1. Introduction

Otter Tail Power Company, Minnesota Power, and Minnkota Power Cooperative (Applicants) propose to construct a 230 kilovolt (kV) transmission line between the Wilton Substation, located west of Bemidji, Minnesota, and the Boswell Substation in Cohasset, Minnesota as well as upgrades to both the Wilton and Boswell substations (Project). Depending upon the route selected, the Project may also expand the existing Cass Lake Substation or construct a new substation in the Cass Lake area.

High voltage transmission lines constructed in Minnesota require a route permit from the Minnesota Public Utilities Commission (Commission). The route permitting process is governed by Minnesota Rules part 7850. The Applicants made a joint application to the Commission for a Route Permit for the Project. As part of the permitting process for a high voltage transmission line, the Minnesota Department of Commerce Office of Energy Security (OES) prepares an Environmental Impact Statement (EIS) on the Project.

The Route Permit application, actions by the Commission, and certain procedural documents related to the Minnesota route permitting process may be accessed at http://energyfacilities.puc.state.mn.us/Docket.html?Id=19344 and on the Commission's eDockets website available on the Commission's website at http://www.puc.state.mn.us/. Click on the "Search eDockets" button, then enter the year "07" and the sequence number "1327."

Minnkota Power Cooperative has approached the United States Department of Agriculture Rural Utilities Service (RUS) for financial assistance to construct the Project. RUS has determined that the agency's determination of whether to finance the Project would constitute a major federal action that may have a significant impact upon the environment within the context of the National Environmental Policy Act of 1969 (NEPA). RUS serves as the lead federal agency for the NEPA environmental review of the Project.

As co-lead agencies OES and RUS prepared this EIS in compliance with the requirements of NEPA and the Council on Environmental Quality regulations for implementing NEPA (40 CFR 1500 -1508). RUS must also meet treaty and trust obligations of the Federal Government to the Leech Lake Band of Ojibwe (LLBO). This EIS was prepared to meet the following key objectives:

- Identify and assess potential impacts on the natural and human environment that would result from the Project;
- Identify and assess the potential impacts of the Project on the Federal Treaties and Trust Obligation to the Leech Lake Band of Ojibwe;
- Describe and evaluate reasonable alternatives, including a No-Build alternative, to the Project that would avoid or minimize adverse effects to the environment; and
- Identify specific mitigation measures to minimize environmental impacts.

In addition to the co-lead agencies, the U.S. Forest Service (USFS) Chippewa National Forest (CNF), the U.S. Army Corps of Engineers (USACE), the Leech Lake Division of Resource Management (DMR), and the Leech Lake Band of Ojibwe Indians (LLBO) agreed to assist RUS as cooperating agencies in preparing this EIS.

The Purpose and Need for the Project is described in Section 1.1. The Regulatory environment within which the Project is proposed is described in Section 1.2. The role of the EIS in each agency's decision is described in Section 1.3.

1.1. Project Purpose and Need

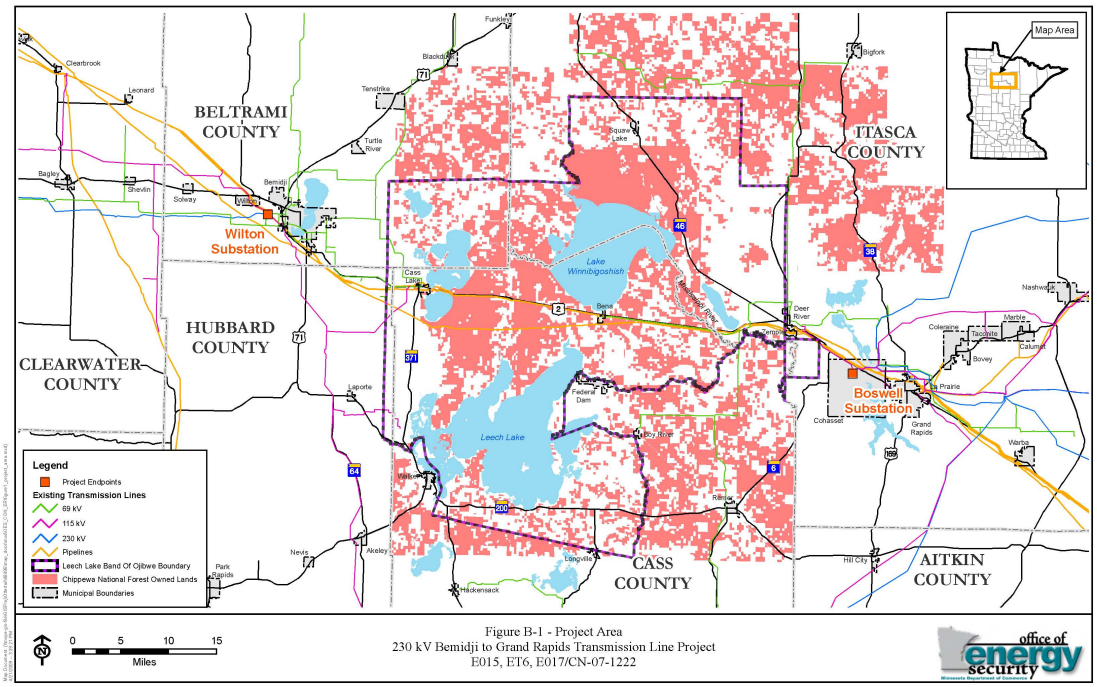
The Applicants propose to construct and operate the Project to meet projected future electric demand and to maintain electric transmission reliability standards in accordance with the requirements of the North American Reliability Council (NERC). The Project would also facilitate the addition of new generation sources in the region by increasing the transfer of additional capacity from the North Dakota Export boundary to the Twin Cities metropolitan area. At the time of this EIS, there are no specific generation projects and therefore the assessment of the impacts of new generation is not included in this EIS.

