



In the Matter of the Application for a Route Permit for the Southdale to Scearcyville 115 Kilovolt High Voltage Transmission Line and Breaker Station

**ENVIRONMENTAL ASSESSMENT
SCOPING DECISION
PUC Docket No. E-T2/TL-08-712**

The above matter has come before the Director of the Office of Energy Security for a decision on the scope of the Environmental Assessment to be prepared on the proposed Southdale to Scearcyville 115 kilovolt (kV) High Voltage Transmission Line and Breaker Station Project, a new 9.3 mile transmission line and 115 kV breaker station in the city of Baxter and Sylvan Township in Crow Wing and Cass counties, Minnesota.

Great River Energy (GRE), a not-for-profit generation and transmission cooperative based in Maple Grove, Minnesota, and Minnesota Power (MP), an investor-owned utility headquartered in Duluth, Minnesota, are proposing the project. A route permit application for the project was filed by GRE/MP on July 17, 2008 and accepted by the Minnesota Public Utilities Commission (Commission) on August 15, 2008.

The applicants indicate that the addition of new electrical loads and an increase in demand from existing services are causing reliability/delivery concerns in the project area and the existing electrical systems (transmission lines, substations, etc.) are approaching their maximum electrical capacity. The proposed project would add a second 115 kV source to the area; providing for a more reliable transmission system.

The Office of Energy Security (OES), Energy Facility Permitting (EFP) staff held a public information and environmental assessment scoping meeting on September 23, 2008, at the Cragun's Conference Center in Brainerd, Minnesota, to discuss the project with the public and gather public input on the scope of the Environmental Assessment to be prepared. The attendance sign-in sheet indicated approximately 45 people attended the meeting. The public was given until October 6, 2008, to submit written and/or email comments.

Due to the receipt of a significant number of comment letters regarding various issues surrounding the proposed route and the potential investigation of previously rejected routes (specifically E and F), notice of a focus group meeting was sent out and/or emailed by EFP staff to the project contact list and individuals who had already submitted comment to date and by the applicant to individuals located along previously rejected routes E and F. The focus group meeting was held on October 7, 2008, at the Country Inn & Suites in Baxter, Minnesota. The attendance sign-in sheet indicated approximately 35 people attended the meeting. The purpose of the meeting was to solicit further comments and questions from the public and landowners regarding the potential alternative routes that might be included in the scope of the Environmental Assessment.

The OES EFP received a total of 81 comment letters that were reviewed and considered during preparation of the scope of the Environmental Assessment.

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 Southdale to Scearcyville 115 kV High Voltage Transmission Line and Breaker Station Project will address and provide information on 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

In the route permit application, GRE and MP described several alternatives they investigated as potential routes and later rejected for various reasons. The majority of letters received by EFP staff from the public requested that the Environmental Assessment examine not only the proposed route, but several of the previously rejected alternative routes identified in the route permit application.

In addition, at a focus group meeting held in the project area on October 7, 2008, citizens in attendance were in agreement that the Environmental Assessment should at a minimum examine previously rejected route alternatives A, C, and F.

The EFP staff believe that it is reasonable to evaluate the previously rejected route alternatives to determine each alternative's impact compared to the impact of the proposed route. The Environmental Assessment will evaluate Alternatives A through F, as described by GRE and MP in the route permit application.

D. IDENTIFICATION OF PERMITS

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

ISSUES OUTSIDE THE SCOPE OF THE ENVIRONMENTAL ASSESSMENT

The Environmental Assessment will 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.

SCHEDULE

The Environmental Assessment shall be completed and available in December 2008. A public hearing will be held in the Baxter, Minnesota, area after the Environmental Assessment has been issued and notice served.

