

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

David Boyd
J. Dennis O'Brien
Phyllis Reha
Thomas Pugh
Betsy Wergin

Chair
Commissioner
Commissioner
Commissioner
Commissioner

Timothy G. Rogers
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SERVICE DATE: October 6, 2008

DOCKET NO. E-002/TL-08-956

In the Matter of the Route Permit Application for a 115/69 Kilovolt (kV) High Voltage Transmission Line Rebuild from a Newly Proposed West New Ulm Substation to the Existing Fort Ridgley Substation

The above entitled matter has been considered by the Commission and the following disposition made:

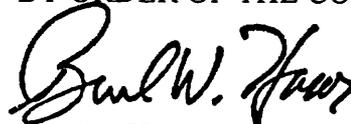
Accepted the Xcel Energy West New Ulm to Fort Ridgley 115/69 kV Transmission Line Rebuild Project Application to the Minnesota Public Utilities Commission for a Route Permit as complete, and authorized the OES EFP staff to process the application under the alternative permitting process pursuant to Minnesota Rules 7849.5500 to 7849.5720.

Authorized OES EFP staff to name a public advisor in this case.

Determined that an advisory task force is not necessary.

The Commission agrees with and adopts the recommendations of the Department of Commerce which are attached and hereby incorporated in the Order.

BY ORDER OF THE COMMISSION



Burl W. Haar
Executive Secretary

(S E A L)

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BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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

DOCKET No. E002/TL-08-956

Meeting Date: October 2, 2008..... Agenda Item # 3

Company: Northern States Power Company (Xcel Energy)

Docket No.: E002/TL-08-956

In the Matter of the Route Permit Application for a 115/69 Kilovolt (kV) High Voltage Transmission Line Rebuild from a Newly Proposed West New Ulm Substation to the Existing Fort Ridgley Substation.

Issue(s): Should the Commission accept the application as complete?
Should the Commission appoint a public advisor?
Should the Commission appoint an advisory task force?

OES Staff: Scott Ek.....651-296-8813

Relevant Documents

Notice of IntentAugust 12, 2008
Route Permit ApplicationAugust 29, 2008
Route Permit Application Errata Items September 15, 2008

The enclosed materials are work papers of the Office of Energy Security (OES) Energy Facility Permitting (EFP) staff. They are intended for use by the Minnesota Public Utilities Commission (the Commission) and are based on information already in the record unless otherwise noted.

This document can be made available in alternative formats (voice/TTY) by contacting 651-201-2202 and/or the Minnesota Relay Service at 711 or 1-800-627-3529.

Attached Documents

General Vicinity Map (Map B.1). Route Permit Application Errata Items. September 15, 2008.

(Relevant documents and additional information can be found on eFilings (08-956) or the Public Utilities Commission Facility Permitting website www.energyfacilities.puc.state.mn.us/Docket.html?Id=19744)

Statement of the Issues

Should the Commission accept the route permit application as complete? If complete and accepted, should the Commission authorize the Office of Energy Security to appoint a public advisor? Should the Commission appoint an advisory task force?

Introduction and Background

On August 29, 2008, Xcel Energy (Xcel) filed a route permit application under the alternative review process for the proposed West New Ulm to Fort Ridgley 115/69 kV transmission line rebuild project. The proposed project transmission line capacity is under 200 kV, less than ten miles in length, and does not cross a state border; therefore, a certificate of need is not required (Minnesota Statute 216B.2421, subdivision 2).

Project Location

The proposed project is located in Brown and Nicollet counties, north-northwest of the city of New Ulm, Minnesota. Specifically, the northeast portion of the project would be located in Lafayette Township, at the existing Fort Ridgley Substation. The project area extends west and southwest from Lafayette Township across the Minnesota River to Milford Township, where the newly proposed West New Ulm Substation would be located.

