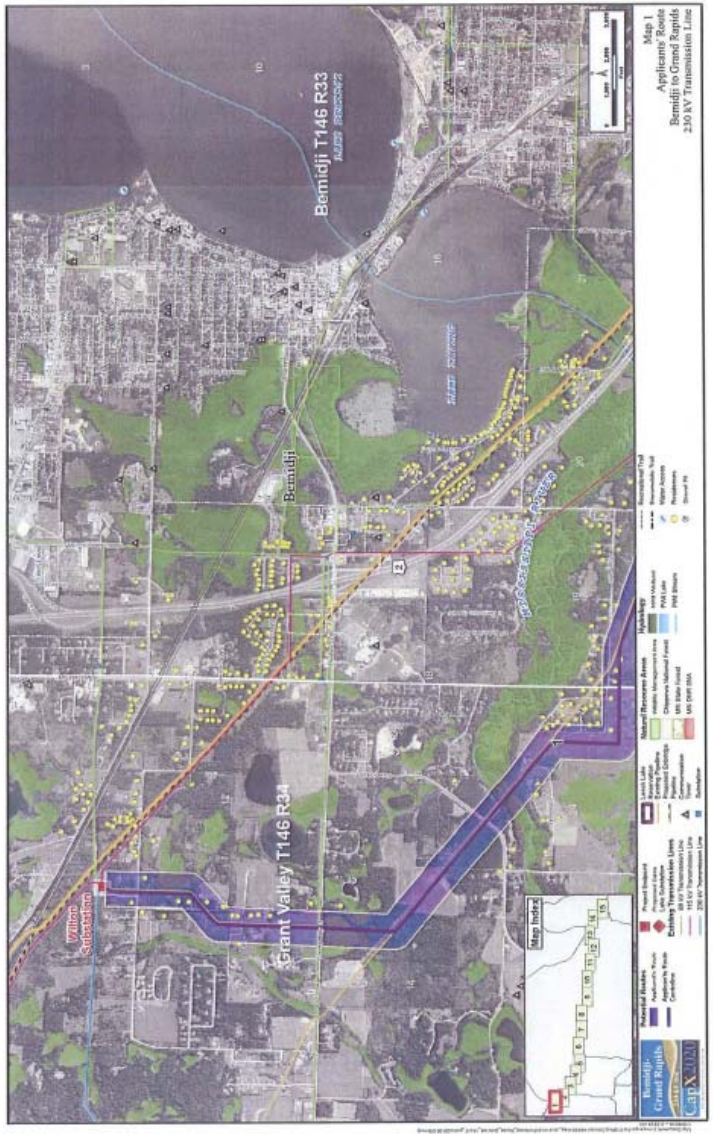

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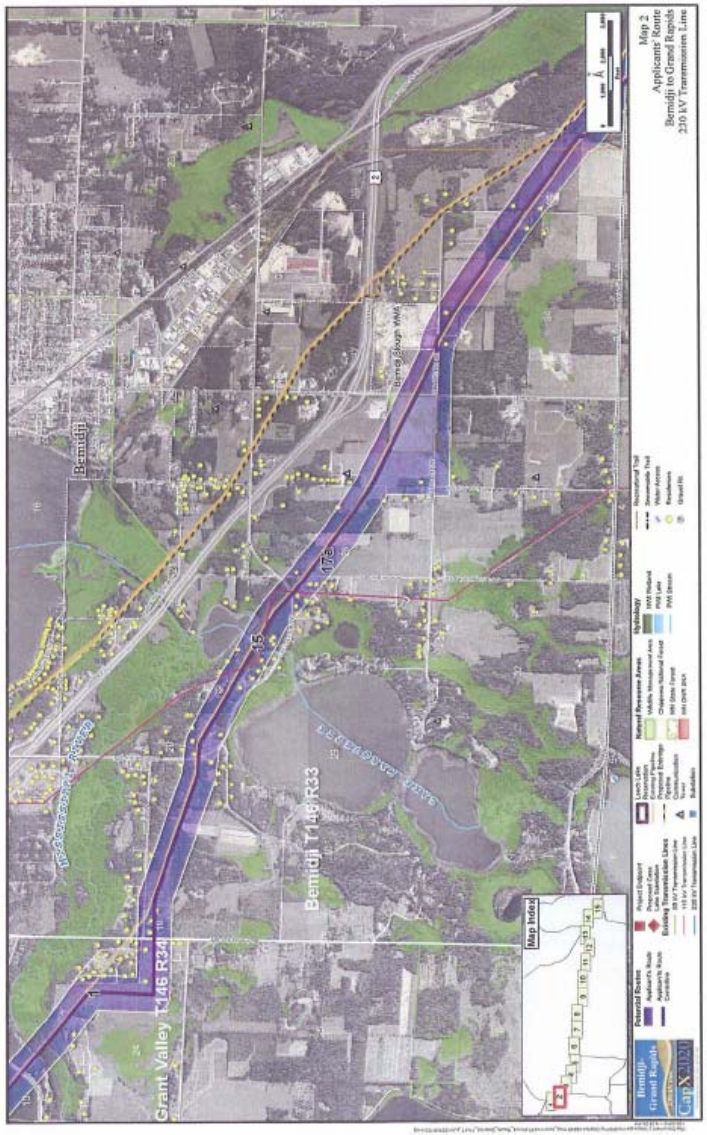

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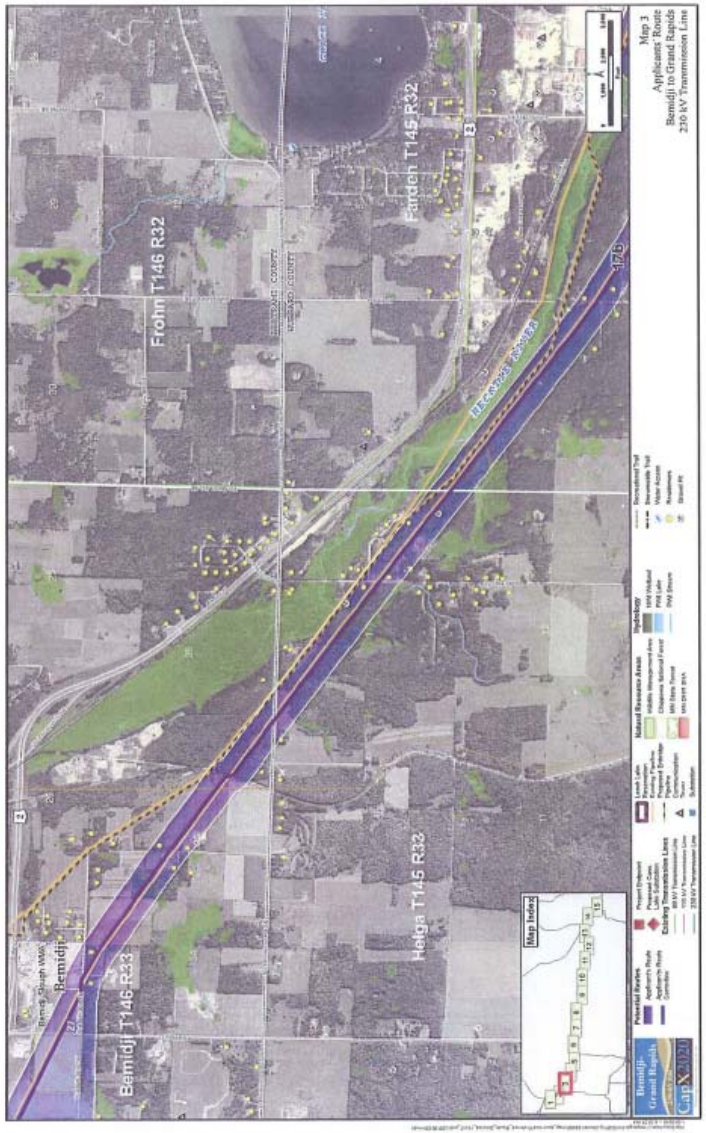