NERC is the international regulatory authority for reliability of the bulk power system in North America. The United States Federal Energy Regulatory Commission has granted NERC the legal authority to enforce Reliability Standards with all users, owners, and operators of the bulk power system in the United States, and made compliance with those standards mandatory and enforceable.

The need for improvements to maintain electric transmission reliability in the Bemidji area, as well as the larger northwestern Minnesota and eastern North Dakota region has been the subject of several studies since 2002. These studies are summarized in the *Alternative Evaluation Study* prepared by RUS (see Section 1.2) and in the *Environmental Report* prepared for the Project by OES.

The Bemidji area (shown in Figure 1-1) includes the communities of Bagley to the west, Walker to the south, and Blackduck to the northeast, as well as a large portion of the Leech Lake Reservation. In addition to meeting the future needs of the Bemidji area, the Project is intended to maintain regional transmission reliability for the larger northwestern Minnesota and eastern North Dakota region.

Figure 1-1: Bemidji Area



The Bemidji area is currently served by three transmission lines (the Winger–Wilton 230 kV line, the Winger-Bagley-Solway-Wilton 115 kV line, and the Badoura-Akely-Bemidji-Wilton 115 kV line) and one generator (Otter Tail Power's 40 megawatt [MW] Solway Generating Station).

The area is susceptible to low voltage conditions if the Winger–Wilton 230 kV transmission line is out of service during winter peak load conditions. The electric power demand in the Bemidji area is growing at a rate of approximately 2 percent per year. Although interim measures to improve the electric transmission system have been taken, such as adding voltage support, the peak load is anticipated to reach 296 MW by the winter of 2011-2012, or approximately 135 percent of the system's maximum load-serving capability of 220 MW. The Applicants estimate peak load to reach approximately 360 MW, or 164 percent of the system's maximum load serving capacity, by winter 2022-2023. Without improvements to address this deficit, the area would be in a situation of local load-serving inadequacy, meaning that in the event of the loss of local transmission capability, the area could be subject to brownouts or blackouts.

Portions of the Red River Valley and eastern North Dakota have been identified as areas for the potential development of wind energy generation sources. Although the Project would facilitate the addition of new generation sources in the region, specific generation, wind or otherwise, are not associated with this Project.

1.2. Regulatory Framework

This section summarizes principle federal and state regulations affecting the permitting process and the required environmental documentation for the Project. The Project would be subject to additional federal, state, and local regulations and permit conditions identified in Section 6.

1.2.1. National Environmental Policy Act

NEPA requires federal agencies to integrate environmental values in their decision-making processes by considering the environmental impacts of, and reasonable alternatives to, their proposed actions. For major federal actions that have the potential to cause significant adverse impacts on the environment, NEPA requires agencies undertaking the action to prepare an EIS.

RUS has determined that providing financial assistance for the construction and operation of the Project constitutes a major federal action that may significantly affect the quality of the natural and human environment. Therefore, the EIS process is underway in accordance with 7 CFR 1794 Subpart G - Procedure for Environmental Impact Statement.