Project Description

Xcel is proposing to construct a new, 4.2-mile 115 kV high voltage transmission line between a newly proposed West New Ulm Substation in Brown County, Minnesota, and the existing Fort Ridgley Substation in Nicollet County, Minnesota. Approximately 3.8 miles or 90 percent of the new 115 kV transmission line will be constructed along the existing Fort Ridgley 69 kV transmission line alignment using double circuit 115/69 kV structures; thereby, accommodating the new 115 kV and the existing 69 kV on a single structure alignment. The proposed project also involves the construction of a new substation (West Ulm Substation) near New Ulm in Brown County, Minnesota, and modifications to the existing Fort Ridgley Substation.

Project Route

- The proposed 115 kV high voltage transmission line would exit from the existing Fort Ridgley Substation on single circuit structures heading south for 150 feet then proceed west for 1,200 feet.
- The existing Fort Ridgley 69 kV transmission would be re-built (double-circuit) on the newly proposed 115 kV structures that would follow the current 69 kV alignment for approximately 3.8 miles running along County Road 7, crossing the Minnesota River (existing crossing), and then along 23rd Street North, the DM&E railroad tracks, and County Highway 12.
- The 115/69 kV spilt upon entering the newly proposed West New Ulm Substation. The proposed 115 kV transmission line would proceed west 600 feet across County Highway 12 on single circuit structures and the 69 kV Fort Ridgley transmission line would continue 600 feet on double circuit structures before entering the proposed West New Ulm Substation.
- The newly proposed West New Ulm Substation location would be located on an 11.5 acre site located at northwest corner of the intersection of U.S. Highway 14 and County Road 12.

Regulatory Process and Procedures

Minnesota Statute 216E.03, subpart 2, states, “No person may construct a high-voltage transmission line without a route permit from the commission. A high-voltage transmission line may be constructed only along a route approved by the commission.”

High voltage transmission lines with a voltage between 100 kV and 200 kV are eligible for review under the alternative permitting process (Minnesota Rule 7849.5500) of the Power Plant Siting Act (Minnesota Statutes 216E.04).

Application and Acceptance

In accordance with Minnesota Rule 7849.5500, subpart 2, applicants are required to provide a 10-day advance notice of intent to the Commission before submitting a route permit application. On August 12, 2008, Xcel filed a letter with the Commission indicating they intended to file a route permit application for the project under the alternative permitting process.

A route permit application for the project was filed by Xcel on August 29, 2008. Route permit applications for high voltage transmission lines reviewed under the alternative permitting process must provide specific information about the proposed project as defined in 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). Review under the alternative permitting process does not require the applicant to propose any alternative sites or routes in the permit application. If the applicant has rejected alternative sites or routes, the applicant must include the rejected routes and reasons for rejecting them in the route permit application (Minnesota Rule 7849.5530).

The review process begins on the date the Commission determines that an application is complete (Minnesota Rule 7849.5540). The Commission has six months to reach a final route permit decision from the date an application is accepted (Minnesota Rule 7849.5720).

Public Advisor

Upon acceptance of an application for a 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 Commission 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 environmental assessment (environmental assessment scope). The task force terminates upon completion of its charge, upon designation by the Director of the OES of alternative sites or routes to be included in the environmental assessment, or upon the specific date identified by the Commission in the charge, whichever occurs first.

The Commission 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 7849.5580). The Commission would then need to determine if a task force should be appointed or not.

Environmental Review

An application for a high voltage transmission line route permit is subject to environmental review conducted by OES EFP staff. The staff will provide notice and conduct a public information and environmental assessment scoping meeting to solicit public comments on the scope of the environmental assessment. The Director of the OES will determine the scope of the environmental assessment. The environmental assessment will be completed and made available prior to the public hearing (Minnesota Rule 7849.5700).

Public Hearing

Applications for high voltage transmission line route permits under the alternative permitting process require a public hearing upon completion of the environmental assessment conducted in accordance with Minnesota Rule 7849.5710. The hearing is held in the area where the proposed project would be located.