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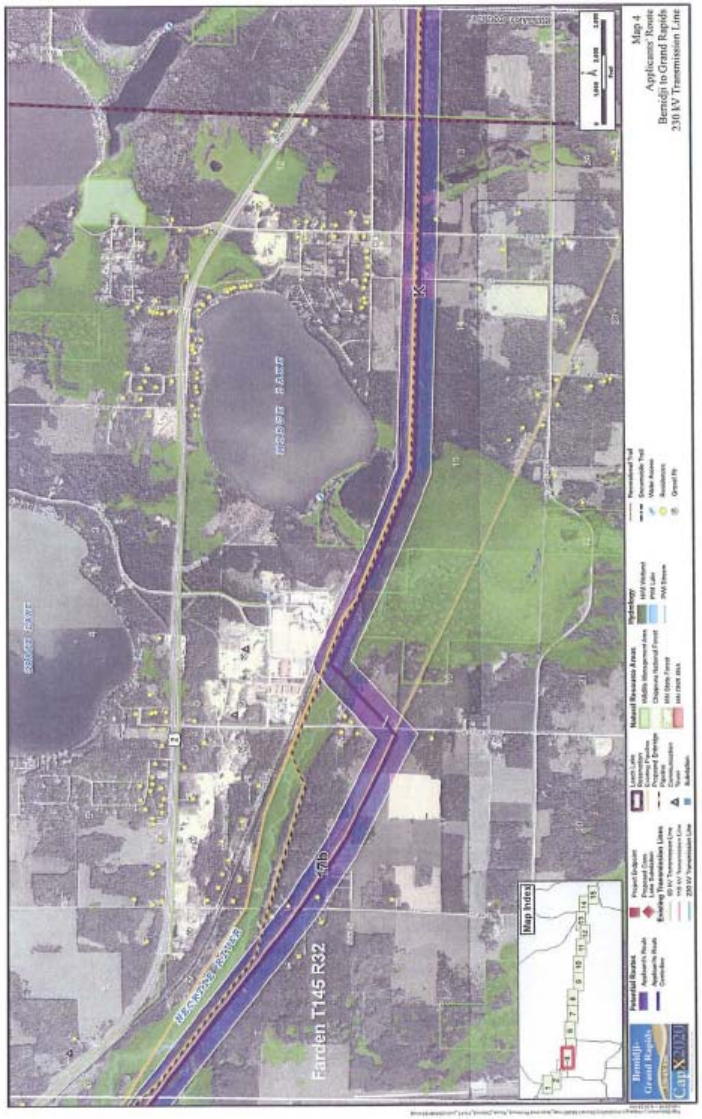

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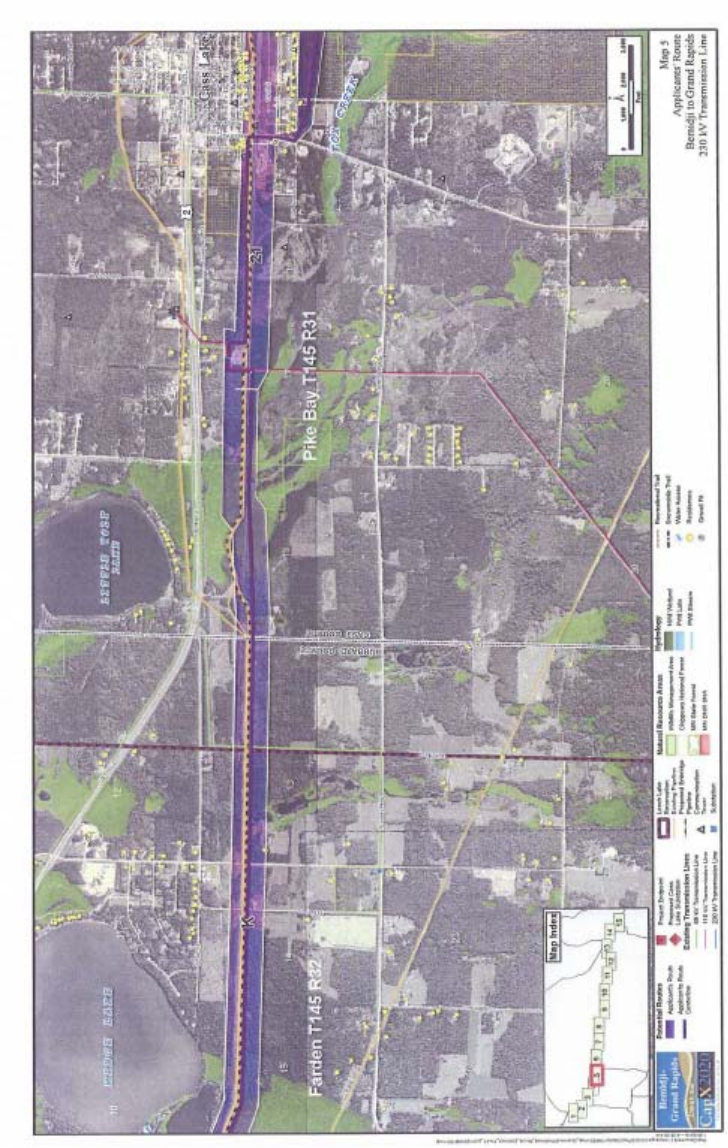

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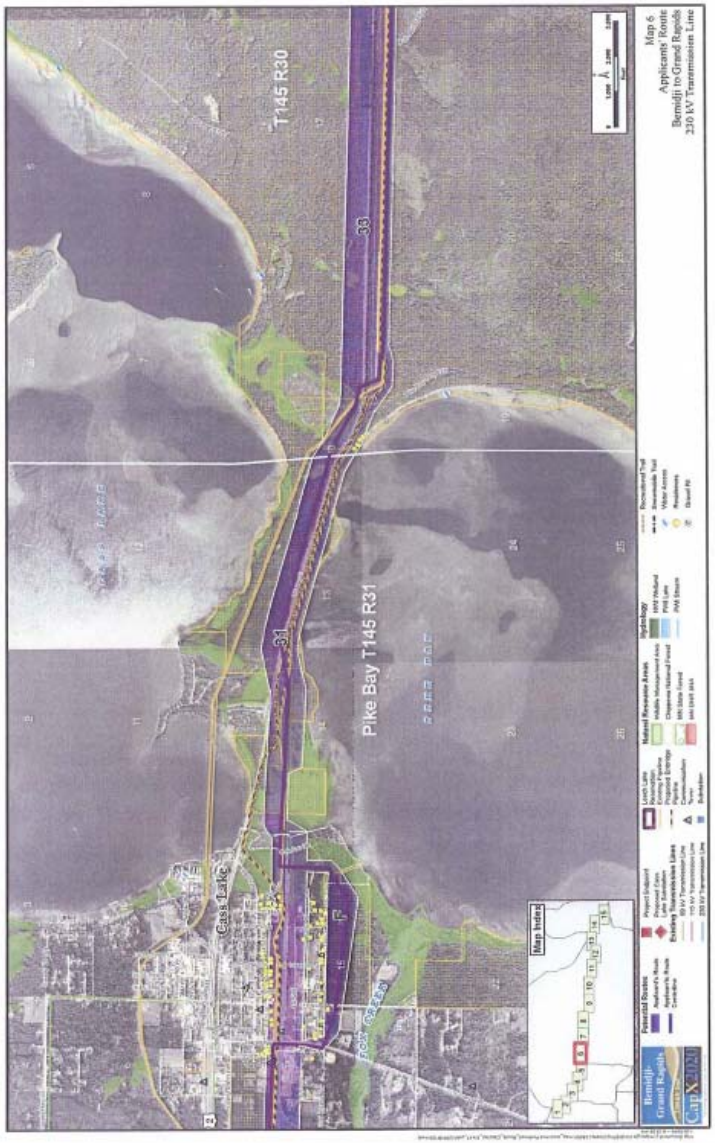

