



**BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

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

**DOCKET NO. E002, ET2 /TL-09-246**

Meeting Date: May 7, 2009

Agenda Item # 4

Company: Northern States Power Company (Xcel Energy) and Great River Energy

Docket No. E002, ET2/TL-09-246

**In the Matter of the Application for a Route Permit for the Monticello to St. Cloud 345 kV Transmission Line Project**

Issues: Should the Commission accept the application as complete?  
Should the Commission appoint a public advisor?  
Should the Commission authorize an advisory task force?

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**Relevant Document(s)**

Route Permit Application ..... April 8, 2009

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 and are based on information already in the record unless otherwise noted.

This document can be made available in alternative formats, i.e., large print or audio tape, by calling (651) 201-2202 (Voice) or 1-800-627-3529 (TTY relay service).

## Attached Document(s)

Project Overview Map (Application)..... April 8, 2009

(Relevant documents and additional information can be found on eFilings (09-246) or the PUC Facilities Permitting website: <http://energyfacilities.puc.state.mn.us/Docket.html?Id=19957>)

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## Statement of the Issues

Should the Commission accept the route permit application as complete? If complete and accepted, should the Commission allow EFP to name a public advisor? Should the Commission authorize EFP to develop a charge and convene an advisory task force?

## Introduction and Background

April 8, 2009, Xcel Energy and Great River Energy (Applicants) filed a route permit application under the full review process for the Monticello to St. Cloud 345 kV transmission line project (Project). The Project is over 200 kV and requires a Certificate of Need (CN). An Order is pending from the Commission granting a CN for the CapX2020 Phase I project, of which this line segment application is a part.

### *Project Area*

The proposed Project is located between the city of Monticello in Wright County and St. Joseph Township in Stearns County. The attached map provides a project overview that identifies the Project location.

### *Project Description*

The specific components of the Monticello to St. Cloud 345 kV Transmission Line Project are described below:

- **Monticello Substation** - Modifications will be made at the existing Monticello Substation to accommodate the proposed 345 kV transmission Line.
- **Monticello to St. Cloud 345 kV Transmission Line** - The proposed 28-mile line will be constructed primarily on single-pole, double-circuit capable, self-weathering or galvanized steel structures.
- **Quarry Substation** - The proposed Quarry Substation will be located west of the city of St. Cloud. The substation is proposed to be a 345/115 kV substation, ultimately up to 15 acres in size, to allow for the interconnection of the proposed 345 kV transmission line, an existing 115 kV transmission line and future high voltage transmission lines.
- **Connection of existing 115 kV transmission line** – The existing St. Cloud to Sauk River 115 kV transmission line located within the Proposed Quarry Substation Siting Areas and extending in an east-west to south-north direction will be interconnected into the proposed Quarry Substation.

## **Regulatory Process and Procedures**

High voltage transmission lines with a voltage of 200 kV or above are required to file under the Full Review Process under Minnesota Rule 7849.5200-5340 and Minnesota Statute 216E.03. Under the Full Review Process, an applicant is required to propose a preferred route and at least one alternative route.

Under this process, EFP staff conducts public information and scoping meetings and prepares an Environmental Impact Statement (EIS), and a public contested-case hearing is required.

Route permit applications under the full review process must provide specific information about the proposed project, applicant, environmental impacts, alternatives and mitigation measures (Minnesota Rule 7849.5220). 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 7849.5230).

The permit review process begins with the determination by the Commission that the application is complete, allowing staff to initiate the public participation and environmental review processes. The Commission has one year to reach a final decision from the time the application is accepted (Minnesota Rule 7849.5340).

### ***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 7849.5250). The public advisor is someone who is available to answer questions from the public about the permitting process and assist them in participating in that process. In this role, the public advisor may not act as an advocate on behalf of any person.

The Commission can authorize EFP to name a member from its staff as the public advisor or assign a Commission staff member. The role has typically been filled by an EFP 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 may include other interested persons. A task force can be charged with identifying additional routes or specific impacts to be evaluated in the EIS and terminates when the OES Director issues an EIS 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 EIS scoping decision by the OES Director.

### *Environmental Review*

Applications for a route permit under the full review process require an Environmental Impact Statement, which is prepared by EFP staff under Minnesota Rule 7849.5300.

### *Public Hearing*

Applications for route permits under the full review process require a contested case hearing to be held as per Minnesota Rule 7849.5330.

## **EFP Staff Analysis and Comments**

EFP staff reviewed and evaluated the Monticello to St. Cloud 345 kV Transmission Line Project route permit application through its draft and final versions, and concludes that the application meets the content requirements of Minnesota Rule 7849.5220. Staff recommends that the Commission accept the Application with the understanding that if additional information is requested by the EFP staff, these requests will be addressed promptly. The Applicants would be required to comply with requests for additional information from the Commission or the EFP.

### *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 30 miles, and at 345 kilovolts, the proposed line and substation are a relatively significantly-sized project that poses several potential environmental impacts.

**Complexity.** The proposed route is fairly complex in routing almost entirely along the Hwy 94 corridor. It presents an unique interaction between private, state and federal interests. Additionally, the route creates significant new right-of-way, regardless of whether the preferred or an alternative route is approved.

**Known or Anticipated Controversy.** The Applicants had met with local government officials before submitting an application, and EFP staff will continue to educate officials and local residents throughout the process about the opportunities afforded the public to submit comments and suggestions for alternative routes. However, several questions remain with MnDOT and the Federal Highway Administration in establishing potential easement sharing along the corridor. These agencies have additional concerns about Scenic Byways along alternatives, especially whether transmission installations of this size might diminish or eliminate the scenic status of said areas.

**Sensitive Resources.** There are no occurrences of Minnesota County Biological Survey “outstanding significance” areas crossed by the Project, 103.5 acres designated as “high significance,” and 14.7 acres designated as having “moderate significance.” No critical habitat occurs within one mile of Alternate Route A, and no critical habitat occurs within one mile of the Alternate Route B corridor. No historic landscapes have been identified within the Project area. However, these areas might be well served by a task force with local knowledge that may help identify resources that have not yet been surveyed.

Based on the analysis above, staff concludes that an advisory task force is prudent in this case. The preferred route is designed to parallel existing corridors; however, it is not clear at this time to what extent easement sharing would be feasible or significant. The charge to the advisory task force would be twofold: 1) have local governments help determine where their own planning efforts might reveal constrictions in the proposals or unidentified opportunities for alternative segments; and 2) facilitate interaction between local governments and other public interests to help delineate any separate concerns and shared solutions that should be explored in the EIS.

The advisory task force would comprise a representative each from the two counties and six cities, at least one town board member from each county in the project area, and a member to represent the responsibilities of state or federal agencies that manage interstate highway properties. EFP would establish one task force to gather information internal to each jurisdiction that also implicates the impacts of alternatives that may be external to a jurisdiction. The advisory task force would expire on the issuance of the OES Director's Scope for the EIS.

Staff will continue as well to assist local landowners and other citizens in understanding the routing process and in identifying opportunities for participating in further development of alternative routes or permit conditions.

## **Commission Decision Options**

### **A. Application Acceptance**

1. Accept the Monticello to St. Cloud Transmission Line Route Permit Application as complete and authorize the Office of Energy Security to process the application under the full review process in Minn. Rule 7849.5200-5340.
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 Application complete upon the submission of supplementary information.
4. Make another decision deemed more appropriate.

### **B. Public Advisor**

1. Authorize the Office of Energy Security 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 the Office of Energy Security to establish an advisory task force and develop a proposed 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 Recommendations:** Staff recommends options A1, B1 and C1.

# Project Overview Map

