BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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

Alan Blum
Northstar Transmission, LLC
418 Central Ave.
Esterville, IA 51334

SERVICE DATE: December 1, 2008

DOCKET NO. IP-6686/TL-08-1120

In the Matter of the Route Permit Application for a 161 Kilovolt (kV) Transmission Line and Associated Facilities in Jackson County, Minnesota

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

Accepted the Northstar 161 kV Transmission Line Route Permit Application as complete and authorized Office of Energy Security Energy Facilities Permitting staff to process the application under the alternative permitting process in Minnesota Rules 7849.5500 to 7849.5720.

Authorized Office of Energy Security Energy Facilities Permitting staff to name a public advisor in this case.

Took no action on an advisory task force at this time.

The Commission agrees with and adopts the recommendations of the Office of Energy Security 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. IP-6686/TL-08-1120

Meeting Date: November 25, 2008.....Agenda Item # 5

Company: Northstar Transmission, LLC

Docket No: **IP-6686/TL-08-1120**

In the Matter of the Route Permit Application for a 161 Kilovolt (kV) Transmission Line and Associated Facilities in Jackson County, Minnesota.

Issue(s): Should the Commission accept the route permit application as complete?

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

RELEVANT DOCUMENTS (in Commission Packet)

Notice of Intent ..... September 22, 2008
Route Permit Application .....October 28, 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 Public Utilities Commission (Commission) and are based on information already in the record unless otherwise noted.

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DOCUMENTS ATTACHED

1. Figure 1 – Proposed Route

Note: Relevant documents and additional information can be found on eDockets (08-1120) or the Commission Facilities Permitting website at: http://energyfacilities.puc.state.mn.us/Docket.html?Id=19789.

STATEMENT OF THE ISSUES

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

INTRODUCTION AND BACKGROUND

On October 28, 2008, Northstar Transmission, LLC (Northstar) filed a route permit application under the alternative permitting process for a 10-mile 161 kV transmission line to capture energy generated by the 200 megawatt (MW) Northstar Wind Farm in Iowa to the Xcel Energy (Xcel) Lakefield Junction to Fox Lake 161 kV transmission line, east of Jackson, Minnesota.

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.

Project Description

The project would be located in Jackson County, Minnesota, in the city of Jackson and the townships of Wisconsin, Petersburg, and Des Moines.

The project 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. The transmission line would originate at a newly constructed substation (Tatman substation) located approximately one half mile north of the Minnesota-Iowa border in Petersburg Township. The transmission line route would head north out of the Tatman substation along County Highway (CH) 25/560th Avenue for approximately five and one half miles to 558th Avenue and continue north two miles to CH 14 traveling one-quarter mile east. At this point the transmission line route veers slightly north-northwest where it travels along property and section lines across private agricultural land to a newly proposed switching station (see attached Figure 1).

There are currently two alternative end points or points of interconnection (POI) options being considered.

> POI #1 - The transmission line would be co-located on new double-circuit pole structures at existing pole 114 of Xcel's 161 kV Lakefield Junction to Fox Lake transmission line for approximately one mile west to the Jackson Substation which is currently under construction.
>
> POI #2 - The transmission line would terminate at a new switching station near pole 114 of Xcel's Lakefield Junction to Fox Lake 161 kV transmission line.

The total length of the proposed transmission line would be approximately 10 miles with POI #1 and approximately 9 miles with POI #2.

The applicants are requesting a proposed route of varying widths. The requested route widths and lengths vary by segment and range from 300 feet to one mile in width. The requested route width from the Tatman substation to CH 14 is 300 feet. The route width for the segment from CH 14 north is one mile and is requested to better accommodate potential routing issues when traversing private agricultural land. Should POI #1 be chosen, the route width for the additional one mile to the Jackson substation would be 200 feet.

The proposed rights-of-way would also vary in width from 100 total feet along the proposed route from Tatman substation to CH 14 and private land north of CH 14 to 80 total feet where the proposed transmission line would be co-located on double-circuit poles with the existing Xcel 161 kV transmission line from pole 114 to Jackson substation.

REGULATORY PROCESS AND PROCEDURES

High voltage transmission lines between 100 kV and 200 kV are eligible for the Alternative Permitting Process (Minnesota Rule 7849.5500) of the Power Plant Siting Act (Minnesota Statute 216E.04). 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).

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 and 7849.5220, subpart 2. 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 and 7849.5230).