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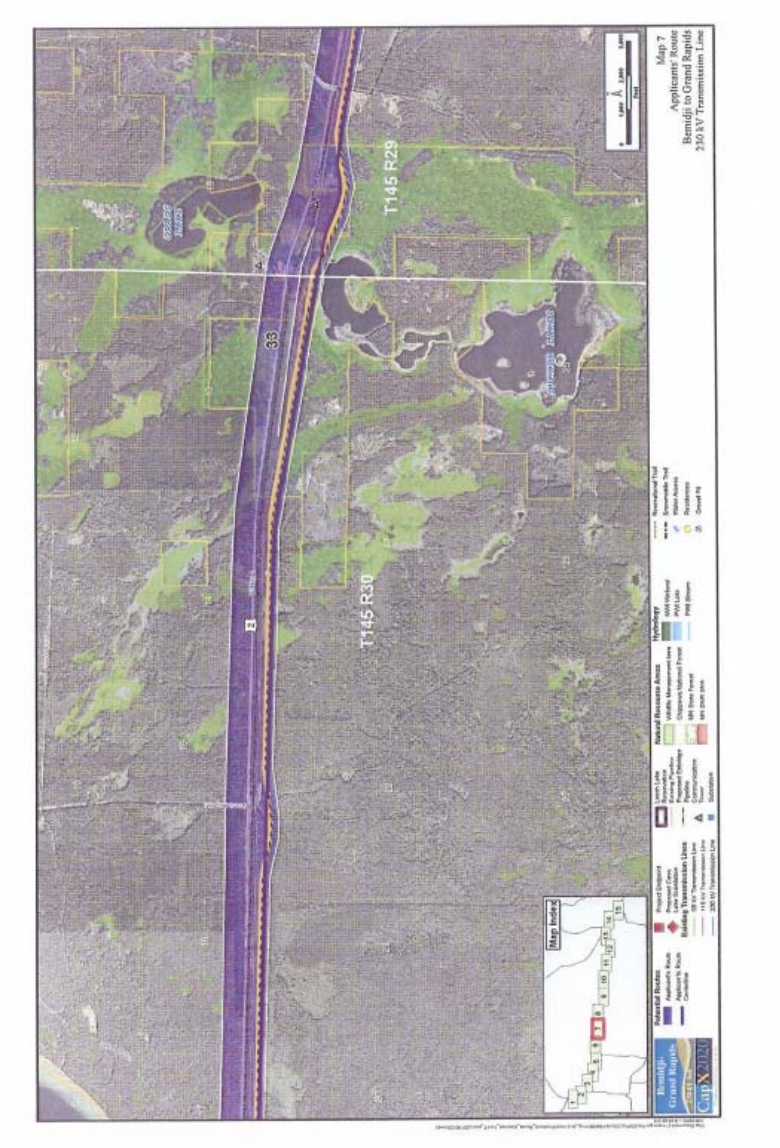

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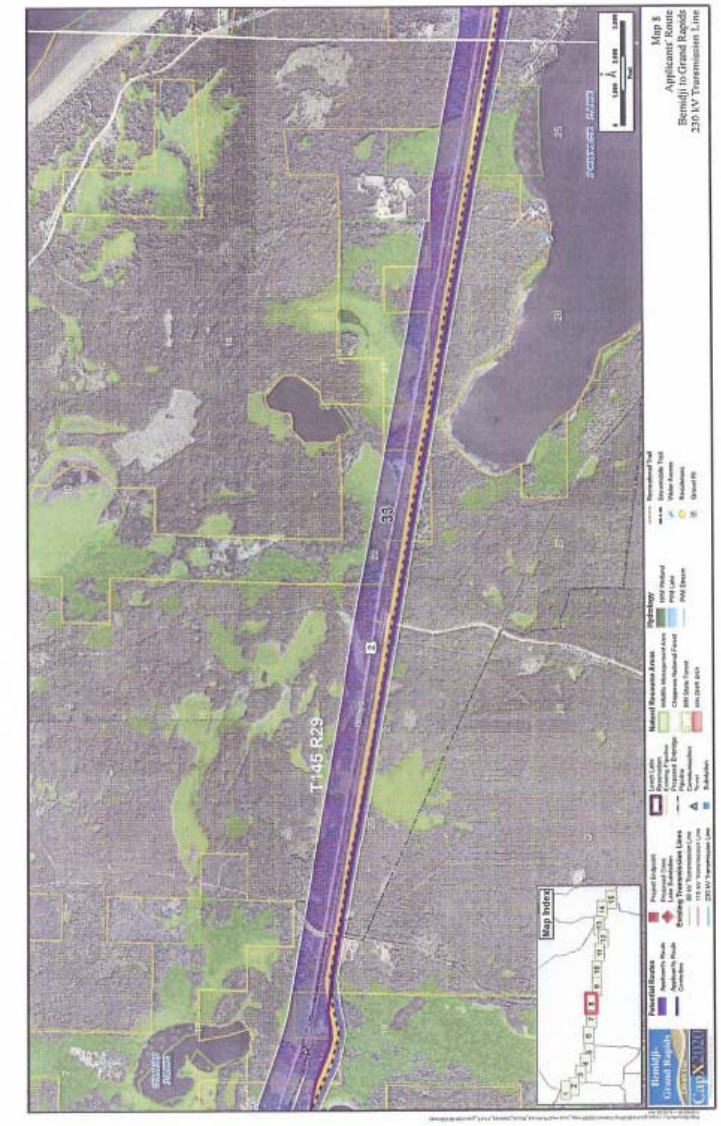

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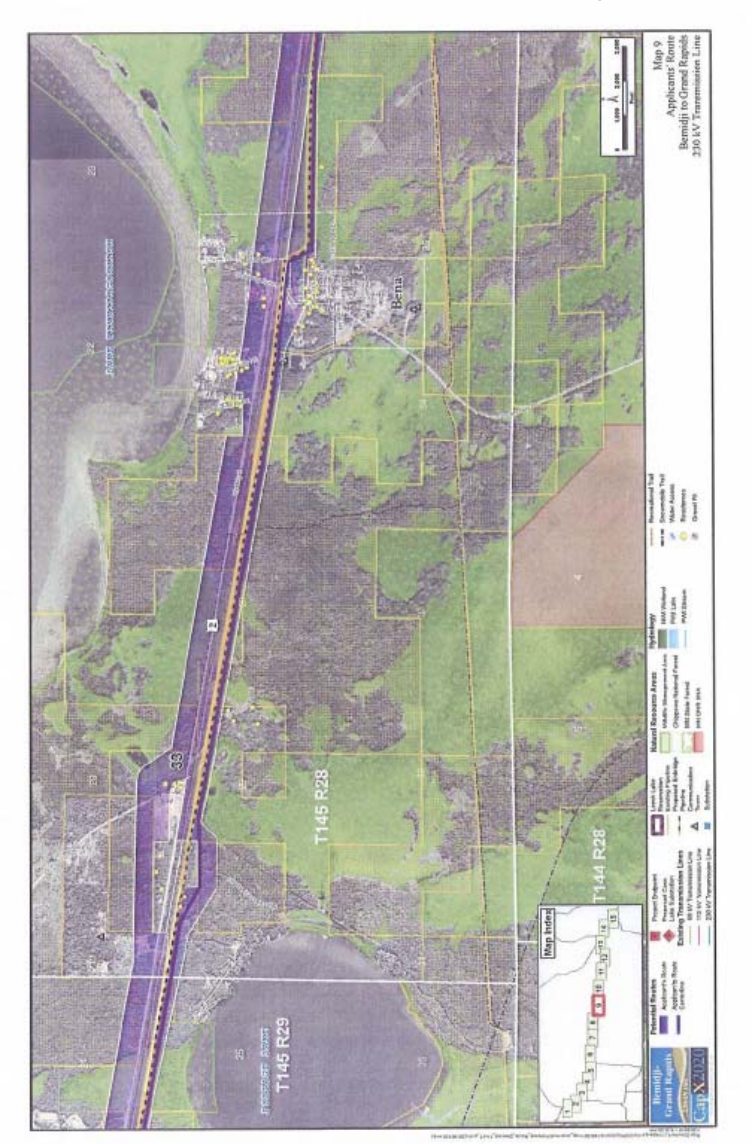