1.2.2. Treaties of the United States Government with the Leech Lake Band of Ojibwe

The United States entered into a number of treaties with the Leech Lake Band of Ojibwe under which the LLBO retained rights to many of the resources on the LLR. All Federal agencies have trust obligations to assure that this Project does not infringe or negate the LLBO's ability to exercise these retained treaty rights.

1.2.3. Tribal Sovereignty

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 country. 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-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.

1.2.4. Section 106 of the National Historic Preservation Act

Section 106 of the National Historic Preservation Act (NHPA), 16 U.S.C. § 470f, requires federal agencies to take into account the effect of their undertakings on historic properties and to provide the Advisory Council on Historic Preservation (ACHP) with a reasonable opportunity to comment on such undertakings. This federal statutory requirement is implemented by a regulation, "Protection of Historic Properties" (36 CFR Part 800), promulgated by the ACHP. RUS may provide financial assistance for the construction and operation of the Project, thereby making it an undertaking subject to review under Section 106 and its implementing regulations.

Along with RUS, two other agencies have a compliance responsibility under Section 106 for the Project. The USACE may issue a permit under Section 404 of the Clean Water Act for the Project, thereby making it an undertaking subject to review under Section 106 and its implementing regulation. In addition, the CNF is considering a special use permit to construct and operate the Project on NFS lands. Issuance of such a permit is an undertaking subject to review under Section 106 and its implementing regulation.

In accordance with 36 CFR § 800.2(a)(2), RUS, USACE, and CNF may designate a lead agency for the purposes of review under Section 106. The lead agency shall act on behalf of all of the agencies, fulfilling their respective responsibilities under Section 106 and its implementing regulation.

Pursuant to 36 CFR § 800.8(a), federal agencies are encouraged to coordinate compliance with Section 106 and its implementing regulation with the steps taken to meet the requirements of NEPA. In doing so, RUS is conducting public participation, analysis and review in such a way that the purposes of NEPA and Section 106 of NHPA are met. The analyses and review presented in this DEIS have been developed to enable RUS to identify historic properties and resolve any adverse effects to them. In addition, RUS is using its NEPA public involvement procedures to satisfy the public participation requirement of Section 106 pursuant to 36 CFR § 800.2(d).

1.2.5. Clean Water Act

Clean Water Act Section 404 authorization is required for the Project, because its construction would require discharge of dredged and/or fill material into waters of the United States. As a cooperating agency in preparation of this EIS, and the agency responsible for determining whether to issue a permit for wetland impacts associated with the Project. It is the USACE's intention to adopt the EIS as part of its review of the Project.

1.2.6. Minnesota Certificate of Need

Because the Project is considered a Large Energy Facility under Minnesota Statute 216B.2421, a determination of need for the Project is required from the Commission. The Applicants applied for a Certificate of Need for the proposed transmission line on March 17, 2008. The Certificate of Need process is designed to evaluate the level of need, as well as the alternatives available to satisfy that need. The Certificate of Need process does not evaluate specific routes; more detailed evaluation of routes, including human and environmental impacts and mitigation, is contained in the Route Permitting process described in Section 1.2.7. The Certificate of Need process is the only proceeding under Minnesota Statute in which a no-build alternative and the size, type, timing, system configuration, and voltage of a proposed project would be considered. The Commission determines the basic type of facility (if any) to be constructed, the size of the facility, and the timing of the facility (e.g., the projected in-service date).

As part of the Commission's review of certificate of need applications, the OES prepares an Environmental Report to meet the environmental review requirements for the large energy project certificate of need determination identified in Minnesota Rule 7849.1000 – 2100. Minnesota Rule 7849.1500, subpart 1B identifies the alternatives to a proposed project that must be evaluated in the Environmental Report. The *Environmental Report* prepared for the Certificate of Need application describes the proposed Project and the applicable regulatory framework, general impacts, and mitigation measures for environmental issues based upon the size, type, and timing of the proposed Project within the study area. System alternatives may have the capability to alleviate the need for all or some of the Project. The *Environmental Report* prepared for the Project was released on April 30, 2009, and may be found at http://energyfacilities.puc.state.mn.us/Docket.html?Id=19344.

The Commission found that there is a need for a transmission project linking the Wilton and Boswell substations and issued an order determining the need for the Project on July 14, 2009. The need decision did not identify a route for the Project.

