



**BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

**COMMENTS AND RECOMMENDATIONS OF THE  
OFFICE OF ENERGY SECURITY  
ENERGY FACILITY PERMITTING STAFF**

**DOCKET NO. E002, ET2 /TL-08-734**

Meeting Date: September 11, 2008

Agenda Item # 14

Company: Northern States Power Company (Xcel Energy) and Great River Energy (GRE)

Docket No. E002, ET2/TL-08-734

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

Issues: Should the Commission accept the application as complete?  
Should the Commission appoint a public advisor?  
Should the Commission appoint an advisory task force?

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**Relevant Document(s)**

Route Permit Application ..... August 7, 2008

The enclosed materials are work papers of the Office of Energy Security 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).

## **Attached Document(s)**

Attachment A: General View of Proposed Project (Application) ..... August 7, 2008

(Relevant documents and additional information can be found on eFilings (08-734) or the PUC Facilities Permitting website: <http://energyfacilities.puc.state.mn.us/Docket.html?Id=19642>)

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## **Statement of the Issues**

Should the Commission accept the route permit application as complete? If complete and accepted, should the Commission appoint a public advisor? Should the Commission appoint an advisory task force?

## **Introduction and Background**

On August 7, 2008, Xcel Energy and Great River Energy (Applicants) filed a route permit application under the alternative review process for the South Bend to Stoney Creek transmission line project (Project). The project is under 200 kV and under ten miles in length and does not require a Certificate of Need.

### ***Project Area***

The Project is located in Blue Earth County, near the city of Mankato. The Project area from the west includes Rapidan Township, where the South Bend Substation would be located. The Project area then extends eastward into Mankato Township, where the Stoney Creek Substation will be located, then north to the existing Pohl Road Substation.

### ***Project Description***

The Project includes the following components of a 69-kilovolt (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 substation and a 69 kV breaker at Stoney Creek
- Approximately four miles of an existing NSP-Minnesota 69 kV transmission line will be rebuilt to 115 kV from South Bend Substation to Ballard Corner switches.
- Approximately two miles of an existing NSP-Minnesota 69 kV transmission line will be rebuilt to 115/69 kV double-circuits from Ballard Corner switches to Stoney Creek Substation.
- Approximate two miles of an existing NSP-Minnesota and GRE 69 kV transmission line will be rebuilt to 115 kV from the Stoney Creek Substation to the Pohl Substation.

The proposed facilities would require substation and equipment upgrades at the Eastwood and Wilmarth substations to accommodate the upgraded transmission facilities.

## **Regulatory Process and Procedures**

High voltage transmission lines with a voltage between 100 kV and 200 kV are eligible for the Alternative Review Process under Minnesota Rule 7849.5500-5720 and Minnesota Statute 216E.04. Under the Alternative Review Process, an applicant is not required to propose any alternative routes.

Under this process, the Office of Energy Security (OES) Energy Facility Permitting (EFP) staff conducts a public information and scoping meeting and 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 7849.5530). 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 7849.5540).

The permit review process begins with the determination by the PUC that the application is complete, allowing staff to initiate the public participation and environmental review processes. The PUC has six months to reach a final decision from the time the application is accepted (Minnesota Rule 7849.5540).

### ***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 7849.5560). 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 OES to name a 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 comprises representatives of local governmental units and other 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 OES Director issues an EA scoping decision.

The PUC is not required to assign an advisory task force for every project. However, if the Commission does not name a task force, Minnesota Rule 7849.5580 allows a citizen to request appointment of a task force. The PUC would then need to determine at its next meeting if a task force should be appointed or not. The decision whether to appoint an advisory task force does not need to be made at the time of accepting the application; however, it should be made as soon as practicable to ensure its charge can be completed prior to an EA scoping decision by the OES Director.

### ***Environmental Review***

Applications for route permits are subject to environmental review, which is conducted by OES EFP staff under Minnesota Rule 7849.5700.

### ***Public Hearing***

Applications for route permits require a public hearing to be held as per Minnesota Rule 7849.5710.

## **OES EFP Staff Analysis and Comments**

OES EFP staff reviewed the South Bend-Stoney Creek route permit application and concludes that the applicants met the procedural requirement of Minnesota Rule 7849.5500, subpart 2, by providing the Commission written notice of its intent to submit a route permit application under the alternative permitting process at least 10 days prior to submitting the application. Staff also concludes that the proposed project is eligible for the alternative permitting process and that the application meets the content requirements of Minnesota Rule 7849.5530. Staff recommends the PUC accept the Application with the understanding that if additional information is requested by the OES EFP staff, these requests will be addressed promptly. The Applicants have indicated that they will comply with requests for additional information from the Commission or the OES.

### ***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 eight miles, the proposed route is a relatively short project.

**Complexity.** The proposed route is simple and straight forward. The route consists entirely of replacing 69 kV transmission lines with 115 kV lines along an existing corridor. The only new right-of-way anticipated is for the two new substations.

**Known or Anticipated Controversy.** Energy Facility Permitting staff is not aware of any existing or likely controversy in this docket. The Applicants have met with local government officials who have not expressed significant concerns at this point. Staff will seek to educate officials and local residents through the process about the opportunities afforded the public to submit comments and suggestions for alternative routes. Concerns and desires for examination of alternative routes are common in the routing process.

**Sensitive Resources.** The Minnesota State Historical Preservation Office has requested that an archaeological survey be performed for the recommended substation locations; although the sites may well be previously disturbed or surveyed. The Department of Natural Resources has reported the transmission rebuild falls within an area of “Moderate Biodiversity Significance.” The report includes recommendations on how to mitigate disturbance within the area during construction. Neither of these issues represents unusual circumstances to address in an application review process, and both would be addressed in the OES EFP environmental review process. No other sensitive resources have been identified at this time.

Based on the analysis above, staff concludes that an advisory task force is not warranted in this case. The proposed route is relatively short and uses existing electric transmission facility or road rights-of-way. Staff believes that the alternative permitting process will provide adequate opportunities for the public to identify issues and route alternatives to be addressed in the environmental assessment. Staff can assist local landowners and governmental units in understanding the siting and routing process and identifying opportunities for participating in further development of alternative routes or permit conditions.

### **PUC Decision Options:**

#### **A. Application Acceptance**

1. Accept the South Bend to Stoney Creek transmission line route permit Application as complete and authorize Office of Energy Security Energy Facility Permitting staff to process the application under the alternative review process in Minnesota Rules 4400.5500-5720.
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 Office of Energy Security Energy Facility 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 Office of Energy Security Energy Facility Permitting staff to establish an advisory task force and develop a proposed structure and charge for the task force.
2. Determine that an advisory task force is not necessary.
3. Take no action on an advisory task force at this time.
4. Make another decision deemed more appropriate.

**OES EFP Staff Recommendations:** Staff recommends options A1, B1 and C2

General View of Proposed Project