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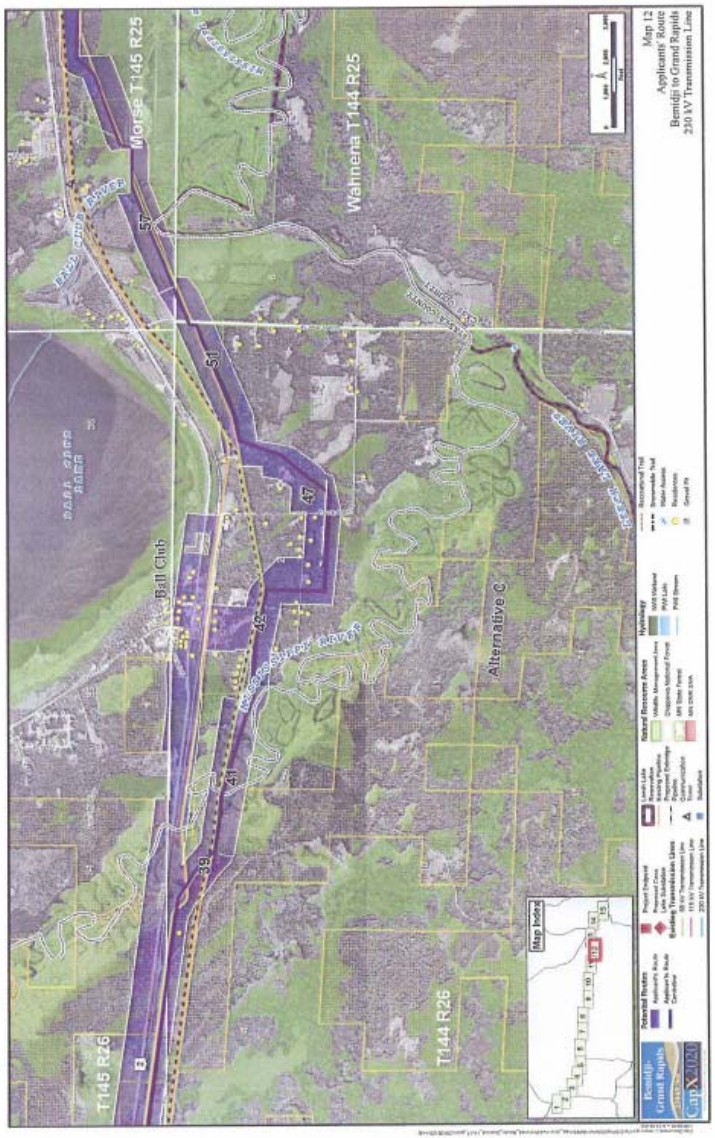

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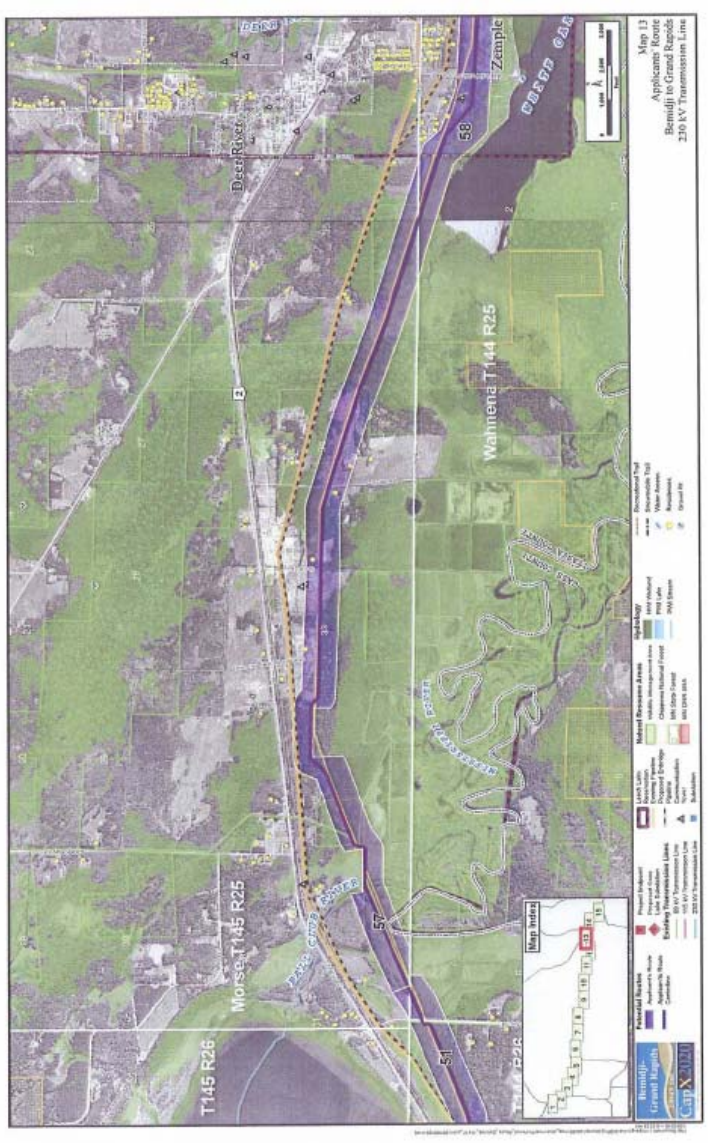

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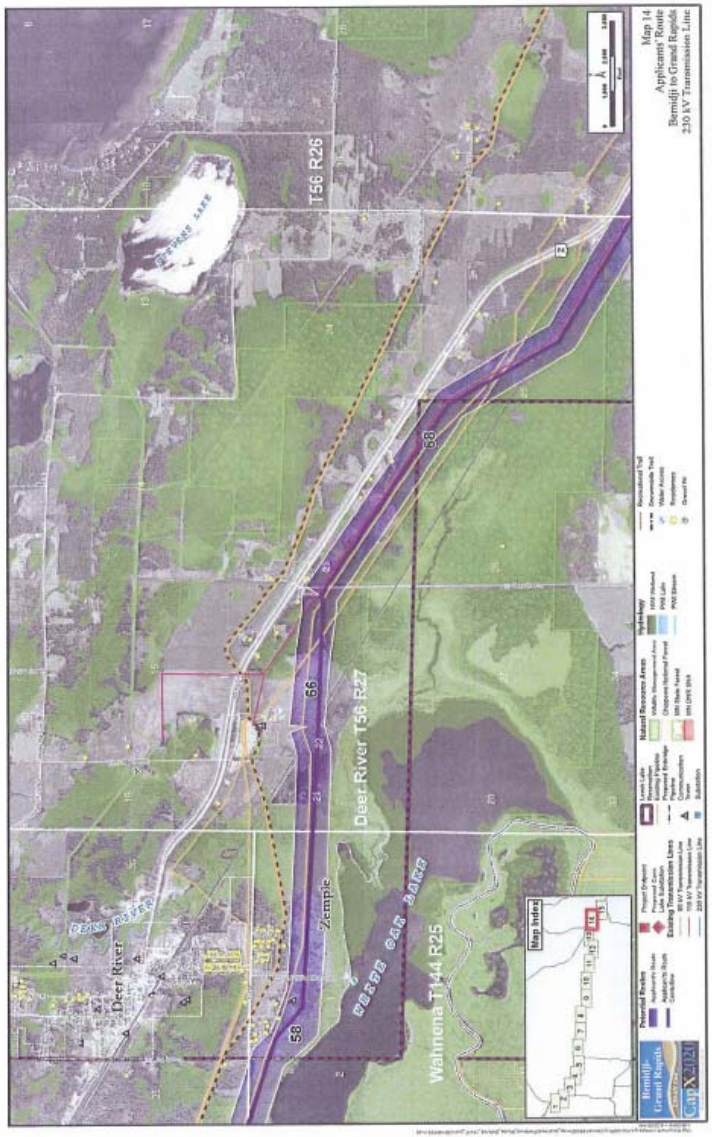

