



**In the Matter of the Application for a Route
Permit for the West New Ulm 115/69 Kilovolt
Transmission Line Rebuild**

**ENVIRONMENTAL ASSESSMENT
SCOPING DECISION
PUC Docket No. E002/TL-08-956**

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 Xcel Energy's proposed 115/69 kV transmission line rebuild from a newly proposed West New Ulm substation to the existing Fort Ridgely substation, a new 4.2 mile transmission line and substation in Brown and Nicollet counties, Minnesota (Figure 1). A route permit application for the project was filed on August 29, 2008, and accepted by the Minnesota Public Utilities Commission (Commission) on October 26, 2008.

The applicants indicate that the project will provide New Ulm Public Utilities a firm transmission source capable of meeting the total peak demand on the system (approximately 45 megawatts). Today, under certain contingencies, transmission limitations require New Ulm Public Utilities to self generate whenever demand exceeds approximately 15 megawatts (MW). The project will also provide needed transmission support to the electrical system served by Xcel Energy's existing Franklin – Fort Ridgely 115 kV line.

The Office of Energy Security (OES) Energy Facility Permitting (EFP) staff held a public information and environmental assessment scoping meeting on November 19, 2008, at the New Ulm Civic Center, in New Ulm, Minnesota, to discuss the project with the public and solicit public input on the scope of the environmental assessment to be prepared. The attendance sign-in sheet indicated approximately 7 people attended the meeting. The public was given until December 5, 2008, to submit written and/or email comments.

The OES EFP received a total of 6 comment letters that were reviewed and considered during preparation of the Scope of the Environmental Assessment.

Three letters from New Ulm citizens voiced preference for an alternative to the segment of the applicant's proposed route that runs along 23rd Street and uses the existing 69 kV right-of-way. The proposed alternative would increase the length of the preferred route by approximately 1,800 feet and would require the creation of approximately 4,500 feet of new "cross-country" right-of-way, thus impacting a number of parcels/residences not currently affected in addition to increased loss of trees and vegetation. The EFP reviewed the alternative and concluded it would likely not have lesser environmental effects when compared to the project as proposed. This route alternative will not be evaluated in the Environmental Assessment.

A letter from James and Alice Roberts requests evaluating an alternative route that would follow along their property lines instead of bisecting their property as currently configured (Figure 2). The Roberts Alternative will be evaluated in the Environmental Assessment.

Milford Township provided comments in connection with the proposed location of the new substation for the project. Due to the proposed site being located on agricultural land and in an area marked for future expansion of the city of New Ulm, the township suggests an alternative substation site be evaluated. The alternative site is located in Milford Township Section 13, south of Brown County Highway 29 (Figure 3). The Milford Township Substation Alternative will be evaluated in the Environmental Assessment.

A letter from New Ulm Public Utilities recommends placing the route segment proposed along 23rd Street underground. A revised pole design and placement that would maintain the existing distance of the 69 kV line from the front property lines along 23rd Street and allow for sidewalk installation was also recommended. These suggestions will be evaluated in the Environmental Assessment as possible mitigation measures.

Having reviewed the matter, consulted with 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 New Ulm to Fort Ridgely 115/69 kV transmission line rebuild 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. Construction Procedures
 - c. Right-of-Way Maintenance

B. IMPACTS AND MITIGATIVE MEASURES

1. Public Health and Safety
2. Noise
3. Aesthetics
4. Socioeconomics
5. Recreation
6. Transportation and Public Services
7. Radio, Television, and Cellular Phone Interference
8. Archaeological and Historic Resources
9. Land Use (land-based economies)
10. Air Quality
11. Surface Water and Wetland Resources
12. Flora and Fauna
13. Rare and Unique Natural Resources

C. ALTERNATIVES TO BE ADDRESSED IN THE ENVIRONMENTAL ASSESSMENT

In addition to the route proposed by Xcel Energy, the Environmental Assessment shall address the following alternative route and substation locations:

1. Roberts Alternative – The proposed route and existing 69 kV line would be re-directed to follow the Roberts' north property line east to the north-south property line and head south along that property line to 23rd Street instead of bisecting the property as is currently configured.
2. Milford Township Substation Alternative – Locate the proposed substation approximately 900 feet west of Brown County Highway 29 and the DM&E Railroad intersection in Milford Township, Section 13.

