



**In the Matter of the Application for a Route
Permit for the South Bend to Stoney Creek 115
Kilovolt High Voltage Transmission Line and
Substations**

**ENVIRONMENTAL ASSESSMENT
SCOPING DECISION
PUC Docket No. E-T2, E-002/TL-08-734**

The above matter has come before the Director of the Office of Energy Security (OES) for a decision on the scope of the Environmental Assessment (EA) to be prepared for the South Bend to Stoney Creek 115 kilovolt (kV) High Voltage Transmission Line and Substations Project (Project) application for a permit to construct and operate in Rapidan and Mankato townships in Blue Earth County, Minnesota.

Great River Energy, a not-for-profit generation and transmission cooperative based in Maple Grove, Minnesota, and Northern States Power dba Xcel Energy, an investor-owned utility headquartered in Minneapolis, Minnesota, are proposing the Project. A route permit application was filed on August 7, 2008, and accepted by the Minnesota Public Utilities Commission on September 15, 2008.

The Project includes the following components of a 69 kV transmission line that would be rebuilt within the existing easement to a 115 kV transmission line to loop around Mankato.

- Two new substations: 115-161/69 kV South Bend Substation and 115/69 kV Stoney Creek Substation and a 69 kV breaker station.
- Approximately four miles of an existing Xcel Energy-Minnesota 69 kV transmission line would be rebuilt to 115 kV from South Bend Substation to Ballard Corner switches.
- Approximately two miles of an existing Xcel Energy-Minnesota 69 kV transmission line would be rebuilt to 115/69 kV double-circuits from Ballard Corner switches to Stoney Creek Substation.
- Approximate two miles of an existing Xcel Energy-Minnesota and Great River Energy 69 kV transmission line would be rebuilt to 115 kV from the Stoney Creek Substation to the existing Pohl Substation.

The applicants state that the facilities are needed to support load growth in the city of Mankato and to improve system reliability by eliminating low voltage and equipment overloads during certain transmission outages.

The OES Energy Facility Permitting (EFP) staff held a public information and environmental assessment scoping meeting on November 12, 2008, at the National Guard Armory and Community Center in Mankato, Minnesota, to discuss the project with the public and gather public input on the scope of the Environmental Assessment to be prepared. Sixteen people attended the meeting.

Participants at the meeting asked the Applicants a number of questions about eminent domain, the use of existing easements, easements in relation to road right-of-way (ROW), landscaping and expansion at cleared substation areas, mitigation for construction and maintenance work within the ROWs, and the potential for future expansion of the system.

Meeting participants also recommended that OES staff study several environmental questions in the Environmental Assessment including: possible impacts of electromagnetic fields, potential interference of transmission lines with communications such as TV, radio and cell phones, and a question of substation impact on the bald eagle population.

Residents of Rapidan Township expressed displeasure that the substation was being built in Rapidan Township using the name "South Bend." A letter was received from a South Bend Township official expressing the same sentiment.

The public was given until November 26, 2008, to submit written comments. OES EFP received a total of three comment letters that were reviewed and considered during preparation of the scope of the Environmental Assessment.

Two letters from Mankato Township officials voiced preference for an alternative to the Applicants' proposed placement of the Stoney Creek Substation. The alternative would require an alteration of two miles of the route as well. Applicants' had reviewed the alternative, "SC-2" as defined in the application, and rejected the same for consideration for the Project.

The criteria for including analysis of an alternate route in the EA is "The (director) shall include the suggested site or route in the scope of the environmental assessment only if the (director) determines that evaluation of the proposed site or route will assist in the [commission's] ultimate decision on the permit application." (Minn. Rule 7849.5700 subp. 2B.) In this case, evaluating the positions of the Applicants and Mankato township as to benefits and impacts of the opposing recommendations could prove useful in either confirming or modifying the Applicants' preferred route.

Having reviewed the matter, consulted with the EFP staff, and in accordance with Minnesota Rule 7849.5700, I hereby make the following Scoping Decision:

MATTERS TO BE ADDRESSED

The Environmental Assessment on the proposed South Bend to Stoney Creek 115 kV High Voltage Transmission Line and Substations Project will address the following matters:

A. GENERAL DESCRIPTION OF THE PROPOSAL

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

B. IMPACTS AND MITIGATIVE MEASURES

1. Human Settlement
2. Public Health and Safety (including electromagnetic fields [EMF] and safety codes)
3. Noise
4. Aesthetics
5. Recreation
6. Transportation
7. Soils and Geology
8. Land Use
9. Archaeological and Historic Features
10. Air Quality Resources
11. Surface Water Resources
12. Wetlands
13. Flora
14. Fauna
15. Rare and Unique Natural Resources
16. Radio, Television, and Cellular Phone Interference

C. ALTERNATIVES TO BE ADDRESSED IN THE ENVIRONMENTAL ASSESSMENT

The “SC-2” route alternative will be evaluated in the Environmental Assessment, including the location of the Stoney Creek Substation and any inherent route alterations. The definition of the alternate is as in the Route Permit Application, specifically as described on pages 22-23, and shown in Figure 6.