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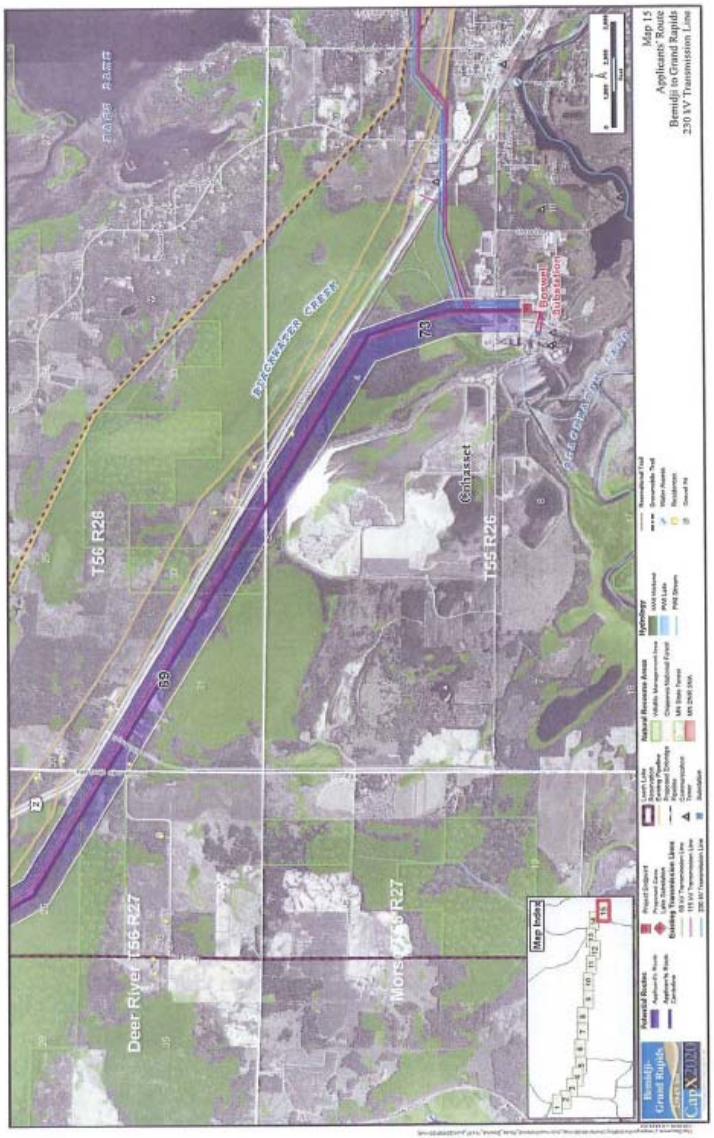

Responses

Route Summary Table - based on 125-foot right-of-way and anticipated centerline.

Criteria Evaluated	Description	Unit Measurement	Route 1	Route 2	Route 3	Applicants' Route
Route Length		Miles	69	68	116	70
Adjacent Linear Features	Transmission	Miles	20	9	91	21
	Pipeline		55	6	8	54
	Railroad		7	8	0	2
	Roads		<1	51	15	2
Greenfield	No existing infrastructure present	Miles	5.4	1.8	1.6	7.7
New ROW required		Acres	1,046	1,032	1,672	1,095
Residents[A]	W/in ROW	Number	3	15	No Data	2
	W/in 1,000 feet		112	296	No Data	106
Wetlands & Waters	Total Wetlands[B]	Acres	292	225	420	317
	Forested Wetland Impact		209	166	110	97
	Public Watercourses Crossings	Number	12	7	23	10
Forested Land	Total	Acres	579	439	823	581
	W/in CNF		294	202	324	249
Agriculture Land[C]		Acres	210	117	503	191
Cultural Resources	Archaeological w/in Route	Number	37	17	No Data	22
	Cemeteries w/in Route		2	1	No Data	0
	Architectural w/in Route		0	13	No Data	15
	NRHP Sites		0	3	0	0
	Total		39	34	No Data	37
Biological Resources[D]	Federal T&E	No. of Species	0	0	1	0
	CNF RFSS		10	6	14	11
	DRM T, E & Sensitive		14	10	22	20
	State T, E & SC		9	4	12	10
Public Lands	CNF	Acres	348	284	353	310
	State		234	195	154 to 197[E]	296
Leech Lake Reservation	w/in LL Boundary	Acres	662	660	3	672
	w/in Trust Lands		0	0	0	0
Superfund Site		Avoid or Impact	Avoids	Impacts	Avoids	Depends on Alt
Total Project Cost		Million Dollars	65	64	TBD	66

[A] The alignment would be altered to avoid homes that lie within the anticipated ROW.

[B] The alignment could be altered and/or structures located to minimize the impact to wetlands that lie within the anticipated ROW.

[C] Agriculture land identified based on GAP Landcover characterized as cropland.

[D] Many of the TES within the Applicants' Route have already been impacted (and mitigated) by recent pipeline construction activities.

[E] Two data sources for amount of state lands within Route 3 right-of-way.

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April 26, 2010

Suzanne Steinhauer
Project Manager
Minnesota Office of Energy Security
85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198

RE: Applicants' Second Set of Comments on the Draft Environmental Impact Statement
In the Matter of the Application for a Route Permit for the Bemidji-Grand Rapids 230 kV Transmission Project,
MPUC Docket No. E017, E015, ET6/TL-07-1327

Dear Ms. Steinhauer:

Otter Tail Power Company, Minnesota Power, and Minnkota Power Cooperative, Inc. (the Applicants) submit the following second set of comments on the Draft Environmental Impact Statement (DEIS) prepared for the Bemidji-Grand Rapids 230 kV Transmission Project (Project) by the Minnesota Department of Commerce Office of Energy Security (OES) and US Department of Agriculture, Rural Utilities Service (RUS). The Applicants' initial set of comments on the DEIS were filed on March 26, 2010.

This second set of comments identifies potions of the text in the DEIS that are either incomplete, unclear, or inaccurate, and provides suggested language to eliminate the gaps, ambiguities, and errors. These comments respond to a mitigation proposal included in the DEIS comments of the US Department of Interior (DOI), and a vegetation management proposal included in a new section to be included in the final EIS- the Traditional Cultural Property Survey of the Project by the Leech Lake Tribal Historic Preservation Office (Leech Lake THPO).

APPLICANTS' COMMENTS ON DEIS

A. Applicants and the Leech Lake Band of Ojibwe

The first sentence of the first paragraph of the section titled "Leech Lake Band of Ojibwe" on page ES-3 of the Executive Summary of the DEIS states that the Applicants have requested a permit for the Project from the Leech Lake Band of Ojibwe (LLBO) Reservation Tribal Council (RTC). This is claim is repeated in Section 1.2.3- Tribal Sovereignty, at the top of page 5 of the DEIS. These statements are incorrect. The Applicants have designed all the

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routes under consideration for the Project to avoid crossing on or over tribal trust land so that no easement or other right-of-way approval is required from the LLBO under the Indian Right-of-Way Act (25 U.S.C. §§ 323-28), National Environmental Policy Act (42 U.S.C. §§ 4368b(b)(1), (d)(1)), Minnesota Chippewa Tribal Land Ordinances (MCT Land Ordinance #3, Section 241), or Leech Lake Reservation Upper Mississippi River Conservation Ordinance (Sections 4.1, 4.2). However, the LLBO has certain hunting and gathering treaty rights and National Historic Preservation Act authority that extend beyond tribal trust land within the Leech Lake Reservation (LLR). In light of this, the Applicants have approached the RTC about the potential impacts of the Project crossing through the LLR, as correctly noted in the first sentence of Section 1.3.5 on page 11 of the DEIS, proposing that the Applicants and RTC enter into an agreement identifying and addressing any such impacts. Revised language is suggested below to eliminate the erroneous assertion that the Applicants have applied to the LLBO for a permit to cross the reservation boundaries.

