



BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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

DOCKET NO. E299/TL-07-1366

Meeting Date: January 24, 2008

Agenda Item # _____

Company: Rochester Public Utilities

Docket No. E299/TL-07-1366

In the Matter of the Rochester Public Utilities Application for a Route Permit for the Rochester Northwest 161 kV Transmission Line 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 December 14, 2007

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

1. Figure 3 from RPU's Application

(Note: Relevant documents and additional information can be found on eFilings (07-1366) or the PUC Facilities Permitting website: <http://energyfacilities.puc.state.mn.us>)

Statement of the Issues

Should the Commission accept 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

Rochester Public Utilities (RPU), a municipal utility and division of the City of Rochester, proposes to build a new 161 kilovolt (kV) high voltage transmission line (HVTL) and a new substation. The transmission line route proposed is approximately 7 miles in length and connects to an existing 161 kV transmission line and an existing substation. RPU filed its application for a route permit with the PUC on December 14, 2007.

RPU indicates that the proposed RPU Westside 161 kV transmission project (the "Project") is intended to serve local load growth on the northwestern fringe of Rochester. RPU also notes that the Project is independent and separate from the two 161 kV transmission lines proposed in the CapX 2020 transmission project Certificate of Need application (PUC Docket ET-2, E-002/CN-06-1115).

Project Area

The RPU Westside Transmission Project is proposed partially within the City of Rochester and in Kalmar and Cascade townships. Nearly the entire proposed route runs parallel to county and city road rights-of-way and along an existing state trail.

The area along the proposed route is mostly rural residential and agricultural, although suburban residential developments are present and planned in the area. Several existing transmission and distribution lines are present in the area. RPU proposes to utilize existing transmission line or distribution line right-of-way and structures for approximately 33 percent the proposed 6.6 mile 161 kV transmission line.

Project Description

The length of the proposed transmission line route is approximately 6.6 miles. RPU also proposes to construct a new Westside substation on a large parcel it owns.

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

“Phase 1 of the Proposed Project would install the proposed 161 kV transmission line on a route that connects to the existing 161kV line at the Valleyhigh Road/C.R. 4 intersection with 50th Avenue NW, running due south to 19th Street NW [Segment 1A in Figure 3], and then west to the proposed Westside substation [Segment 1B in Figure 3].”

“Phase 2 of the Proposed Project would include installation of new 161 kV transmission poles and line from the Westside substation north approximately 3.4 miles, sharing the 60th Avenue NW/C.R. 104 R-O-W, to just south of 65th Street NW where the Douglas Trail intersects with 60th Avenue (Segment 2A in Figure 3). The 161 kV line would then be installed on approximately 1.3 miles of existing power poles located on a 25-foot easement just south of the Douglas Trail corridor to complete a loop connection to the Northern Hills substation (Segment 2B in Figure 3).”

RPU requests a 250 foot wide route.

Regulatory Process and Procedures

Minnesota Statute 216E.03, subp. 2, states that no person may construct an 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 then a public hearing is required to provide information and generate comments on the proposed route placement.

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 may include interested local persons. A task force can be charged with identifying additional routes or specific impacts to be evaluated in the EA and 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

RPU filed a notice on October 18, 2007 with the PUC indicating that it intended to file a route permit application for the Project under the Alternative Review Process. On December 17, 2007, RPU filed a route permit application for the Westside Transmission Line Project.

DOC EFP staff conducted completeness review of the Application. DOC EFP staff conclude that the Project is eligible for the Alternative Review 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 7 miles, the Project is relatively short. Most of the proposed route is proposed to follow existing and planned road or state trail rights-of-way. In addition, RPU states that it plans on constructing the proposed transmission line on existing transmission or distribution structures for approximately 33 percent of the total route.

Complexity. The proposed route is relatively simple and parallels transportation corridors. EFP staff considered the degree to which public involvement and local government coordination is occurring through the Olmsted County Road 104/60th Avenue Steering Committee and through direct coordination with the City of Rochester. RPU is actively coordinating transmission line ROW planning in conjunction with Olmsted County's planning process to rebuild and reroute portions of County Road 4 and County Road 104 (60th Avenue N.W). RPU and Olmsted County are planning to accommodate the proposed transmission line ROW within the planned new County Road 104 (60th Avenue) road ROW in Segment 2A. The planning process has established a multi-agency project steering committee, conducted public meetings, an environmental assessment, and regular project updates via newsletters and a project web site. RPU is also coordinating with the City of Rochester in Segment 1B in an attempt to establish a shared ROW for planned reconstruction of portions of 19th Street N.W.

Known/Anticipated Controversy. DOC EFP staff review finds that no controversial issues appear to be raised during agency consultations.

Sensitive Resources. The proposed route primarily crosses agricultural lands. While the DNR has indicated that one rare species may be present in the area, the agency has indicated that the Project is not expected to impact that species.

Conclusions of EFP Analysis. Based on the analysis above, DOC EFP staff concludes that an advisory task force is not warranted in this case and would duplicate existing local planning efforts. RPU has and is coordinating with federal, state and local governments and the DNR in transmission line route planning. Most of the proposed route follows existing roads and trails. Approximately 33 percent of the proposed route utilizes existing electrical infrastructure. The Project appears to be compatible with area land use, which is rural, low density, and agricultural. The proposed line is relatively short. Some homes and farmsteads are near the proposed route; however this is routine in routing cases and always analyzed in the EA. The routing process will provide adequate opportunities for the public to identify issues and route alternatives to be addressed in the EA.

Finally, DOC EFP staff can assist local landowners and governmental units in understanding the siting and routing process and participating in further development of alternative routes and/or permit conditions. Depending on the request and the issues, and if necessary, this enhanced public participation could include the addition of "working group" style meetings, dissemination of information and coordination between the landowners and the applicant.

PUC Decision Options

A. Application Acceptance

1. Accept the RPU Westside Transmission Project 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 in light of existing local transportation planning processes and consultation conducted to date.
4. Make another decision deemed more appropriate.

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