1.2.7. Minnesota Route Permit

The Project is considered a High Voltage Transmission Line under Minnesota Statute 216E (Minnesota Power Plant Siting Act) and requires a Route Permit from the Commission because the transmission line is capable of operating at or above 100 kV. Because the Commission has determined the need for the Project in the Certificate of Need process (Section 1.2.6), the Commission must now determine where the Project will be constructed and appropriate permit conditions that will minimize human and environmental impacts from the Project.

When the Commission issues a route permit, zoning, building, and land use regulations are preempted per Minnesota Statue 216E.10, subd. 1. The Commission's issuance of a Route Permit for the Project permits the Applicants to exercise the power of eminent domain to acquire land for this Project pursuant to Minnesota Statute § 216E.12, if they are not able to reach agreements with landowners.

The Route Permit issued by the Commission will identify where the Project will be constructed. The Route Permit will identify the right-of-way (ROW) for which the Applicants have the right-to-acquire for the Project. The ROW width may vary throughout the route, depending upon the engineering and routing constraints. In some areas, the Route Permit may identify a precise route, for instance a 125-foot ROW to be located on the north side of a road, while in other areas the Route Permit may specify the width of ROW but designate a larger route to allow the Applicants to negotiate with landowners.

The Route Permit will also define the Project that is being permitted. If the Applicants wish to, at some point in the future, upgrade the transmission line to a greater voltage, or add another transmission line of more than 100 kV, the Applicants would need to apply to the Commission for a permit for a new transmission line.

As part of this permitting process, the OES prepares an EIS. The EIS contains information about the human and environmental impacts of the Project and selected alternatives, and addresses mitigation measures for anticipated impacts.

1.3. Role of the EIS in Agency Review of the Project

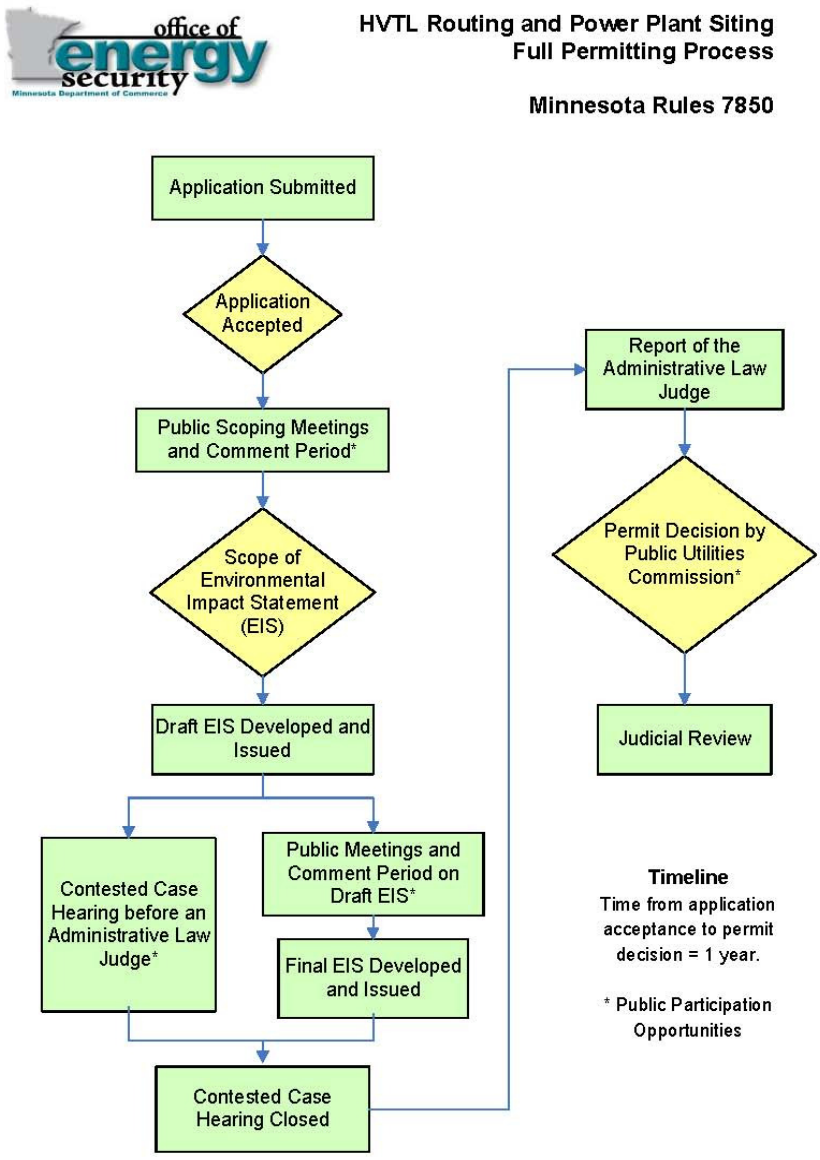
The EIS prepared for the Project will be used by Agencies responsible for review, permitting, and issuing Decision Notices on the Project.