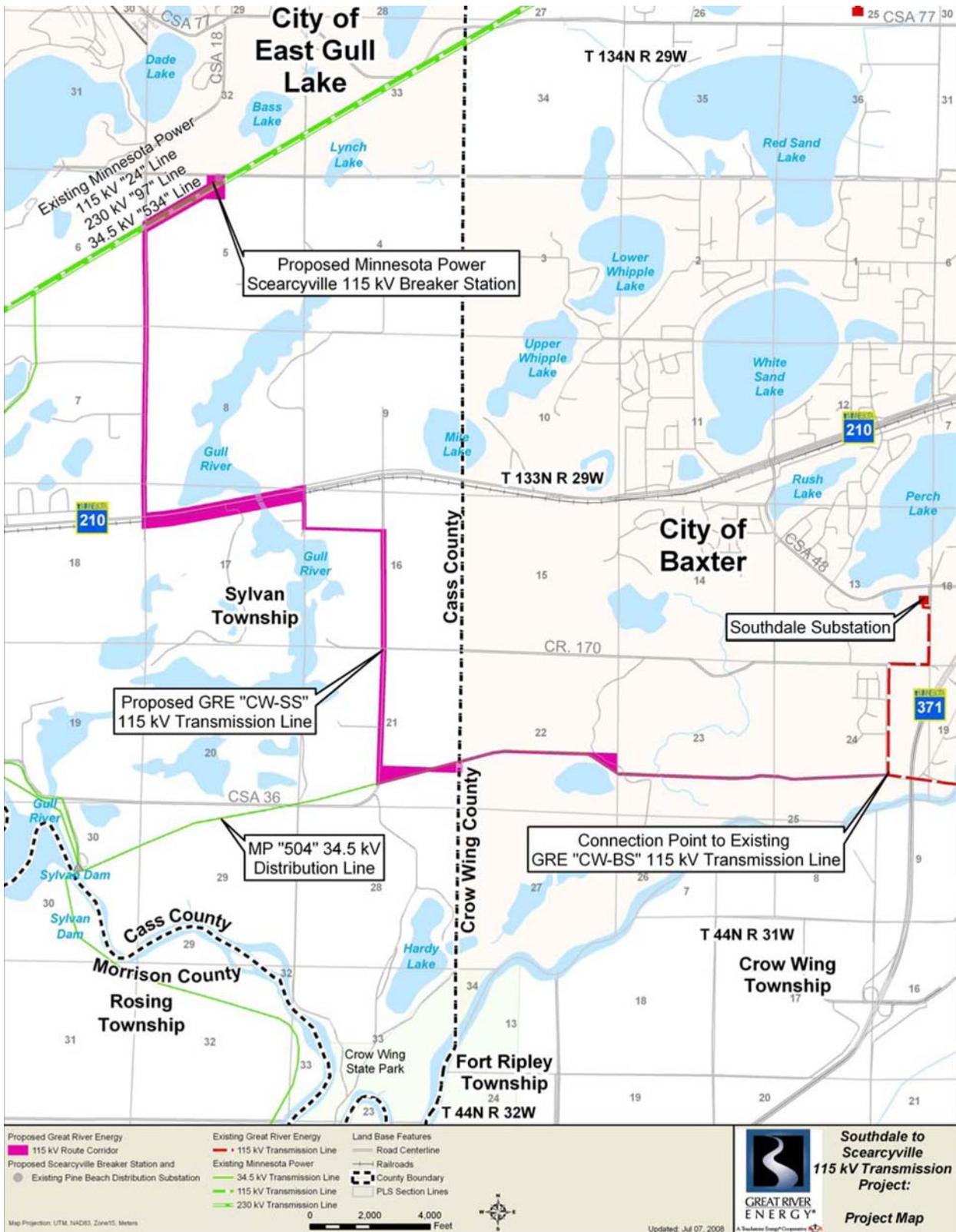
Signed this 22nd day of October, 2008

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