D. IDENTIFICATION OF PERMITS

The Environmental Assessment will include a review of permits that will be required or likely required for construction of this project.

ISSUES OUTSIDE THE SCOPE OF THE ENVIRONMENTAL ASSESSMENT

The EA will not consider whether a different size or type of transmission line should be built instead, nor will the EA consider the no-build option. The EA will also not consider the following:

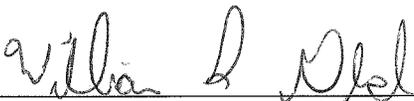
1. The manner in which land owners are paid for transmission rights-of-way easements, as that is outside the jurisdiction of the Commission.
2. Alternatives not described specifically in this Scoping Decision.
3. Any specific appellations for any segment or segments of the Project.

SCHEDULE

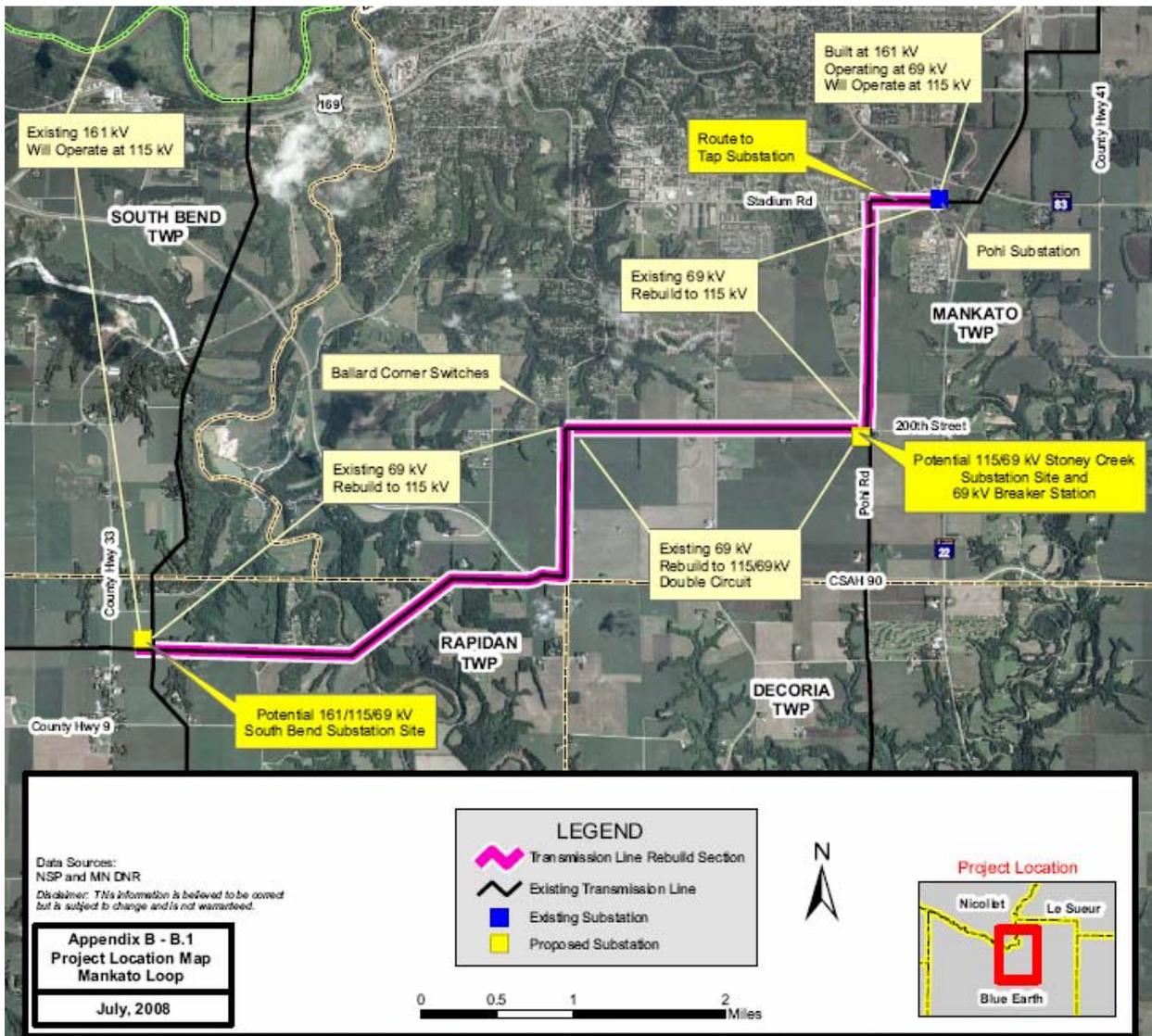
The Environmental Assessment shall be completed and available by January 31, 2009. A public hearing will be held in the Mankato, Minnesota, area after the Environmental Assessment has been issued and notice served.

Signed this 11th day of December, 2008

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
OFFICE OF ENERGY SECURITY



William Glahn, Director



Alternative SC-2, Stoney Creek Substation at the Intersection of Pohl Road and CSAH 90 and Relocate 69 kV Line from 200th Street