1.3.1. Commission

The Commission's proposed action is a decision as to whether to issue a Route Permit for the Project. The Commission has the responsibility for routing transmission lines capable of operating at or above 100 kV in Minnesota. The Applicants have applied to the Commission for a Route Permit for the Project. The Commission is required to make a decision about the permit application.

The Commission's Route Permit determination must be guided by the state's goals to conserve resources, minimize environmental impacts, minimize human settlement and other land-use conflicts, and ensure the state's electric energy security through efficient, cost-effective power supply and electric transmission infrastructure (Minn. Stat. 213E.03, subd. 7a). These criteria are more fully developed in MN Rules part 7850. The route permitting process is shown in the schematic in Figure 1-2. The process contains several opportunities for public involvement throughout the process.

Figure 1-2: Minnesota Route Permitting Process



This EIS will provide information to the Commission for use in its decision about the Route Permit for the Project.

1.3.2. Rural Utilities Service

The RUS's proposed action is a decision as to whether to provide financing for construction and operation of the Project to Minnkota Power Cooperative, one of the Applicants.

As lead federal agency, RUS is responsible for ensuring compliance with NEPA, Section 106 of the National Historic Preservation Act (NHPA), upholding Treaties of the United States with the Leech Lake Band of Ojibwe and meeting their trust obligations to the Band, and for initiating informal consultation with the U.S. Fish and Wildlife Service (USFWS) under Section 7 of the Endangered Species Act (ESA) to determine the likelihood of effects on federally listed species. In addition, RUS coordinates with the cooperating and assisting agencies to ensure compliance with Federal environmental laws, statutes, regulations, and Executive Orders that apply to RUS programs, including but not limited to:

- Treaties of the United States with the Leech Lake Band of Ojibwe;
    - Treaty with Chippewa July 29th, 1837;
    - Treaty with Chippewa October 4th, 1842;
    - Treaty with Chippewa, Pillager August 21st, 1847;
    - Treaty with Chippewa September 30th, 1854;
    - Treaty with Chippewa February 22nd, 1855;
    - Treaty with Chippewa, Mississippi, Pillager, Lake Winnibigoshish May 7th, 1863;
    - Treaty with Chippewa, Mississippi, Pillager, Lake Winnibigoshish May 7th, 1864;
- EO 11988 - Floodplain Management;
- EO 11990 - Protection of Wetlands;
- EO 12898 - Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations;
- the Native American Graves and Repatriation Act; and
- the Farmland Protection Policy Act.

RUS will consider information provided in the EIS in making its determination about whether to extend funding to the Minnkota Power Cooperative for its ownership portion of the Project.

1.3.3. Chippewa National Forest

The Applicants have applied to the USFS CNF for a Special Use Permit to construct and operate the Project on National Forest Service (NFS) lands. The Forest Supervisor of the CNF must determine whether to issue a Special Use Permit for the Project. The USFS must also meet the U.S. Government Treaty and trust obligations to the Leech Lake Band of Ojibwe.

The Forest Supervisor is authorized to approve or deny certain special uses on NFS lands. The Forest Supervisor is responsible for management and evaluation of the occupation and use of NFS lands and may grant a special use on those lands in accordance with the Federal Land Policy & Management Act (FLPMA), as amended in 1976.

The Forest Supervisor's decision must comply with other applicable laws and regulations, including but not limited to:

- Treaties of the United States with the Leech Lake Band of Ojibwe;
  - Treaty with Chippewa July 29th, 1837;
  - Treaty with Chippewa October 4th, 1842;
  - Treaty with Chippewa, Pillager August 21st, 1847;
  - Treaty with Chippewa September 30th, 1854;
  - Treaty with Chippewa February 22nd, 1855;
  - Treaty with Chippewa, Mississippi, Pillager, Lake Winnibigoshish May 7th, 1863;
  - Treaty with Chippewa, Mississippi, Pillager, Lake Winnibigoshish May 7th, 1864;
- Endangered Species Act of 1973;
- Clean Water Act, as amended in 1972;
- National Historic Preservation Act;
- Archaeological Resource Protection Act;
- Native American Graves Protection and Repatriation Act;
- National Environmental Policy Act of 1969;
- Rangeland Renewable Resources Planning Act of 1974;
- Multiple Use Sustained Yield Act of 1960;
- National Forest Management Act;
- Federal Land Policy & Management Act, as amended in 1976; and
- EO 13112 – Invasive Species.

