



**In the Matter of the Application for a
Certificate of Need and Route Permit for the
Northstar Transmission 161 Kilovolt
Transmission Line**

**JOINT ENVIRONMENTAL
REPORT/ENVIRONMENTAL ASSESSMENT
SCOPING DECISION
PUC Docket No. IP-6686/TL-08-944
and IP-6686/TL-08-1120**

The above matter has come before the Director of the Office of Energy Security (OES) for a decision on the Scope of the joint Environmental Report/Environmental Assessment to be prepared on Northstar Transmission's proposed 161 kV transmission line project that involves the construction of a 10-mile 161 kV transmission line, a substation in Petersburg Township, and a switching station east of the city of Jackson, Minnesota (Figure 1).

The applicant indicates that the project will capture energy generated by the 200 megawatt Northstar Wind Farm in Iowa and transmit to the Xcel Energy Lakefield Junction to Fox Lake 161 kV transmission line east of Jackson, Minnesota.

A route permit application (IP-6866/CN-08-1120) for the project was filed on October 18, 2008, and accepted by the Minnesota Public Utilities Commission (Commission) on December 1, 2008.

Because the proposed transmission line capacity is greater than 100 kV and is 10 miles or more in length, a Certificate of Need (CN) application is required. A CN application (IP-6866/CN-08-944) for this project was filed by Northstar on October 28, 2008. The certificate of need and the transmission line routing environmental review processes for this project have been combined in accordance with Minnesota Rule 7849.7100, subp. 1, therefore an environmental assessment will be prepared in lieu of an environmental report.

The OES Energy Facility Permitting (EFP) staff held a public information and environmental assessment scoping meeting on January 29, 2008, at the AmericInn, in Jackson, 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 16 people attended the meeting. The public was given until February 12, 2008, to submit written and/or email comments.

In addition to the comments heard at the public meeting, the OES EFP also received a total of four comment letters, all of which were reviewed and considered during preparation of the Scope of the Environmental Assessment.

Two letters from citizens located along the proposed route voiced preference for an alternative to the segment of the applicant's proposed route that would run along 560th Avenue from County Highway 23 to 558th Street where it heads north. A second alternative with three variations was suggested for the area of the proposed route where the applicant is requesting a 1 mile wide route width (sections 10 and 20 north and adjacent to County Highway 14). These two alternatives have been incorporated into the Scope of the Environmental Assessment and are shown in Figures 1 and 2.

Having reviewed the matter, consulted with EFP staff, and in accordance with Minnesota Rules 7849.5700 and 7849.7060, I hereby make the following Scoping Decision:

MATTERS TO BE ADDRESSED

The Environmental Assessment on the proposed Northstar Transmission, LLC, 161 kV transmission line and substation project will address and provide information on the following matters:

A. REGULATORY FRAMEWORK

The Environmental Assessment will describe the regulations and regulatory processes which the project is being reviewed under, including the certificate of need, environmental review, and the public participation process.

B. 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 (including size and type)
 - b. Construction Procedures
 - c. Right-of-Way Requirements and Maintenance

C. IMPACTS AND MITIGATIVE MEASURES

1. Public Health and Safety (including electric and magnetic fields)
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: forestry, mining, agriculture)
10. Soils and Geology
11. Air Quality
12. Surface Water and Wetland Resources
13. Flora and Fauna
14. Rare and Unique Natural Resources

D. ALTERNATIVES TO BE ADDRESSED IN THE ENVIRONMENTAL ASSESSMENT

The Environmental Assessment will describe and analyze the feasibility of the following alternatives:

- No-Build
- Demand Side Management
- Purchased Power
- Conservation
- Existing Line or System Improvements
- Generation

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

1. Withers/Ascherman Alternative – The proposed alternative would veer northwest and follow along Petersburg Road/County Highway 23 instead of continuing north along 560th Avenue. At the north-south property line dividing the northeast corner ¼ of Section 7, the proposed alternative would head north following an existing fence line/property boundary joining the proposed route at the point where 560th Street runs direct north (Figure 1).
2. W. Ascherman Alignment Alternatives (I, II, and III) – The proposed alternatives are located in the area of the proposed route where the applicant is requesting a 1 mile wide route width (sections 10 and 20 north and adjacent to County Highway 14). The alternatives specify three separate alignment alternatives from County Highway 14 to the proposed switching station end point. All three suggested alignment alternatives are variations to the cross-country alignment proposed by the applicant and share at least one common segment (Figure 2).