D. IDENTIFICATION OF PERMITS

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

E. 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.

F. SCHEDULE

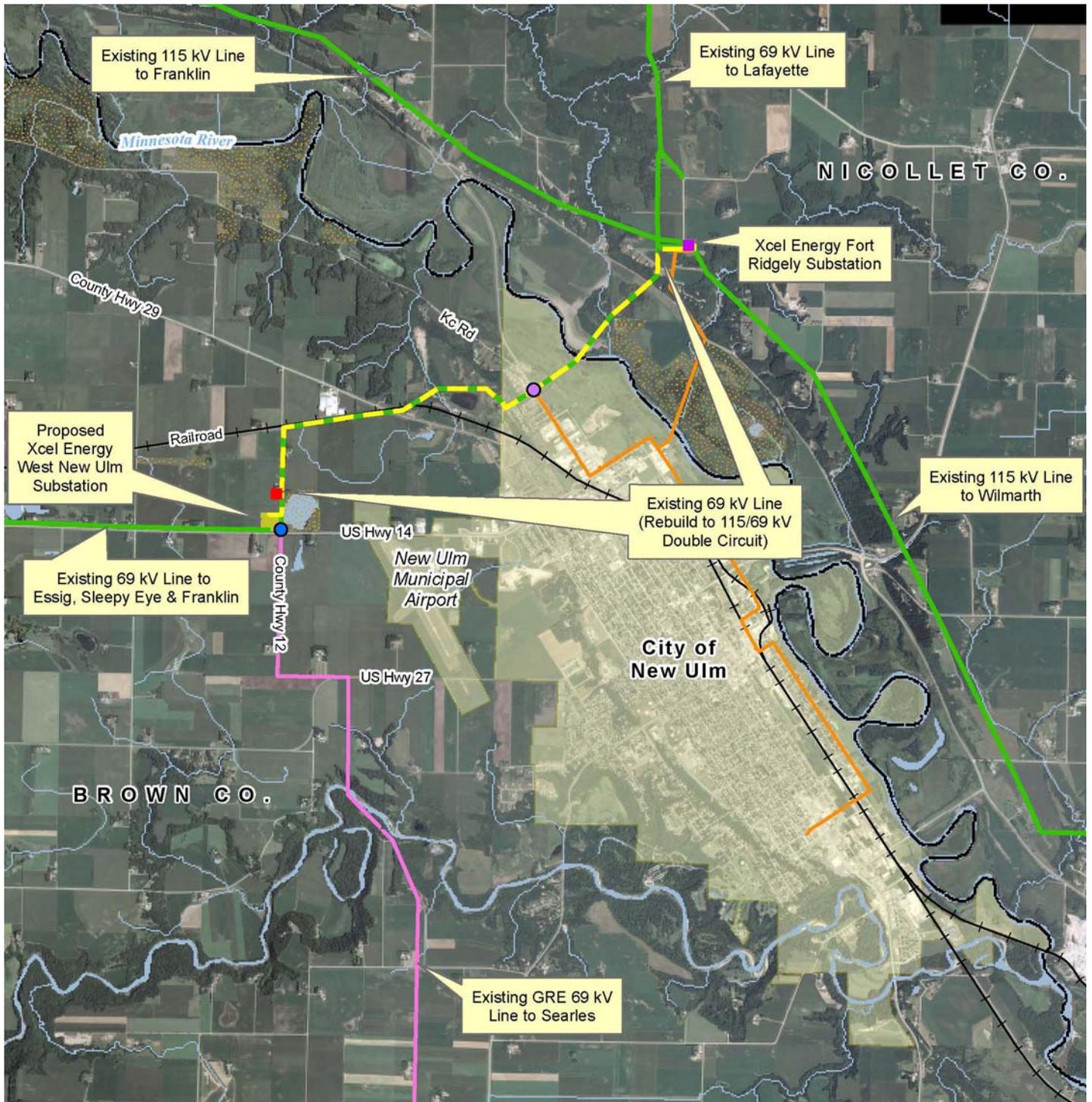
The Environmental Assessment shall be completed and available in February 2009. A public hearing will be held in the New Ulm area after the Environmental Assessment has been issued and notice served.

Signed this 19th day of December, 2008

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
OFFICE OF ENERGY SECURITY



William Glahn, Director



Base map taken from *West New Ulm to Fort Ridgely 115/69 kV Transmission Line Rebuild Project Application to the Minnesota Public Utilities Commission for a Route Permit*. Northern States Power. August 29, 2008.