In addition to compliance with the above laws and regulations, any action taken by the Forest Supervisor must be consistent with the objectives of the *CNF Land and Resource Management Plan* (Forest Plan), as revised in 2004.

The Project would comply with objective O-SU-1 from the 2004 Forest Plan. This objective states:

> *"Generally provide for utility transmission corridors and communications sites. Emphasize the use of common corridors and multiple use sites when granting appropriate right of ways." (USDA, 2004)*

The Energy Policy Act of 2005 directs federal agencies to establish procedures to ensure that corridors for oil, gas, and hydrogen pipelines and electricity transmission and distribution facilities on federal land are identified and designated as necessary. The Act

also directs federal agencies to expedite applications to construct or modify such pipelines and facilities within such corridors:

> *"…(1) ensure that additional corridors for oil, gas, and hydrogen pipelines and electricity transmission and distribution facilities on Federal land are promptly identified and designated as necessary; and (2) expedite applications to construct or modify oil, gas and hydrogen pipelines and electricity transmission and distribution facilities within such corridors, taking into account the designation of such corridors. (d) Considerations – In carrying out this section, the Secretaries shall take into account the need for upgraded and new electricity transmission and distribution facilities to (1) improve reliability; (2) relieve congestions; and (3) enhance the capability of the national grid to deliver electricity…." (Public Law 109-58, August 8, 2005).*

This EIS will assist the Forest Supervisor in making a decision regarding the issuance of a Special Use Permit to construct and operate the Project in observance of the aforementioned laws, regulations, and plans. The Forest Supervisor's jurisdiction to make such a decision is limited to those parcels of land that are managed by the USFS.

1.3.4. U.S. Army Corps of Engineers

The Applicants would apply to the USACE for a permit for the Project under Section 404 of the Clean Water Act and Section 10 of the 1899 Rivers and Harbor Act. Section 404 of the Clean Water Act relates to the placement of dredge and/or fill material in the waters of the United States, including adjacent wetlands. Section 10 regulates the placement of structures in, on, or over navigable waters of the U.S. The USACE must determine whether or not to issue a Section 404 and Section 10 permit for the Project. This EIS will assist the USACE in making a decision about the Section 404 permit for the Project. The USACE must also meet the U.S. Government Treaty and trust obligations to the Leech Lake Band of Ojibwe.

1.3.5. Leech Lake Band of Ojibwe

The Applicants have approached the Leech Lake Reservation Tribal Council (RTC) regarding the Project's potential to cross the proclamation boundaries of the Leech Lake Reservation. The Tribe retains treaty rights for all lands, regardless of land ownership or management, within the LLR boundaries. The LLBO is responsible for issuing the appropriate approval and authorizations for activities to cross lands upon which it retains treaty rights and easements or authorizations for activities on lands under its jurisdiction. Not all land inside the LLR boundaries is managed by the Tribe, but rather includes a patchwork of multiple owners and managers, including tribal trust land, tribal fee land, state land, federal land, county land, and private ownership.

The LLDRM is responsible for overseeing the development of land leases, easements, and Allotments for Tribal and Band lands approved by the RTC and the Bureau of

Indian Affairs (BIA). The LLDRM also works with the BIA and owners of tribal titled lands that the Project would cross to obtain their consent and easements or other agreements. The LLDRM analyzes proposed projects for their effect on never relinquished hunting, fishing, and gathering treaty rights of the LLBO on lands within the LLR. The LLDRM's review also includes impacts to gathering activities for tribally important species including but not limited to as wild rice, blueberries, and sweet grass. For the purpose of this EIS document the LLBO assumes a Federal Entity, while still remains a souvenir government.

The Director of the LLDRM has authority to participate in the environmental review of projects and to prepare joint or separate Environmental Assessment (EA) or EIS documents for those projects that occur on lands within the LLR boundaries. The LLDRM Director has decided to be a full cooperating agency in this EIS. This EIS, and the 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 LLR. This EIS will be used to provide information sufficient to make a decision on the request to obtain permission to cross the LLR, and any easements, Allotments, Tribal or Band lands, and to receive Reservation Resolution.