At page ES-3, in the section entitled Leech Lake Band of Ojibwe, revise the first and last sentences of the section as shown below:

147-1

> The Applicants have ~~requested that~~approached the Leech Lake Reservation Tribal Council (RTC) ~~permit~~regarding a RTC Resolution on the potential impacts of the Project ~~to~~ crossing the proclamation boundaries of the Leech Lake Reservation (LLR).
>
> * * *
>
> This EIS, and other environmental documents issued in connection with the Project, will assist the LLDRM Director in making a decision about the merits of this Project and whether or not to sign a decision notice for the Project, and to prepare any necessary easements and other permits needed to cross the reservation. This EIS will also be used to provide information sufficient to make a decision on the Applicants' proposal on a RTC Resolution on potential impacts of the Project crossing the Reservation.~~request to obtain permission to cross the reservation, and any easements, allotments, Tribal or Band lands, and to receive Reservation Resolution~~.

At page 5, in Section 1.2.3 on Tribal Sovereignty, revise the end of the section as suggested below:

> The LLBO retains sovereignty over lands within their reservation boundaries. The sovereignty applies to all lands within the reservation boundaries, regardless of land ownership.
>
> *Only Congress may decide to abandon the status of lands considered Indian county. Settlement by non-Indians does not withdraw land from Indian country status. Even land owned in fee simple by non-Indians as well as towns incorporated by non-*

Responses

Comment 147-1
Thank you for your comment. It has been noted and included in the record for this EIS.

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Indians are still within Indian country if they are within the boundaries of a reservation or a dependent Indian community. (Minnesota House Research, 2007)

~~The Applicants have requested that the Leech Lake RTC permit the Project to cross the proclamation boundaries of the Leech Lake Reservation. The LLBO has the authority to grant or deny the Applicants request.~~

At page 11, in Section 1.3.5 on the Leech Lake Band of Ojibwe, revise the first and last sentences of the section as shown below:

> The Applicants have approached the Leech Lake Reservation Tribal Council (RTC) regarding a RTC Resolution on the ~~Project's~~ potential impacts of the Project~~to~~ crossing the proclamation boundaries of the Leech Lake Reservation.
>
> * * *
>
> This EIS, and other environmental documents issued in connection with the Project, will assist the LLDRM Director in making a decision about the merits of this Project and whether or not to sign a decision notice for the Project, and to prepare any necessary easements and other permits needed to cross the reservation. This EIS will also be used to provide information sufficient to make a decision on the Applicants' proposal on a RTC Resolution on potential impacts of the Project crossing the Reservation boundaries~~request to obtain permission to cross the reservation, and any easements, allotments, Tribal or Band lands, and to receive Reservation Resolution~~.

B. Nary Breaker Station

147-2

The DEIS states at pages 27-28 that if the Project is located in Segment Alternative A of Route Alternative 1, the Applicants propose a new breaker station be located at Nary Junction, Minnesota to address reliability concerns associated with double circuiting the Project with the existing 115 kV transmission line between Bemidji and Cass Lake. While this reflects the Applicants' discussion of the Nary breaker station in their Route Permit Application for the Project, the Applicants' position has changed; they now believe that a new breaker station should be built at Nary Junction if the Project is located in Routes 1 or 2 or the Applicants' Route (which is a combination of Routes 1 and 2), and regardless of whether the Project is double-circuited with the existing Bemidji to Cass Lake 115 kV line. The Applicants rationale was explained in the testimony of Jason J. Weiers filed in the state contested case proceedings on the route permit for the Project, which is included as Attachment 1 to these comments.

Revised language is suggested below to accurately reflect the Applicants' current position with respect to the Nary breaker station.

Responses

Comment 147-2
Thank you for your comment. It has been noted and included in the record for this EIS.

At pages 27-28, in Section 2.2.2.2 on Substation Improvements, revise the last paragraph of the section as shown below:

> ~~When Segment Alternatives A is used in conjunction with Route Alternative 1, a~~A new Nary 115 kV breaker station would also be constructed to provide enhanced ~~transmission~~ security and reliability to the area's transmission system~~address reliability concerns of double-circuiting of the portion of existing 115 kV transmission line and the Project between Bemidji and Cass Lake~~. Building this 115 kV breaker station would sectionalize the 115 kV circuits serving Bemidji, Cass Lake, Akeley, and Badoura, which will result in fewer customers being affected by system faults between Bemidji, Cass Lake, and Akeley. The addition of the Nary breaker station also connects three 230 kV sources (Wilton, Cass Lake, Badoura) to the underlying 115 kV system, so that a fault on the 115 kV system will only result in the disconnection of one rather than all three 230 kV sources~~It would also provide for back-up (redundant) transmission in the event of an outage of the proposed 230/115 kV double-circuit transmission line~~.

At page 28, in Section 2.2.3 on Route Alternative 2, add a sentence at the end of the section as shown below:

> . . . Including improvements to the Wilton and Boswell substations and the expansion of the existing Cass Lake Substation, the total ~~total~~ capital costs in this Route Alternative is estimated at approximately $65.6 million. Construction of the Nary Breaker Station would add approximately $2.7 million to this cost.

At page 30, in Section 2.2.3.2 on Substation Improvements, add a sentence at the end of the section as shown below:

> . . . Under this alternative, the existing Cass Lake 115/69 kV substation, located in Section 17 of Pike Bay Township (Township 145N, Range 31W) in Cass County, would be expanded by approximately 2.2 acres to accommodate new 230 kV equipment. A new Nary 115 kV breaker station consisting of three 115 kV breakers and associated equipment would be located on a 2.5-acre site adjacent to the existing Nary Switch, located at the intersection of the existing Bemidji to Nary, Nary to Cass Lake, and Nary to LaPorte 115 kV transmission lines (Guthrie Township, Township 144N, Range 33W).

C. Mitigation

Commenter 147 – Otter Tail Power, et al.

Various measures listed in Table ES-3- Summary of Mitigation Measures do not accurately reflect the mitigation text in the DEIS. There are other mitigation measures with which the Applicants disagree. The Applicants suggest revised language below to address these two concerns.

1. In Table ES-3 on page ES-24 under Aesthetics, revise the following measures as shown below to be consistent with the Aesthetics mitigation section in the DEIS:

147-3

> Use of uniform structure designs to the extent practicable that blend into the natural environment (~~i.e.~~g., wood structures).
>
> Placement of structures ~~at the maximum possible distance~~to minimize their visibility from ~~trails, water bodies, and~~ highways, waterways, and trail crossings.
>
> Double circuit the Project with existing transmission or distribution lines to the extent p~~ossible~~racticable and consistent with engineering or system reliability criteria.

2. In Table ES-3 on page ES-24 under Air Quality and Climate, revise the following measure as shown below to reflect the fact that the EPA establishes the air quality standards for the operation of on- and off-road diesel fuel equipment:

147-4

> Maintain construction vehicles~~, limit idling time, and could use~~ consistent with EPA requirements to use ~~15~~ ULSD fuel in ~~all~~ on/off road construction equipment.

3. In Table ES-3 on page ES-24 under Soil and Geology, revise the following measure as shown below to be consistent with the discussion of this issue in the Applicants' Route Permit Application for the Project:

147-5

> Limit setup and staging sites to previously disturbed areas to the extent practicable.