OFFICE OF ENERGY SECURITY

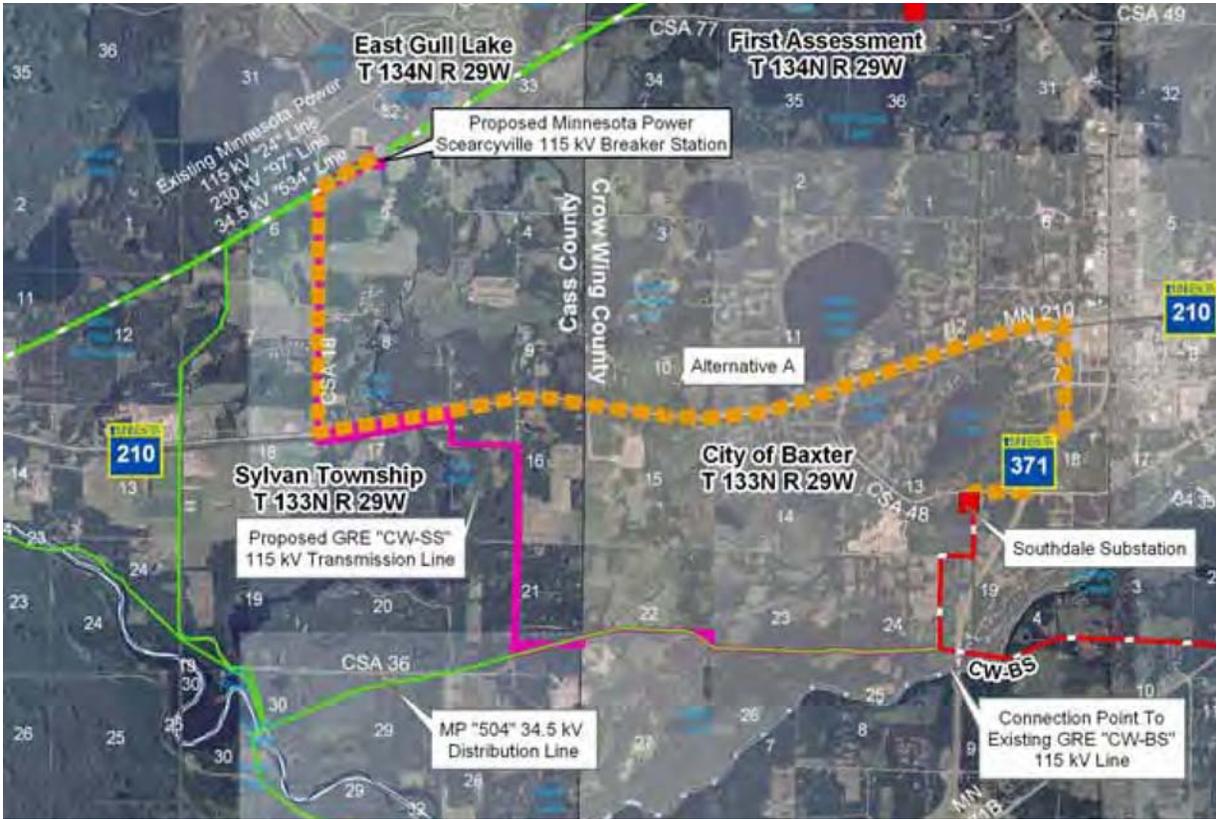


William Glahn, Director