1.4. Scope of the EIS

Both the Power Plant Siting Act and NEPA require that agencies responsible for preparing environmental review documents involve the public in environmental review of projects. Prior to development of the EIS, the responsible agencies determine what information is to be evaluated in the EIS. A "scope" is a determination of what needs to be assessed in the environmental review in order to fully inform decision-makers and the public about the possible impacts of a project or potential alternatives. Through the scoping process, OES and RUS invited federal, state, and local units of government; Native American tribes; organizations; and individuals interested in the Project to comment on the Project proposed by the Applicants and to identify issues and concerns to be addressed in the EIS. This section summarizes the scoping process and the scoping decisions/reports issued by OES and RUS. Section 2 identifies the alternatives analyzed in the EIS as well as alternatives considered, but not evaluated.

1.4.1. Public Scoping Process

Both OES and RUS are required to schedule at least one public meeting in the area of the Project. The purpose of the meeting is to inform the public about the Project and to solicit public input into the scope of the environmental review.

The OES Energy Facilities Permitting (EFP) Unit and RUS held public information meetings in Blackduck, Cass Lake, Deer River, Bemidji, and Walker in August 2008. Approximately 120 people attended the public information meetings. In addition to the

oral comments received at the public information meetings, more than 120 written comments were received by the close of the public comment period on September 30, 2008. These comments are summarized in Appendix B. Written comments as well as written reports of the comments received at the public information meetings can be found on the EFP website (http://energyfacilities.puc.state.mn.us/Docket.html?Id=19344) and in the official record for the routing process located on the e-Dockets website (https://www.edockets.state.mn.us/EFiling/edockets/searchDocuments.do?method=showeDocketsSearch&showEdocket=true&userType=public) by entering "2007" in the year and "1327" as the number.

In summary the comments identified the following issues and concerns:

- **Crossing the Leech Lake Reservation**. The Project proposes to cross the sovereign lands of the Leech Lake Reservation. The LLBO retains the powers of self-government within the Leech Lake Reservation. The United States entered into a number of treaties with the LLBO under which the LLBO retained rights to many of the resources on the Leech Lake Reservation. All Federal agencies have trust obligations to assure that the Project does not infringe or negate the LLBO's ability to exercise these retained treaty rights. The Leech Lake Reservation also qualifies as a minority community, which triggers other considerations.
- **Description of Proposed Project.** A number of questions and comments were received regarding the Project, including pole specifications, development and maintenance of easements, and proposed distances between the transmission line and private homes.
- **Route Alternatives.** Numerous commenters stated preferences for either the proposed route, preferred alternative in the central corridor, or alternative corridors. Commenters also submitted questions regarding the proposed and alternative routes, the feasibility and availability of the routes, and their anticipated impacts.
- **Biological Resources (Flora and Fauna).** A number of comments were received that described existing flora and fauna in the Study Area that may be affected by the Project. Several of these comments addressed specific types of vegetation and wildlife in the Study Area.
- **Aesthetics.** A number of comments were received regarding potential aesthetic impacts from the Project. Comments expressed both a general concern for aesthetics in the Project area as well as aesthetic concerns for specific geographic areas.
- **Water Resources.** A number of commenters expressed concern for water resources in the central and alternative corridors. Several commenters expressed a general concern for lake, river, and stream crossings. Some commenters provided details about specific water resources of concern.

- **Land Use.** A number of commenters submitted questions and concerns about potential land use impacts from the Project, including incompatibility with planned development and with local land use and zoning. Some commenters noted that the location of a transmission line on private property would limit land use (e.g., agricultural, recreational, and residential development). Commenters identified specific pinch points located along the central corridor and expressed concern about the potential for additional impacts to those private land owners with existing easements.
- **Socioeconomics.** A number of comments were received regarding the potential impacts of the Project upon socioeconomic resources, including displacement of homes or residences, displacement of businesses, and impacts to local economies. Several comments were received regarding compensation negotiation and easement payments. In addition, several commenters noted fairness concerns for the land owners' continued responsibility to pay property taxes for the proposed transmission line easements controlled by the Applicants.
- **Safety and Health.** A number of comments and questions were received regarding potential safety and health impacts from the Project. Several commenters identified a general concern about the potential health effects from transmission lines. Others identified concerns about more specific health effects, including the potential impact of transmission lines on pregnant mothers, newborn babies, persons with mental disabilities, and persons with pacemakers. Several comments contained questions regarding the safe distance between a transmission line and home or other land improvements. A number of commenters cited concerns about the proposed transmission line route in proximity to existing pipelines in the area.