At page 101 of the DEIS, in Section 3.3.3 on Geology and Soils mitigation, revise the second bullet on the Applicants' agreed-to mitigation measures as shown below to be consistent with the discussion of this issue in the Applicants' Route Permit Application for the Project:

147-6

> - Limit setup and staging sites to previously disturbed areas to the extent practicable;

4. In Table ES-3 on page ES-25 under Water Resources, revise the following measure as shown below to be consistent with the Water Resources mitigation section in the DEIS:

> HVTL permit requirement to span all water bodies to the extent

Responses

Comment 147-3
Thank you for your comment. It has been noted and included in the record for this EIS.

Comment 147-4
Thank you for your comment. It has been noted and included in the record for this EIS.

Comment 147-5
Thank you for your comment. It has been noted and included in the record for this EIS.

Comment 147-6
Thank you for your comment. It has been noted and included in the record for this EIS.

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practicable~~ossible~~.

5. In Table ES-3 on pages ES-25 to ES-26 under Wetlands, revise the following measures as shown below to be consistent with the Wetlands mitigation section in the DEIS:

147-7

> ~~Plant or seed non-agricultural areas disturbed by transmission line structures to prevent runoff. Use native seed mixes from the indigenous plants and plant indigenous plants located in the immediate disturbed soil area; ensure seeking and/or plantings are done in a time congruent with seeding and growth of the area, not during a time that would preclude germination or rooting~~
>
> Schedule construction during frozen ground conditions when possible.
>
> Assemble structures on upland areas before transporting into wetlands when practical.

6. In Table ES-3 on page ES-26 under Biological Resources, revise the following measure as shown below to be consistent with the Biological Resources mitigation section in the DEIS:

147-8

> Reseed disturbed areas following construction with a LLDRM/CNF/MnDNR approved native species seed mix to restore native vegetation cover. Seed mix will be developed in conjunction with appropriate resource agencies taking into consideration culturally important species.

7. In Table ES-3 on page ES-26 under Species of Special Concern, revise the following measure as shown below to clarify that a mitigation plan will be developed if the Project itself is placed in close proximity to a population of Orabanche Uniflora:

147-9

> An *Orabanche* ~~u~~*Uniflora* Mitigation Plan will be developed if the Project ~~Route~~ is placed in close proximity of the known populations(s).

8. In Table ES-3 on page ES-27 under Land Use, revise the following measure as shown below to be consistent with the discussion of this issue in the Applicants' Route Permit Application for the Project:

147-10

> Limit setup and staging sites to previously disturbed areas to the extent practicable.

At page 257 of the DEIS, in Section 3.10.3 on Land Use mitigation, revise the second bullet on mitigation measures as shown below to be consistent with the discussion of this issue in the Applicants' Route Permit Application for the Project:

Responses

Comment 147-7
Thank you for your comment. It has been noted and included in the record for this EIS.

Comment 147-8
Tables ES-3 and 5-2 have been edited with the recommended changes.

Comment 147-9
Tables ES-3 and 5-2 have been edited with the recommended changes.

Comment 147-10
Thank you for your comment. It has been noted and included in the record for this EIS.

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- The Applicants could limit construction staging an lay-down areas to previously disturbed areas to the extent practicable;

In Table ES-3 on page ES-27 under Land Use, revise the following measure as shown below to be consistent with the Land Use mitigation section of the DEIS:

Adjust conductor spans to avoid sensitive land use areas to the extent practicable.

9. In Table ES-3 on page ES-28 under Recreation and Tourism, revise the following measure as shown below to be consistent with the discussion of this issue in the Applicants' Route Permit Application for the Project:

147-11

Conduct construction at water access points during winter months to the extent practicable.

At page 349 of the DEIS, in Section 3.13.3 on Recreation and Tourism mitigation, revise the fourth bullet on mitigation measures as shown below to be consistent with the discussion of this issue in the Applicants' Route Permit Application for the Project:

~~Winter c~~Constructing~~on~~ the Project at water access points during the winter to the extent practicable would limit the impacts ~~to~~on access during the construction phase of the Project~~,~~ because a majority of ~~these locations~~access points experience greater visitor usage during other seasons of the year.

10. In Table ES-3 on page ES-28 under Agriculture, revise the following measure as shown below to be consistent with the Agriculture mitigation section of the DEIS:

147-12

~~Use of a single pole structure for placement on agricultural land~~Place structures pursuant to consultation with landowners to minimize impacts to farming to the extent practicable.

11. In Table ES-3 on page ES-29 under Utility Systems, revise the following measures as shown below to be consistent with the Utility Systems mitigation section of the DEIS:

147-13

Design and place structures away from~~Communicate with local~~AM radio antenna~~broadcasting stations~~ to the extent practicable~~confirm~~ to~~hat~~ avoid blocking interference ~~does not occur due to structure placement~~.

Detun~~cing of~~ transmission line structures if ~~receiving antennae modifications do not~~necessary to eliminate interference with AM radio ~~frequencies~~broadcast stations.

Responses

Comment 147-11
Thank you for your comment. It has been noted and included in the record for this EIS.

Comment 147-12
Text in Tables ES-3 and 5-2 has been modified to note that single pole structures are recommended as a mitigation measure if placement of H-frame structures can not be sited to minimize the impacts to farming operations. The recommended additional statement on mitigation appears in Tables ES-3 and 5-2 of the EIS.

Comment 147-13
Text in Tables ES-3 and 5-2 regarding detuning of structures has been editing with the recommended changes. Text in Tables ES-3 and 5-2 regarding communication with stations has not been removed from the EIS. Communication with station personnel to ensure interference avoidance has been achieved is a potential mitigation measure.

Conduct computer modeling of AC interference to ensure that proper~~ty~~ mitigation is designed and installed prior to energizing the transmission line.

D. Miscellaneous

1. Revise Section 3.9.1- Introduction to Cultural Resources and Values at page 227, the first sentence of the first full paragraph as shown below to identify Minnkota as the only Applicant seeking RUS financing:

147-14

> One of the Applicants, Minnkota Power Cooperative, Inc., ~~Otter Tail Power Company and Minnesota Power (Applicants) are~~is seeking financial assistance from RUS for the construction of ~~a~~the 230 kV transmission line between the cities of Bemidji and Grand Rapids in Northern Minnesota.

147-15

2. In light of the varied interests and preferences of the managers of other public and private forests, eliminate the last sentence of Section 3.15.3 on Forestry mitigation on page 380 of the DEIS that proposes that CNF's construction standards for the Project can be imposed as best management practices to be followed by the Applicants in other forests, public or private.

APPLICANTS' COMMENTS ON DOI MITIGATION AND LEECH LAKE THPO VEGETATION MANAGEMENT PROPOSALS

A. DOI Mitigation Proposal

The April 15, 2010 comments of the DOI on the DEIS note that the US Fish and Wildlife Service "strongly encourages adherence" to its National Bald Eagle Management Guidelines (USFWS, May 2007) (FWS Eagle Guidelines). DOI Comments at page 3. DOI then lists a series of "guidelines" [that] should be followed in order to minimize disturbance to nesting bald eagles along any of the [Project's] route alternatives," including:

> • To avoid collisions, site high voltage transmission lines at least two miles away from nests, foraging areas, and communal roost sites.

147-16

Id. The DOI provides no authority for its two-mile guideline.

The FWS Eagle Guidelines state that power line construction that is visible from an active eagle nest should be no closer than 660 feet to the nest to avoid disturbing the eagles. FWS Eagle Guidelines at page 12. The recommended distance for all other temporary activities visible from a nest is anywhere from 330 feet to ½ mile. *Id.* at pages 12-14. While the Guidelines note that siting a high voltage transmission power line away from bald eagle nests, foraging areas, and communal roost sites to avoid collision is a management practice that can benefit eagles, there is no minimum distance specified. *Id.* at page 15. Because DOI's proposal

Responses

Comment 147-14
Text in Section 3.9.1 has been edited to correct the noted error.