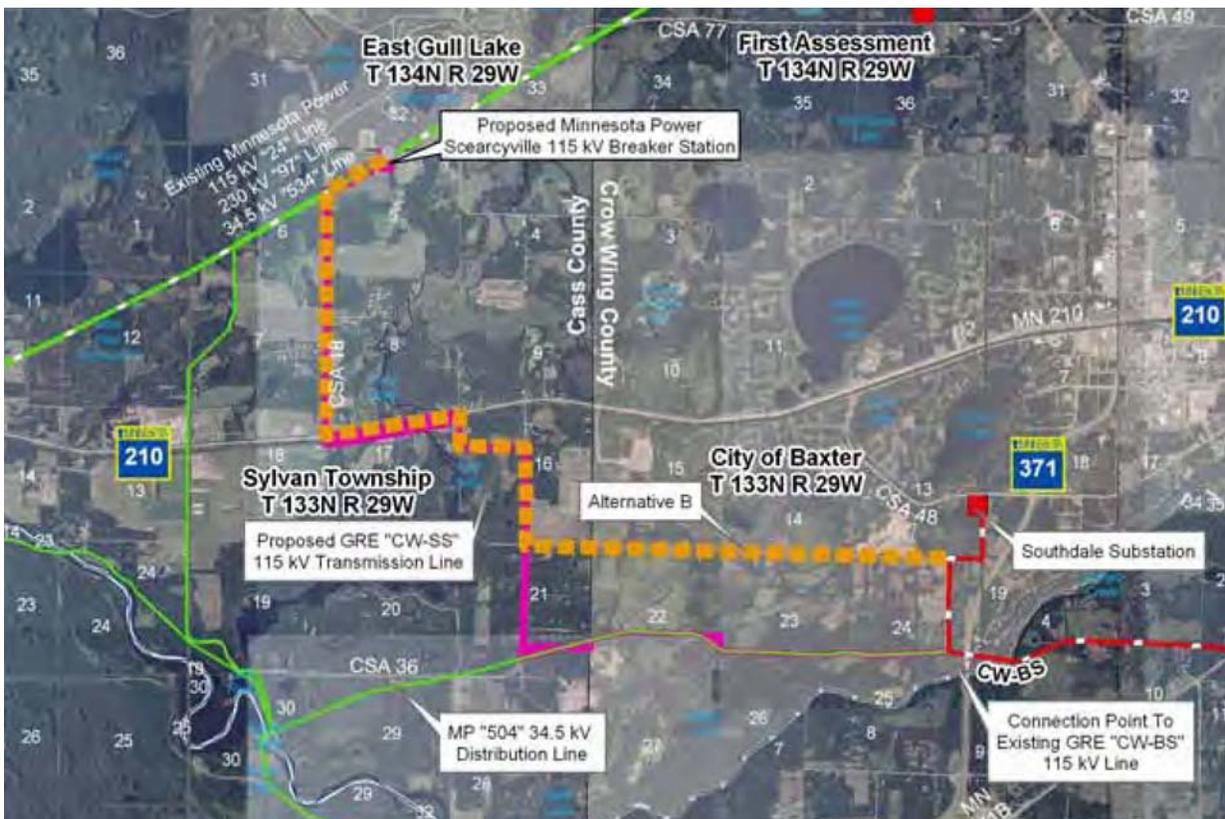
PROPOSED ROUTE



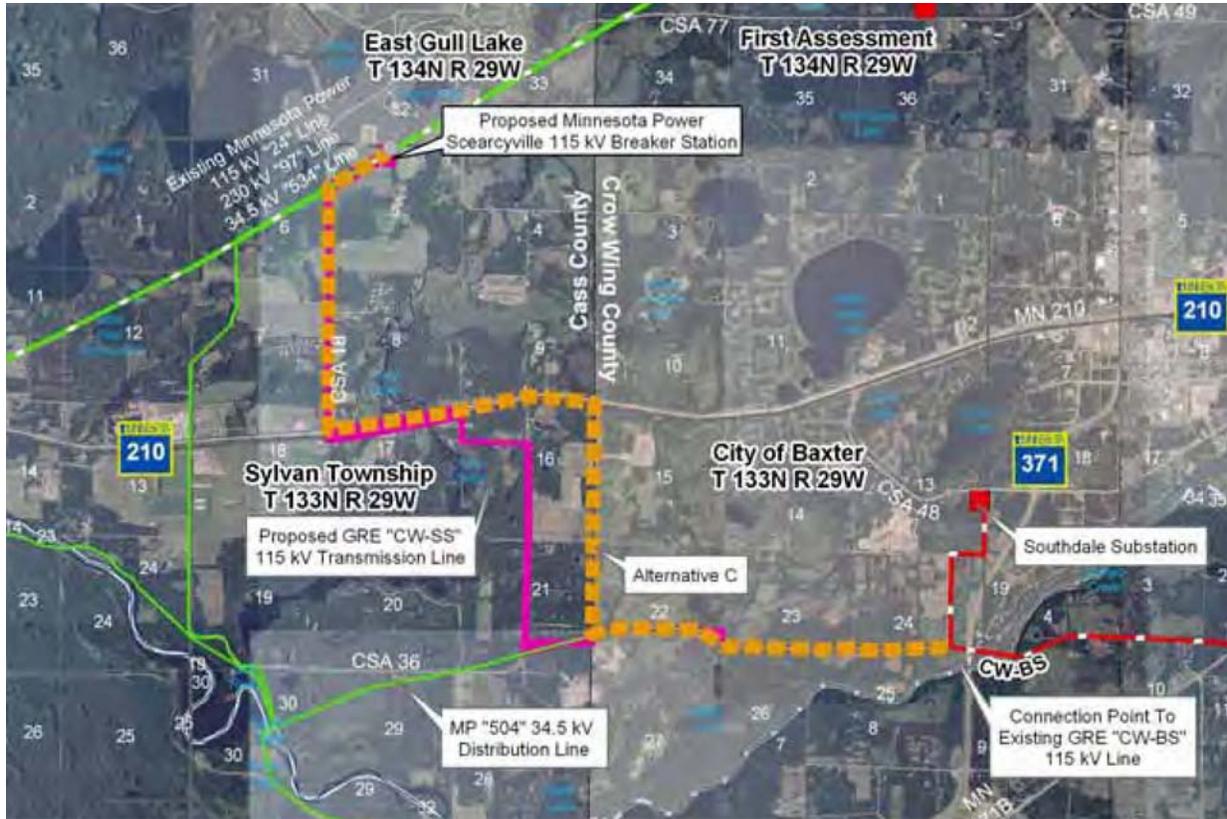
ALTERNATIVE A