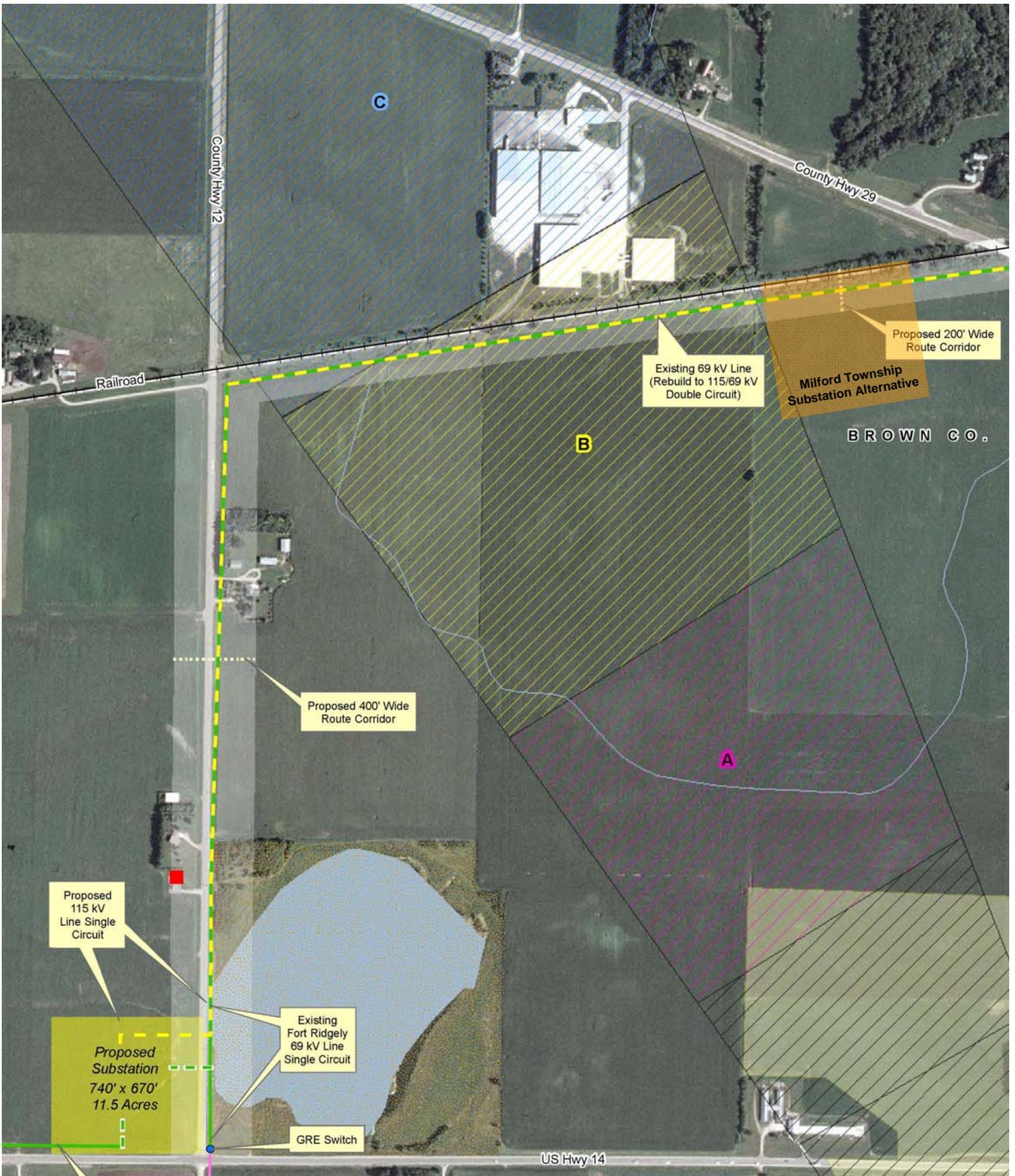
Figure 1
Proposed Route



Base map taken from West New Ulm to Fort Ridgley 115/69 kV Transmission Line Rebuild Project Application to the Minnesota Public Utilities Commission for a Route Permit. Northern States Power. August 29, 2008.

- Proposed Route
- Existing 69 kV Transmission Line
- Existing New Ulm PUC Transmission Line
- Roberts Alternative

Figure 2
Transmission Line Route Alternatives



Base map taken from West New Ulm to Fort Ridgely 115/69 kV Transmission Line Rebuild Project Application to the Minnesota Public Utilities Commission for a Route Permit. Northern States Power. August 29, 2008.

Figure 3
Substation Alternative