The review process begins on the date the Commission determines that an application is complete. The Commission has six months to reach a final route permit decision from the date an application is accepted. (Minnesota Rule 7849.5540 and 7849.5230).

On September 22, 2008, Northstar filed a 10-day advance notice of intent to the Commission before submitting a route permit application in accordance with Minnesota Rule 7849.5500, subpart 2. On October 28, 2008, Northstar filed a route permit application with the Commission for the Northstar 161 kV transmission line project under the alternative permitting process.

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 7849.5250). 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 comprises representatives of local governmental units and potentially, other interested local persons. A task force can be charged with identifying additional routes or specific impacts to be evaluated in the Environmental Assessment (EA) and terminates when the OES Director issues an EA scoping decision.

The Commission is not required to assign an advisory task force for every project. However, if the Commission does not name a task force, Minnesota Rule 7849.5270 allows a citizen to request appointment of a task force. The Commission 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 high voltage transmission line route permits are subject to environmental review, which is conducted by OES EFP staff under Minnesota Rule 7849.5500. The staff will provide notice and conduct a public information and environmental assessment scoping meeting to solicit public comments on the scope of the EA. The Director of the OES will determine the scope of the EA. The EA will be completed and made available prior to the public hearing.

Public Hearing

Applications for high voltage transmission line route permits under the alternative permitting process require a public hearing (non-contested) upon completion of the environmental assessment pursuant to Minnesota Rule 7849.5710. A portion of the hearing will be held in the counties where the proposed project would be located.

STAFF ANALYSIS AND COMMENTS

Energy Facility Permitting staff conducted a completeness review of the Northstar route permit application and conclude that the proposed project is eligible for review under the alternative permitting process (Minnesota Rule 7849.5500) and that the application meets the content requirements of Minnesota Rule 7849.5530. Staff recommends the Commission 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 10 miles in length, the project is relatively short, running as direct as possible. The requested route widths and lengths vary by segment and range from 300 feet to one mile in width. The proposed right-of way widths to be located within the proposed routes are much more defined and range from 80 to 100 feet total.

Complexity. The proposed route is simple and straight forward. Approximately 85 percent of the proposed route uses or parallels existing electric transmission facilities and/or road rights-of-way. No residential or business displacements would result from the proposed project. Additionally, the applicant is currently pursuing agreements and will strive to obtain easements without the authority of eminent domain.

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. No impacts to sensitive resources have been identified by the applicant at this time.

State and federal rare/endangered species and features identified by the Department of Natural Resources as potentially being present in the project area were not identified during a comprehensive site visit conducted by the applicant, therefore, the applicant does not anticipate impacts. Northstar, with concurrence from the U.S. Fish and Wildlife Service, plans to span a state mussel survey site located in the Des Moines River, thus avoiding any impacts to aquatic organisms. In addition, the potential impacts due to structure placement in select wetland areas near the Des Moines River are expected to be minor and would not exceed regulatory thresholds.

None of these issues represent unusual circumstances to be addressed in an application review process and would be addressed in the OES 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 alternative permitting process should provide adequate opportunities for the public to identify issues and route alternatives to be addressed in the EA. Staff can also 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. Therefore, staff recommendation is to take no action on a task force at time.

COMMISSION DECISION OPTIONS

A. Application Acceptance

1. Accept the Northstar 161 kV Transmission Line Route Permit Application as complete and authorize Office of Energy Security Energy Facilities Permitting staff to process the application under the alternative permitting process in 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 Office of Energy Security Energy Facilities Permitting 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 Office of Energy Security Energy Facility Permitting staff to establish an advisory task force and develop a 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.