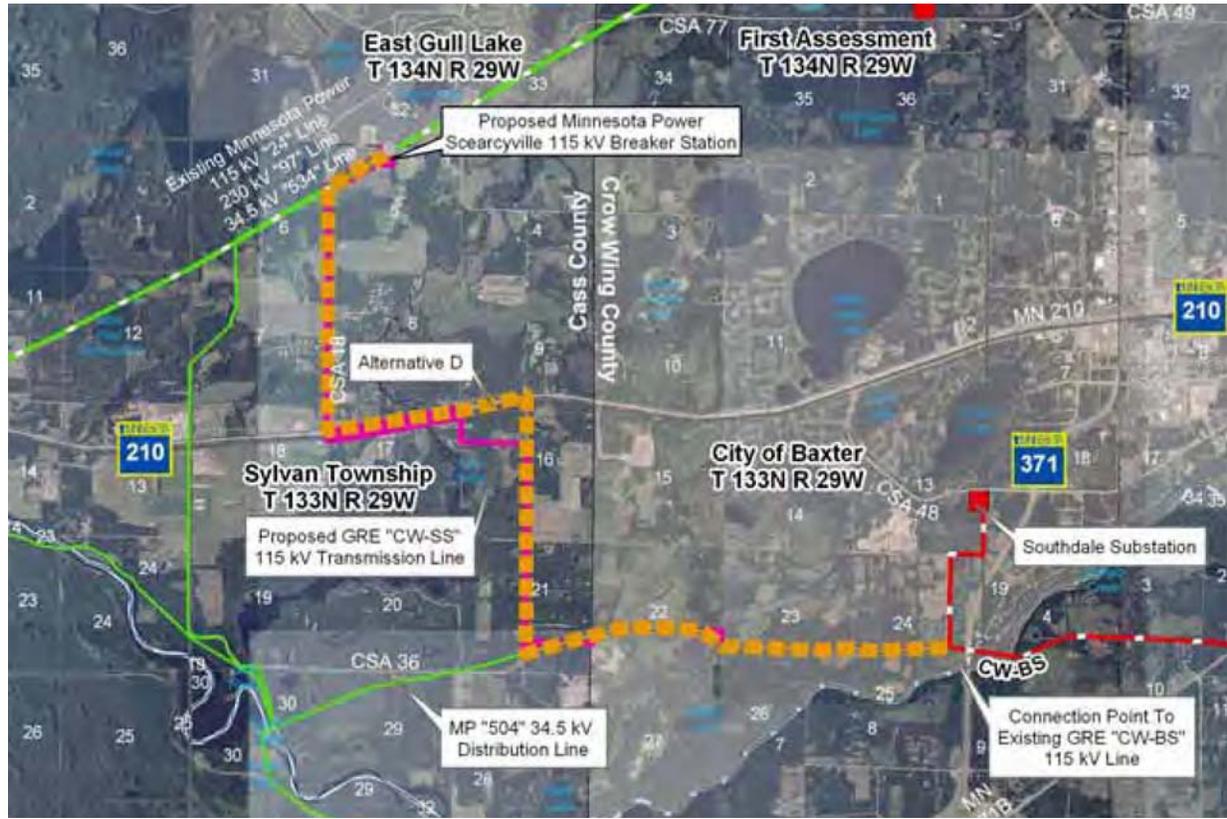
ALTERNATIVE B



ALTERNATIVE C



ALTERNATIVE D



ALTERNATIVE E



ALTERNATIVE F