Comment 147-15
Text in Section 3.15.3 has been modified to indicate that CNF standards could be applied for Project construction on LLR, state, and private forests, if approved and authorized by forest administrators.

Comment 147-16
Thank you for your comment. Text in Section 3.8.1.1 of the EIS has been modified to note that the guidance may not be feasible to follow given the high density of bald eagles in the Study Area.

that the Project should be sited at least 2 miles from eagle nests, foraging areas, and communal roosts to avoid collision is not supported by the FWS Eagle Guidelines, it is not a reasonable mitigation measure to impose on the Project.

147-17

B. Leech Lake THPO Maintenance Proposal

Appendix A of the Traditional Cultural Property Survey developed on the Project by the Leech Lake THPO proposes that the Applicants engage in discussions with the Leech Lake Division of Resource Management (LLDRM) with the goal that LLDRM take over primary responsibility for vegetation management of the Project's right-of-way. Under state law, all utilities are primarily responsible for maintaining their right-of-way, subject to direction of the Minnesota Public Utilities Commission. Minn. Stat. §§ 216B.029; 216B.04; 216B.79; Minn. R. 7826.0300. This is not an obligation that the Applicants can delegate to another entity, nor that any federal or state agency other than the Commission can direct be delegated to another entity.

If you have any questions or need additional information about these Comments, please contact me at 218-739-8416 or akoeckeritz@otpco.com.

Sincerely,

s/Al Koeckeritz
Al Koeckeritz

Attachment

cc: Stephanie Strength, RUS
Cathy Thompson, CNF
Cristi Corey-Luse, CNF
William Baer, US Army Corps of Engineers
Steve Mortenson, LLBO
Levi Brown, LLBO
Gina Lemon , LLBO THPO
Mary Ann Heidemann, State Historic Preservation Office
Valerie Svennson, Minnesota Department of Transportation
Jamie Schrenzel, Minnesota Department of Natural Resources
John Graves, Minnkota Power Cooperative
Bob Lindholm, Minnesota Power
Michelle Bissonnette, HDR, Inc.
Lydia Nelson, HDR, Inc.

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~~2484607v2~~

Comment 147-17
Thank you for your comment. It has been noted and included in the records for this EIS. The statute and rules cited by Applicants refer to the obligation of utilities to provide safe and adequate service and comply with OSHA and industry standards. The statute and rules cited do not explicitly state that it must be utility employees who ensure that standards are maintained.

Attachment 1

Excerpt of Pre-filed Testimony of Jason J. Weiers

Commenter 147 – Otter Tail Power, et al.

Responses

Before the Minnesota Public Utilities Commission

State of Minnesota

In the Matter of the Application for a Route Permit for Bemidji-Grand Rapids 230 kV Transmission Project

Docket No. E017, E015, ET-6/TL-07-1327

Exhibit _____

ASSOCIATED FACILITIES, DOUBLE CIRCUITING, AND IMPACTS OF ROUTE SELECTION ON PROJECT PERFORMANCE

Direct Testimony and Schedule of

JASON J. WEIERS

January 27, 2010

Direct Testimony and Schedule
Jason J. Weiers

Before the Minnesota Public Utilities Commission

appropriate areas, or by using a technique called "phase raising." Phase raising involves cutting through the structures close to the ground and placing steel spacers in them for added height and structural integrity.

None of the thermal upgrade work will alter the operating voltage of the lines, nor their existing rights-of-way.

Q. What is the reason for proposing the new Nary Junction Breaker Station?

A. The existing 115 kV system between Bemidji and Akeley serves several communities and large customers. This 115 kV system stretches nearly 60 miles from the Bemidji Substation south to the Akeley Substation and east to Cass Lake, with the only fault-interrupting devices for the entire area located at these two substations. The drawback of this configuration is that a fault occurring anywhere between Bemidji and Akeley can affect customers throughout the entire area. While this configuration does provide the area with adequate and reliable service, it is not an optimal design. To improve the reliability and effectiveness of this system, the existing 115 kV switches at Nary Junction should be replaced with three 115 kV circuit breakers.

Q. How will the effectiveness of this 115 kV system be improved by a breaker station at Nary Junction?

A. The effectiveness of the system will be improved with respect to both its reliability and its operational flexibility.

Q. Please describe how the 115 kV system's reliability will be improved.

A. The Nary Breaker Station will improve reliability in the area because it sectionalizes the system and provides fault-interrupting capability at a critical location in the existing 115 kV system. This will result in fewer customers being affected by faults on the transmission system between Bemidji, Cass Lake, and Akeley. For example, customers served from this existing 115 kV line between Nary and Bemidji, such as those served from the Helga Substation, will likely see fewer interruptions. This is because customers served from the Helga Substation

will only be exposed to faults between Nary and Bemidji rather than anywhere along the 60 miles of 115 kV power line between Bemidji, Akeley, and Cass Lake.

The Nary Junction Breaker Station will also improve system reliability in the event of a double contingency. While the transmission system within this region must be designed to withstand any single (N-1) outage and still serve all customers within the region, assessments of the transmission system also include analyzing its ability to withstand double (N-2) outages. Evaluations of the transmission system within the Bemidji area show that it will not be able to serve all customer load for all N-2 outages. However, the addition of the Nary Junction Breaker Station connects three 230 kV sources (Wilton, Cass Lake, Badoura) to the underlying 115 kV system. This makes the entire transmission system more robust. This configuration will allow at least two 230 kV sources to remain available if there is a fault on the underlying 115 kV system. Without the Nary Junction Breaker Station, a fault on the underlying 115 kV system will result in the disconnection of all three 230 kV sources.

Q. **Describe how the addition of the breaker station will improve operational flexibility.**

A. The transmission system operators will be able to restore customers more quickly since the equipment at the Nary Junction Breaker Station will be remotely controlled from dispatch centers rather than manually switched by field personnel. This will allow faulted transmission elements to be more quickly isolated.

The Nary Breaker Station will also provide operational flexibility with respect to planned outages on the transmission system. For example, during the winter of 2007/2008, Minnkota Power needed to energize a new 115/12.5 kV substation in Helga township. Its request for an outage of the Bemidji-to-Akeley 115 kV line to do so was denied by MISO several times due to the critical impact on the area when this nearly 60 miles of 115 kV line is de-energized. The addition of the Nary Breaker Station would allow shorter line lengths to be de-energized for

facility construction and maintenance, thereby minimizing the operational impact of such activities on the existing 115 kV system.

Q. Please describe what the Nary Junction Breaker Station entails.

A. The new 115 kV breaker station would be located adjacent to the existing Nary Junction on an approximately 5-acre site within a fenced and graded area of approximately 200 feet by 200 feet. The breaker station would consist of three 115 kV circuit breakers and nine new 115 kV switches; communications, relay and control equipment; three 115 kV line termination structures; and a control house. An improved access road and small parking lot would also be required to move equipment to the site. The estimated cost of the Nary Breaker Station is $2.7 million.

III. DOUBLE CIRCUITING

Q. What is the Applicants position on double circuiting portions of the Project?

A. Double circuiting the Project with other power lines is a possibility in certain areas. While the benefit of double circuit design is that it utilizes existing rather than entirely new power line right-of-way for a new transmission facility, there are reliability issues that must be taken into consideration. This is because a single incident (for example, high winds) could result in a simultaneous outage of both circuits.

There are also maintenance and cost issues that must be addressed. Extra operational precautions are required when performing planned and emergency maintenance on a double circuit line. Also, the construction costs of double circuiting are significantly greater than the cost of constructing a new single circuit line parallel to an existing line.

Q. In what areas is double circuiting the Project a possibility?

A. Assuming Applicants' Route is selected, the Project could be double circuited with the following lines without significantly impacting system reliability: