



BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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

DOCKET NO. E002/TL-07-1365

Meeting Date: February 7, 2008

Agenda Item # _____

Company: Xcel Energy

Docket No. E002/TL-07-1365

**In the Matter of the Application for a Route Permit for the Mary Lake 115kV
Transmission Line Tap Project**

Issue(s): Should the Commission accept or reject the application as substantially complete?
If accepted, should the Commission authorize the Department to appoint a public
advisor and appoint an advisory task force?

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Relevant Documents (in Commission Packet)

Initial Filing- Route Permit Application – Xcel Energy..... January 24, 2008

The enclosed materials are work papers of the Department of Commerce Energy Facility
Permitting Staff. They are intended for use by the Public Utilities Commission and are based on
information already in the record unless otherwise noted.

This document can be made available in alternative formats, i.e., large print or audio tape, by
calling (651) 201-2202 (Voice) or 1-800-627-3529 (TTY relay service).

Document Attached

Appendix B.1 – General Vicinity Map from Application

(Note: Relevant documents and additional information can be found on eFilings (07-1365) or the PUC Facilities Permitting website: <http://energyfacilities.puc.state.mn.us>)

Statement of the Issues

Should the Commission accept or reject the application as substantially complete? If accepted, should the Commission authorize the Department to appoint a public advisor and appoint an advisory task force?

Introduction and Background

Xcel Energy proposes to build a 115 kV high voltage transmission line (HVTL) between the Buffalo Power – Maple Lake 69 kV transmission line and the Mary Lake – Dickinson 69 kV transmission line in Wright County. On October 19, 2007, Xcel Energy filed a notice with the PUC indicating that it intended to file a route permit application for the Project under the Alternative Permitting Process. On January 24, 2008, Xcel Energy filed a route permit application for the Mary Lake 115kV Transmission Line Tap Project (the “Project”).

The Project is proposed to improve electric reliability in the Buffalo area. This area has experienced low voltages when either of the two 69 kV lines feeding into the Buffalo Power Substation is out of service.

Because it is less than 10 miles in length and does not cross state borders, the proposed Project does not qualify as a “large energy facility” under Minnesota Statutes 216B.2421, subd. 2(3). Because it is not a “large energy facility,” no Certificate of Need is required for the proposed Project.

Project Area

The proposed Project is located entirely in Wright County. The proposed route begins in Buffalo at a tap located approximately 240 feet east of the existing Buffalo Power Substation and terminates at a tap located just southeast of the Mary Lake Substation. Except for a half-mile section crossing an agricultural field near the Mary Lake Substation, the entire proposed route runs parallel to state, county and city road rights-of-way.

The proposed project is located in an area undergoing rapid population growth. Land use in the project area is a mix of residential, commercial and rural uses. Several transmission and distribution lines are present in the area.

Project Description

The proposed transmission line route is approximately five miles, and runs generally east and then south from a new tap outside the Buffalo Power Substation to a new tap outside of the Mary Lake

Substation. As proposed, the transmission line will be constructed to 115 V standards, but will initially operate at 69 kV. The proposed Project will not require work at either substation, but will require the installation of taps outside both the Buffalo Power and Mary Lake substations. Xcel Energy proposes to use underbuild structures along some segments of the proposed route in order to consolidate existing distribution facilities with the new line.

Xcel Energy's Application provides the following detailed description of its proposed route and a color map is attached:

"The new single circuit 115 kV transmission line will tap the existing Buffalo Power – Maple Lake 69 kV transmission line approximately 240 feet from the Buffalo Power Substation (Appendix B.2 and Appendix B.3). The line will head east, following an existing double circuit distribution line owned by Buffalo Municipal Electric on the north side of 8th Street NE for approximately 1,900 feet. Xcel Energy proposes to consolidate the new transmission line with the City of Buffalo's existing distribution facilities along this segment by underbuilding the distribution line. The Company has conferred with the City of Buffalo and the city is supportive of the consolidation of facilities in this area. *See* letter dated November 9, 2007 (Appendix E.5). *See Also* Appendix B.5 for the Local Distribution Facilities Map.

The proposed transmission line will then cross to the south side of the road and continue east for approximately 1.1 miles. At this point the proposed transmission line will cross to the north side of the road and will underbuild existing distribution facilities for approximately 520 feet, crossing back to the south side of County State Aid Highway ("CSAH") 35 to the intersection of CSAH 35 and Dague Avenue NE. The transmission line will follow Dague Avenue NE (which changes to Dague Avenue SE at Division Street SE) south for approximately 2.4 miles, crossing approximately six times to minimize impacts on residences. Along Dague Avenue Xcel Energy will underbuild with existing distribution facilities, where feasible. At the intersection of Dague Avenue SE and CSAH 33, the transmission line will continue south along the property line for approximately 0.5 mile. At the south end of the segment, the proposed transmission line will turn southwest for 915 feet, where it will meet the existing Wright-Hennepin Cooperative Electric Association ("WrightMPUC Docket No. E002/TL-07-1365 12 Hennepin") distribution line. From this point, Xcel Energy proposes to underbuild the Wright-Hennepin distribution line with the proposed transmission line across TH 55, where the proposed transmission line will tap the Mary Lake Substation to Dickinson Junction Substation 115 kV Transmission Line just southeast of the Mary Lake Substation." (Route Permit Application, at pp. 11-12)

Xcel is requesting a 400 foot wide route (200 feet each side of the centerline) and proposes to construct the transmission line primarily on private lands. Xcel proposes to acquire a 75-foot easement from landowners in portions where the line is not adjacent to a roadway, and a somewhat narrower easement for portions that are adjacent to roadways.

Regulatory Process and Procedures

Minnesota Statute 216E.03, subp. 2, states that no person may construct a electric transmission line greater than 100 kV and more than 1,500 feet without a route permit approved by the Commission.

High voltage transmission lines with a voltage between 100 kV and 200 kV are eligible for the Alternative Review Process (Minnesota Rule 7849.5500) of the Power Plant Siting Act (Minnesota Statutes Chapter 216E). Applicants are required to provide a 10 day advance notice to the Commission prior to submitting a route permit application under the Alternative Permitting Process (Minnesota Rule 7849.5500, subp. 2). An applicant is not required to propose any alternative sites or routes. The DOC EFP conducts a public information and scoping meeting, prepares an Environmental Assessment (EA), and a public hearing is required.

Route permit applications under the Alternative Review Process must provide specific information about the proposed project, applicant, environmental impacts, alternatives and mitigation measures (Minnesota Rule 7849.5220). The Commission may accept an application as complete, reject an application and require additional information to be submitted, or accept an application as complete upon filing of supplemental information (Minnesota Rule 7849.5230).

The review process begins with the determination by the PUC that the application is complete. The PUC has six months to reach a final decision from the time the application is accepted (Minnesota Rule 7849.5230).

Public Advisor

Upon acceptance of an application for a site or route permit, the Commission must designate a staff person to act as the public advisor on the project (Minnesota Rule 7849.5250). The public advisor is someone who is available to answer questions from the public about the permitting process. In this role, the public advisor may not act as an advocate on behalf of any person.

The Commission can authorize the Department to name a staff member from the EFP staff as the public advisor or assign a PUC staff member.

Advisory Task Force

The Commission has the authority to appoint an advisory task force (Minnesota Statute 216E.08). An advisory task force requires representatives of local governmental units and interested local persons. A task force can be charged with identifying additional routes or specific impacts to be evaluated in the EA. The task force terminates when the DOC Commissioner issues the EA scoping decision. The PUC is not required to assign an advisory task force for every project.

If the Commission does not name a task force, the rules allow members of the public to request appointment of a task force (Minnesota Rule 7849.5270). The PUC would then need to determine at their next meeting if a task force should be appointed or not.

Environmental Review

Applications for transmission line route permits are subject to environmental review, which is conducted by DOC EFP staff. The DOC EFP staff will notice and conduct a public information and environmental assessment scoping meeting on the Project to take comments on the scope of the EA. The Commissioner of the DOC will determine the scope of the EA, and the EA will be completed and available prior to the public hearing (Minnesota Rules 7849.5550 – 7849.5700).