E. IDENTIFICATION OF PERMITS

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

F. 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.

G. SCHEDULE

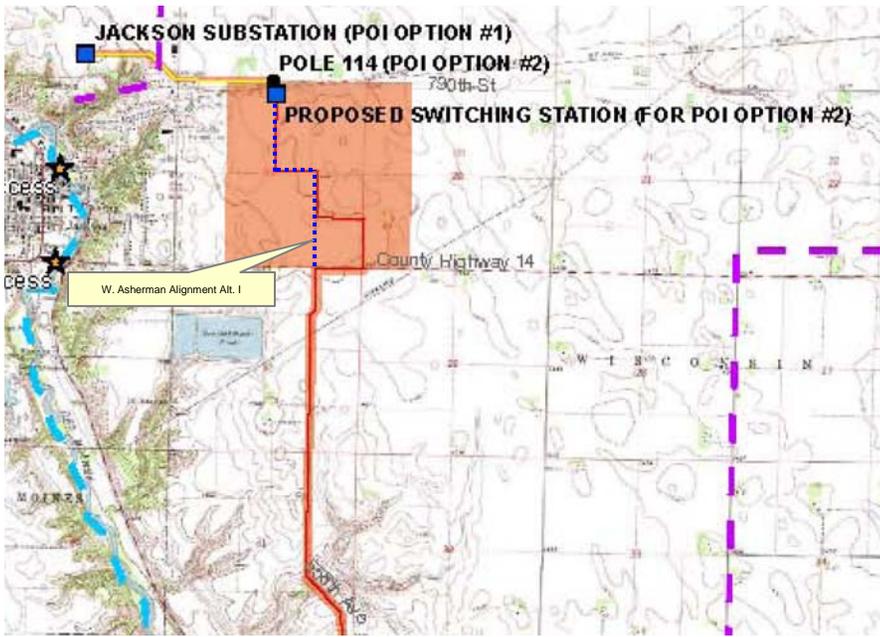
The Environmental Assessment shall be completed and available in May 2009. A public hearing will be held in the Jackson area after the Environmental Assessment has been issued and notice served.

Signed this 24th day of February, 2009

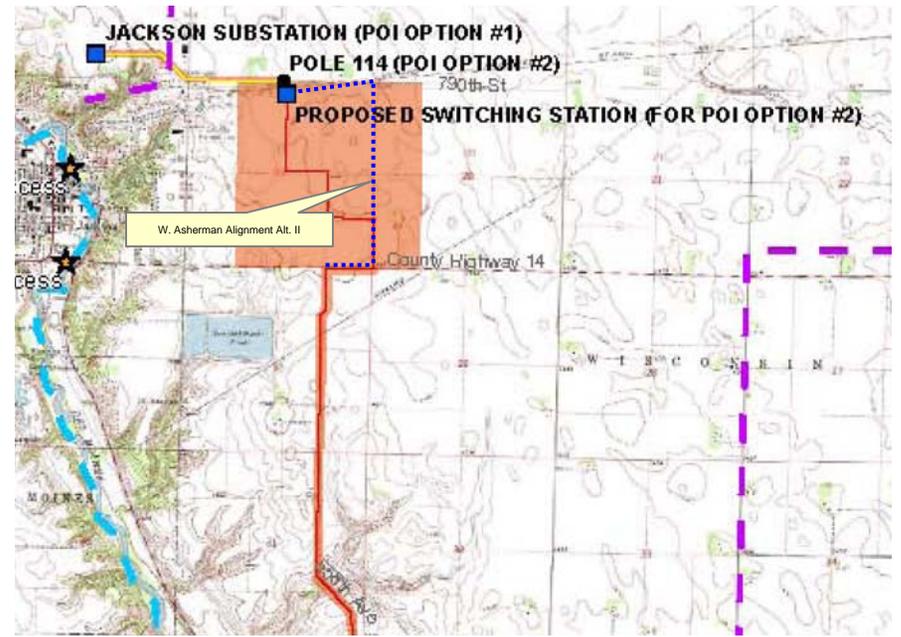
STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
OFFICE OF ENERGY SECURITY



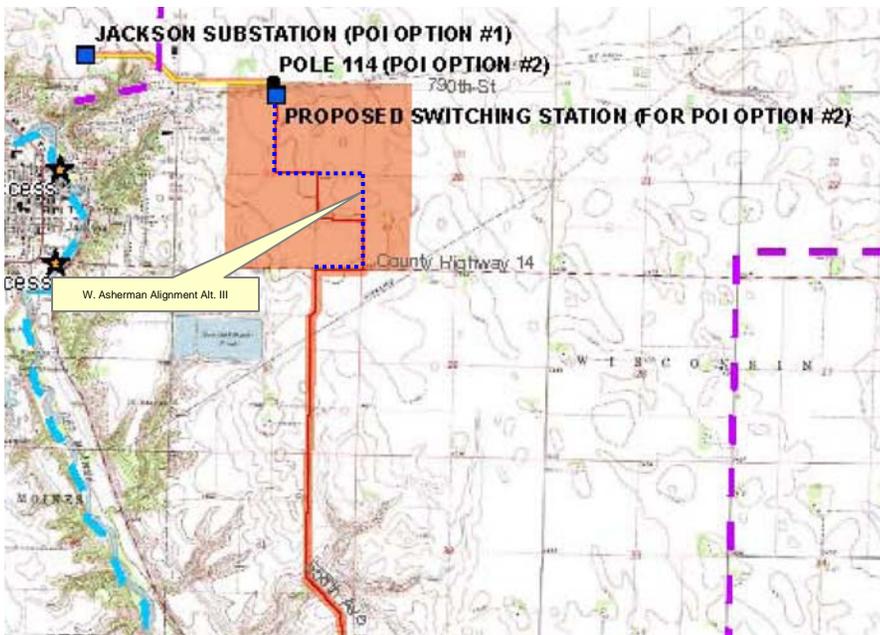
William Glahn, Director



Alignment Alternative I



Alignment Alternative II



Alignment Alternative III

Figure 2
W. Asherman Alignment Alternatives
Northstar Transmission, LLC.
Project TL-08-1120