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

FIGURE 1 – PROPOSED TRANSMISSION LINE ROUTE

Northstar Transmission, LLC 161 kV Transmission Line, Jackson County, Minnesota

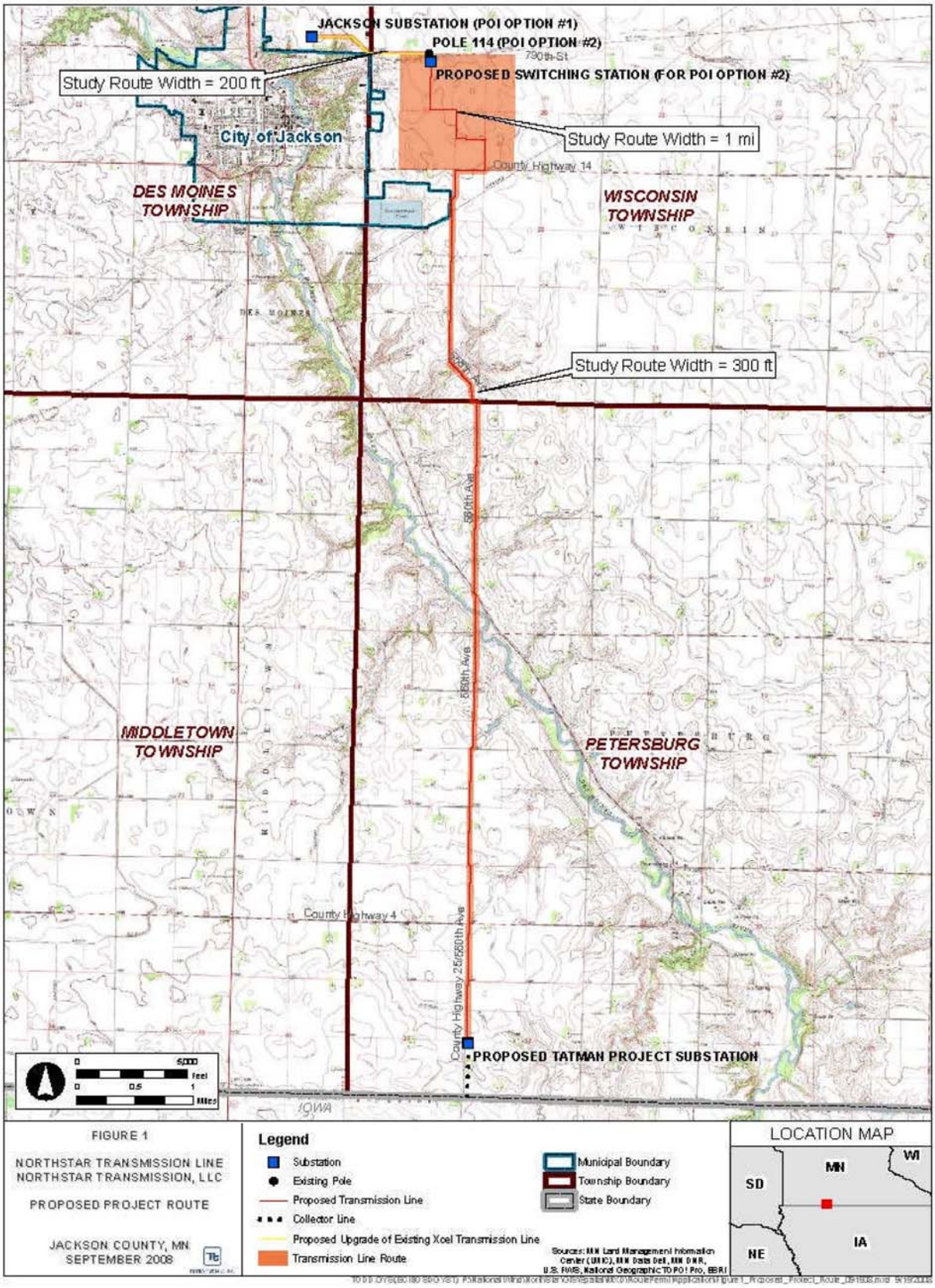

Figure referenced from the *Application to the Public Utilities Commission for a Route Permit. Northstar Transmission, LLC Northstar 161 kV Transmission Line Project, Alternative Permitting Process*. Docket Number: TL-08-1120. October 2008.

STATE OF MINNESOTA)
)SS
COUNTY OF RAMSEY)

AFFIDAVIT OF SERVICE

I, Robin Benson, being first duly sworn, deposes and says:

That on the 1st day of December, 2008 she served the attached

ORDER.

MNPUC Docket Number: IP-6686/TL-08-1120

XX By depositing in the United States Mail at the City of St. Paul, a true and correct copy thereof, properly enveloped with postage prepaid

XX By personal service

XX By inter-office mail

to all persons at the addresses indicated below or on the attached list:

Tricia DeBleeckere
Sharon Ferguson - DOC
Julia Anderson - OAG
John Lindell- OAG

Robin Benson

Subscribed and sworn to before me,

a notary public, this 1 day of

December, 2008

Mary E. Reid
Notary Public

MARY E REID
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