Public Hearing

Applications for transmission line route permits require that a public hearing be held (Minnesota Rule 7849.5710).

DOC EFP Staff Analysis and Comments

Notice, Eligibility and Completeness

DOC EFP staff conducted completeness review of the Application. DOC EFP staff concludes that Xcel Energy met the procedural requirement of Minnesota Rule 7849.5500, subp. 2, by providing the Commission written notice of its intent to submit a route permit application under the Alternative Permitting Process at least 10 day prior to submitting the Application. DOC EFP staff concludes that the Project is eligible for the Alternative Permitting Process and that the Application meets the content requirements of Minnesota Rule 7849.5530. The PUC's acceptance of the Application will allow DOC EFP staff to initiate and conduct the public participation and environmental review processes.

Advisory Task Force

In analyzing the merits of establishing an Advisory Task Force for the Project, staff considered four characteristics: size, complexity, known or anticipated controversy and sensitive resources.

Project Size. At approximately five miles, the Project is relatively short. The ROW width requested for the Project is 75 feet. The required new ROW width may also be less in areas where the new transmission line follows an existing linear corridor. Approximately 90 percent of the new 115 kV transmission line will be along and immediately adjacent to existing public road rights-of-way.

Complexity. The proposed route is relatively simple and parallels existing transportation corridors for approximately 90 percent of its length.

Known/Anticipated Controversy. Xcel Energy held three public meetings in the Buffalo area between July and November, 2007, to take input on routing issues, route alternatives and the proposed route. Xcel has provided documentation of the comments it received from the public and of consultation with federal, state and local governments in Appendices E and F of its January 24, 2008, Application. Based on the comments submitted with the application, it appears that Xcel made adjustments to the proposed route to better accommodate Buffalo's future land use plans for an area near the Maple Lake Substation. Xcel Energy also received additional comments concerning the timing of construction, tree clearing, EMF, property values, aesthetic impacts, and maintaining a clear zone near TH 55.

Sensitive Resources. As noted in the Application, DNR’s review of their Natural Heritage and Non-game Research Program did not identify any known occurrences of rare species or native plant communities in the area of the proposed project. In subsequent communication, the DNR requested that the Project avoid loss or fragmentation of the wooded lot located west of Dague Ave SE due to a known Red-Shouldered Hawk nesting location.

Based on the analysis above, DOC EFP staff concludes that an advisory task force is not warranted in this case. Most of the proposed route follows existing streets and county highways. The Project appears to be compatible with area land use, which is a mixture of agricultural, residential and commercial land uses. The proposed line is relatively short. Staff’s analysis of the public and agency comments has not identified any controversial issues particular to this project.

DOC EFP staff believes that the routing process will provide adequate opportunities for the public to identify issues and route alternatives to be addressed in the EA. The EA process allows DOC EFP staff to assist local landowners and governmental units in understanding the transmission line routing process and participating in further development of alternative routes and/or permit conditions. Depending on the request and the issues, EFP could convene, “working group” style meetings, disseminate information and coordinate between the landowners and the applicant as necessary.

PUC Decision Options

A. Application Acceptance

1. Accept the Xcel Energy Mary Lake 115kV high voltage transmission line route permit application as complete and authorize the Minnesota Department of Commerce Energy Facilities Permitting staff to process the Application under the alternative review process Minnesota Rules 7849.5500 – 7849.5720.
2. Reject the route permit application as incomplete and issue an order indicating the specific deficiencies to be remedied before the Application can be accepted.
3. Find the Application complete upon the submission of supplementary information.
4. Make another decision deemed more appropriate.