1.4.2. Rural Utilities Service Pre-scoping Documents

As part of their scoping process, RUS requires loan applicants to prepare two documents, a *Macrocorridor Study* and an *Alternatives Evaluation Study,* to support their proposed action. Guidance for these documents, and for the scoping process as a whole, is provided in RUS Bulletin 1794A-603, *Scoping Guide for RUS Funded Projects Requiring Environmental Assessments with Scoping and Environmental Impact Statements*. The intent of these documents is to provide information about the proposed action to the public to facilitate public participation in the NEPA process. Both the *Macrocorridor Study* and *Alternatives Evaluation Study* prepared for the Project can be found at: http://www.usda.gov/rus/water/ees/eis.htm#Minnkota%20Electric%20Cooperative,%20Inc.0.

The *Macrocorridor Study* identifies a study area encompassing the endpoints for a proposed transmission project and develops macrocorridors within which a proposed transmission project could be located. The *Macrocorridor Study* provides information about environmental, social, and cultural factors for each of the macrocorridor options

within the Study Area. The four macrocorridors evaluated in this study typically are about 2 miles wide, with some portions of the Central Macrocorridor being 8 miles wide.

The *Alternatives Evaluation Study* examines the purpose and need for the Project. The study identifies the electrical problem the Project is proposed to address and identifies and analyzes several alternatives to the Project such as no-action, load management, baseload generation, intermediate generation, peaking generation, and several different transmission system alternatives. The *Alternatives Evaluation Study* was released for public review and comment in June 2008.

1.4.3. Advisory Task Force

In their order accepting the Route Permit application, the Commission authorized the OES to establish an Advisory Task Force to advise the Commission about what routes should be evaluated and what impacts and issues should be considered in the EIS for the Project. OES staff solicited Advisory Task Force nominations from 25 local units of government located along the proposed and alternate routes identified by the Applicants. The OES appointed representatives from each of the eight governmental units responding to the OES's solicitation: Beltrami County, Hubbard County, Itasca County, Frohn Township (Beltrami County), Farden Township (Hubbard County), Pike Bay Township (Cass County), Wilkinson Township (Cass County), and Morse Township (Itasca County).

The Advisory Task Force met July 14 and August 13, 2008. The meetings were open to the public and, in addition to task force members, were attended by OES staff, representatives of federal agencies, and the Applicants. The Task Force, through a facilitated process, discussed the Project and the charge of the Task Force. The Task Force Report may be found on the OES website maintained for the Project: http://energyfacilities.puc.state.mn.us/Docket.html?Id=19344.

Task Force members reviewed and prioritized the issues and impacts to be considered in the EIS. Task Force members reviewed in detail the preferred and alternative routes for the transmission line to address questions of clarity. After further discussion, Task Force members were asked to identify the potential benefits and issues with each of the routes. Task Force members then discussed whether there were any additional routes or route segments, beyond those proposed by the Applicants, that should be included in the EIS.

Task Force members considered the routes and route segments proposed by the Applicants in their route permit application to the Commission, as well as all the route corridors (macrocorridors) that were studied by the Applicants prior to deciding on the two routes proposed in the route permit application. Advisory Task Force members recommended that no additional routes be studied in the EIS.

1.4.4. Agency and Tribal Review of Route Alternatives

Following the close of the public comment period the participating agencies reviewed the comments received, the RUS pre-scoping documents, and additional environmental material comparing routes within the macrocorridors.

1.4.5. Office of Energy Security Scoping Decision

Following the close of the comment period, OES staff reviewed the public comments about the scope of the environmental review and the rules governing the content of an EIS (site rule). Based upon that review, the Director of the OES issued a Scoping Decision on March 31, 2009. The Scoping Decision is included in Appendix A of this EIS. Comments submitted during the scoping period are generally summarized in Appendix B. A list of comments, organized by subject area, is included in Appendix B of this document.

1.4.6. Rural Utilities Service Scoping Decision/Report

RUS released a *Scoping Decision/Report* for the Project in December 2009. *The Scoping Decision/Report* summarized the public scoping process and inter-agency consultation regarding Project alternatives. Based upon the scoping process, the *Scoping Decision/Report* identified the issues and alternatives to be evaluated in the EIS. The RUS *Scoping Decision/Report* is included in Appendix A of this document.