Staff Analysis and Comments

The EFP staff conducted a completeness review of the route permit application. Staff concludes that the applicant has 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. The Commission's acceptance of the application will allow OES EFP staff to commence and conduct the public participation and environmental review processes. The applicant has indicated that any additional information deemed necessary for processing the application can and will be provided in a prompt manner.

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 4.2 miles, the project is relatively short. The requested route width for the majority of the project is 100 feet on each side of the route centerline (200 foot total route width), with the exception of the approximate 3,500 foot segment along County Highway 12 where Xcel requests a route width of 200 feet on each side of the route centerline (400 foot total route width). The proposed right-of way widths to be located within the proposed route are much more defined and range from 50 to 75 feet.

Complexity. The proposed route is simple and straight forward with the majority of the project consisting of a rebuild along the existing Fort Ridgley 69 kV transmission line alignment. Approximately 96 percent of the proposed route uses or parallels existing electric transmission facilities, road, and/or railroad rights-of-way.

Known or Anticipated Controversy. Xcel Energy held public meetings in the area near the proposed project in July 2008, to solicit input on route selection, alternatives and the proposed route. Generally, public interest and comment focused on the proposed location of the new substation and the extensive drain tiling in that location, maximizing the use of existing transmission line rights-of-way while minimizing impacts to residences, and avoiding the need for a new Minnesota River crossing. Xcel has provided documentation of the comments it received from government agency consultation and the public/landowners in Appendix D and E of the route permit application, respectively.

Sensitive Resources. The proposed route would cross the Minnesota River; however, the crossing would be a rebuild of the existing 69 kV transmission line thereby utilizing the existing 69 kV Minnesota River crossing alignment. 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 or parallels existing electric transmission facilities, road, and/or railroad rights-of-way for approximately 96 percent of the proposed route. 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 and/or permit conditions.

Commission Decision Options

A. Application Acceptance

1. Accept the Xcel Energy West New Ulm to Fort Ridgley 115/69 kV Transmission Line Rebuild Project Application to the Minnesota Public Utilities Commission for a Route Permit as complete, and authorize the OES EFP staff to process the application under the alternative permitting process pursuant to Minnesota Rules 7849.5500 to 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 route permit application complete upon the submission of supplementary information.
4. Make another decision deemed more appropriate.