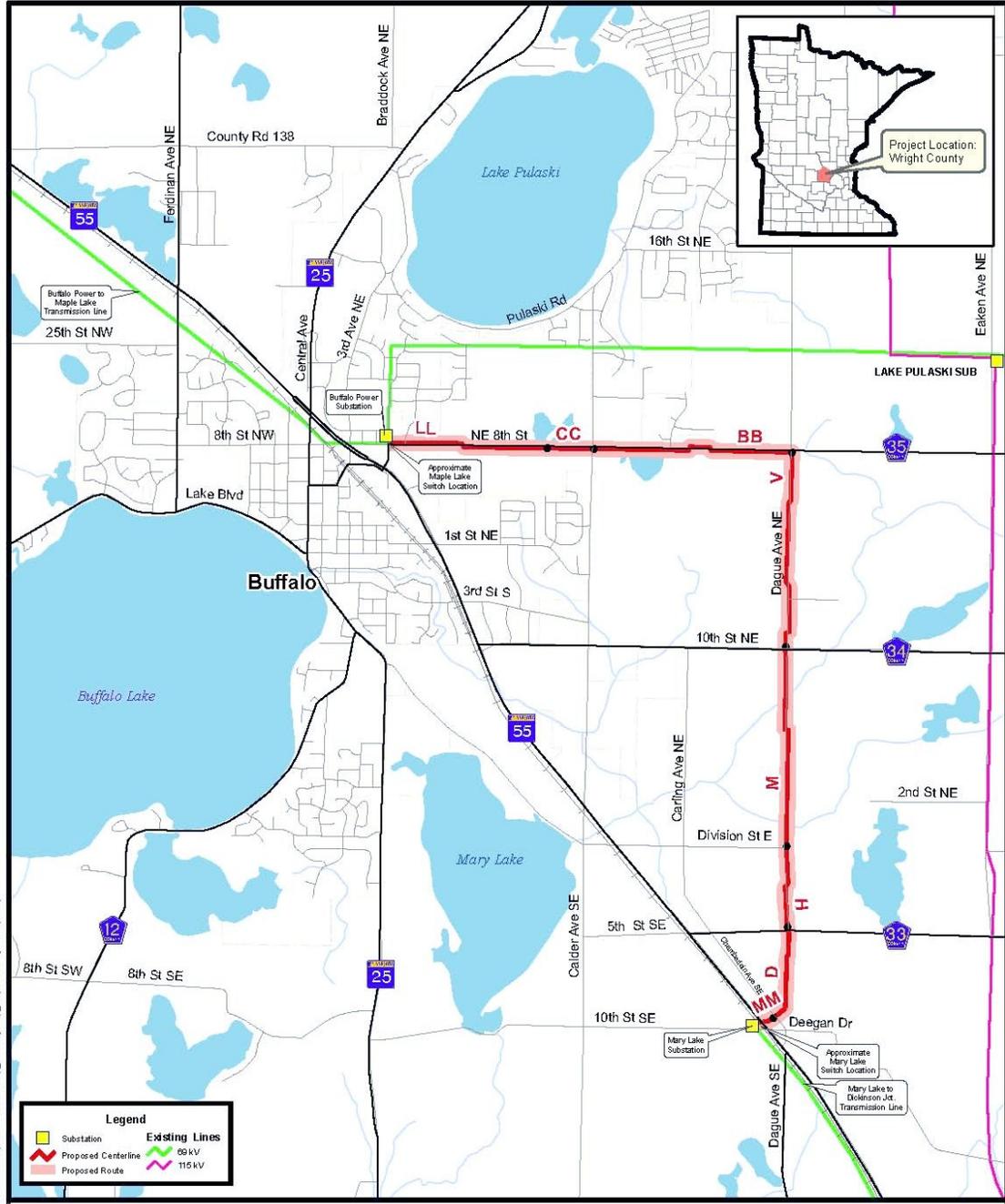
B. Public Advisor

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

C. Advisory Task Force

1. Authorize DOC EFP staff to establish an advisory task force, and develop a proposed structure and charge for the task force.
2. Take no action on an advisory task force at this time.
3. Determine that an advisory task force is not necessary.
4. Make another decision deemed more appropriate.

DOC EFP Staff Recommendations: Staff recommends options A1, B1, and C3



Map Document: N:\GIS\Projects\K23230\MaryLake\Burlington\map_40.esd\agency_maps\working\general_vicinity.mxd

General Vicinity Map
 Mary Lake
 115 kV Transmission Line Tap Project