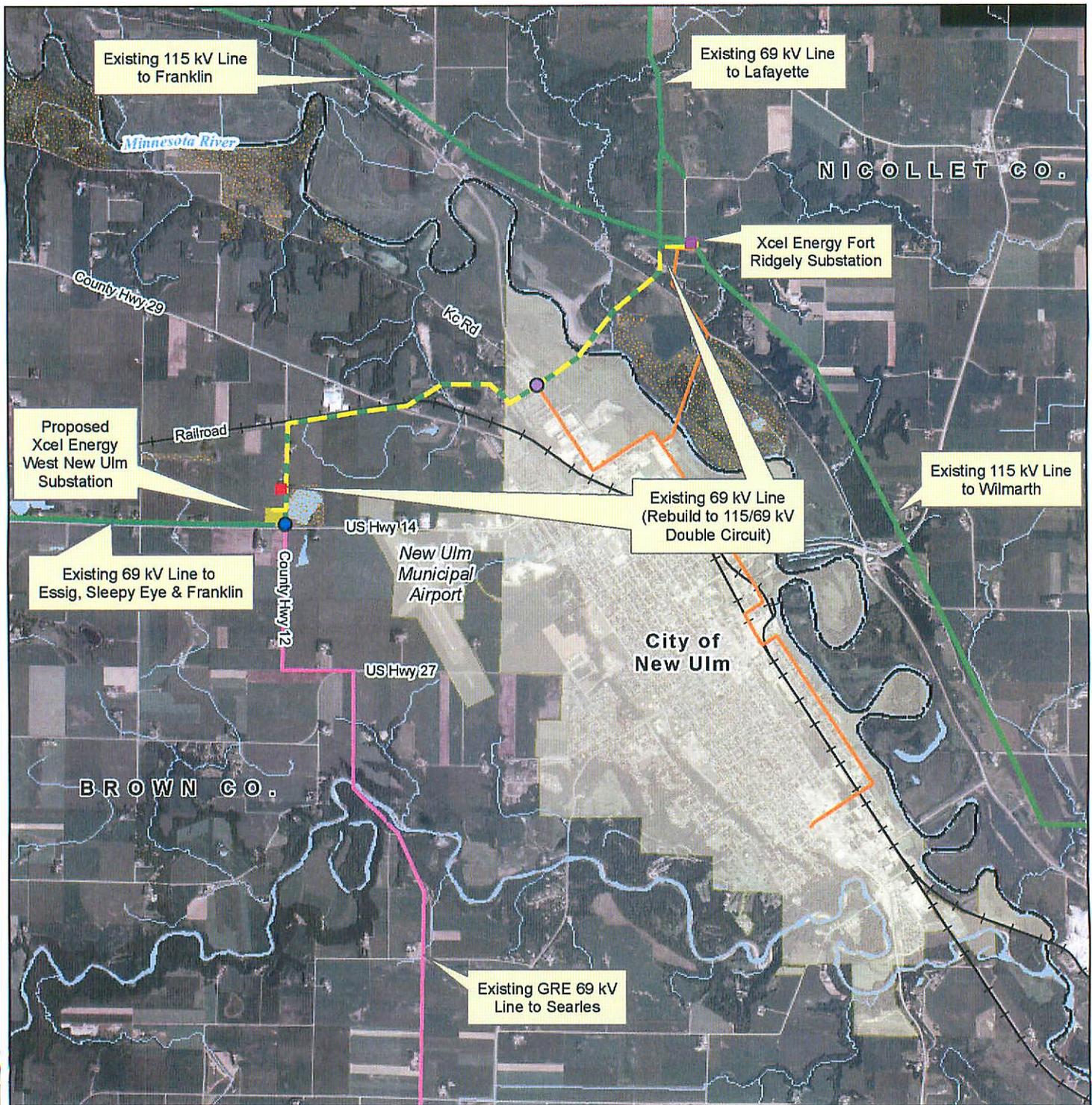
B. Public Advisor

1. Authorize OES EFP staff to name a public advisor in this case.
2. Appoint a Commission staff person as public advisor.
3. Make another decision deemed more appropriate.

C. Advisory Task Force

1. Authorize OES 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.
4. Make another decision deemed more appropriate.

EFP Staff Recommendation: Staff recommends Options A1, B1, and C3.

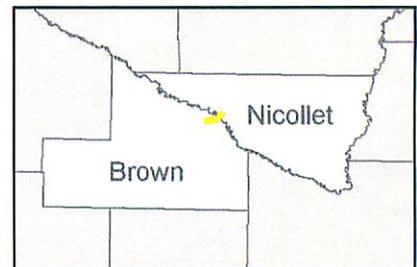


Proposed West New Ulm Substation and 115/69 kV Transmission Line Rebuild Project

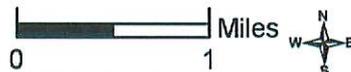
Brown and Nicollet counties, MN

Legend

- Existing Substation - Fort Ridgely
- Existing Substation - Brown Co. REA
- New Ulm Switch
- GRE Switch
- ▬ Proposed Xcel Energy 115/69 kV Transmission Line
- Proposed Xcel Energy West New Ulm Substation
- ▬ Xcel Energy Transmission Line
- ▬ GRE Transmission Line
- ▬ New Ulm Public Utilities Transmission Line
- ▬ Railroad
- ▬ MN DNR Wildlife Area
- ▬ Waterbody
- ▬ River/Stream
- ▬ County Boundary
- ▬ City Boundary



Data Source(s): Xcel Energy, MN DNR, USDA.



General Vicinity Map
Revised Appendix B.1