



March 10, 2010

VIA ELECTRONIC FILING AND U.S. MAIL

Bill Storm
Office of Energy Security
85 7th Place East, Suite 500
St. Paul, MN 55101-2198

Re: *In the Matter of the Application for a High Voltage Transmission Line Route Permit for the Hiawatha Transmission Project*
MPUC Docket No.: E-002/TL-09-38
OAH Docket No.: 15-2500-20599-2

Dear Mr. Storm:

Northern States Power Company, a Minnesota corporation ("Xcel Energy" or the "Applicant"), submits the following comments regarding the Draft Environmental Impact Statement ("DEIS") issued by the Department of Commerce Office of Energy Security ("OES") on January 8, 2010 for the Hiawatha 115 kV Transmission Line Project ("Project"). Xcel Energy has reviewed the DEIS and commends the thorough and comprehensive nature of the DEIS. Xcel Energy appreciates the time and effort that OES staff put into preparing the DEIS.

Xcel Energy provides the following suggestions regarding additional information or corrections that would be appropriate to supplement in the Final EIS.

A. Route Width for Route A

In the Route Permit Application, Xcel Energy requested a route width of 125 feet for Route A, Alignment A1 and Alignment A2. After the filing of the Application, at the request of Hennepin County, Xcel Energy evaluated a third alignment for Route A, Alignment A3, which is located along the bottom of the Midtown Greenway. To accommodate this new alignment, Xcel Energy is now requesting a route width of 200 feet be authorized if Route A is selected. As a result, Xcel Energy requests that the Final EIS evaluate the environmental impacts of this expanded route width. A map showing the revised route width is enclosed as **Attachment 1**.

B. Route Preference and Alignment Preference

Several places in the DEIS state that Xcel Energy has asserted a preference for the overhead design along Route A or for a particular route alignment for Routes A-D. *See, e.g.* DEIS at pp. 36-38, 98. Xcel Energy notes that while Route A is its preferred route, Xcel Energy has not stated a preference for a particular design option (overhead or underground). As noted in my direct testimony, the overhead and underground design options have different associated impacts that must be analyzed and considered by the Minnesota Public Utilities Commission ("Commission") in reaching its conclusion regarding the most appropriate route and how costs for the Project will be allocated.

In addition, Xcel Energy has not stated a preference for a particular alignment along Route A, Route B, Route C or Route E2. Xcel Energy has instead requested a route width of 200 feet for Route A, a route width of 80 feet for Routes B and C and a route width of 970 feet for Route E2 and provided potential alignments. Following issuance of the Route Permit by the Commission, Xcel Energy intends to work with landowners, government entities and other stakeholders to determine the final alignment for the Project. With regard to Route D, Xcel Energy prefers an alignment along the north side of 28th Street. This preference will be asserted as part of Xcel Energy's rebuttal testimony.

C. Substations

The DEIS states on page 73 that a "seven foot high perimeter fence" will surround both the proposed Hiawatha and Midtown substations. Since the filing of the Application, Xcel Energy has refined its proposals for the substations. The current proposal at Midtown Substation is a 20-foot wall on all sides. The current proposal at the Hiawatha Substation is a 12-foot wall on all sides. Each substation would also have two access gates.

1. Hiawatha Substation Sites

The DEIS states that the Hiawatha East Substation site will require removal of "[n]ew trees planted on Arbor Day 2008 and 2009 by neighborhood groups." DEIS at p. 24. Xcel Energy notes that the Hiawatha East Substation location would not require removal of any trees planted by neighborhood groups.

Section 7.2 of the DEIS discusses the five alternative Hiawatha Substation sites proposed by the Advisory Task Force ("ATF"). This discussion was aided by Xcel Energy's analysis of these sites contained in the November 2009 document entitled "Technical Feasibility of ATF Substations." Since November 2009, Xcel Energy has conducted additional analysis regarding the suitability of substation sites, including using non typical designs, equipment and layouts, in response to information requests received from other parties to this proceeding. Attached are copies of responses to information requests that reflect this further analysis. **Attachment 2** (Xcel Energy's Responses to City of Minneapolis IR Nos. 14 and 15 and Xcel Energy's Response

to Midtown Greenway Coalition IR No. 25). Xcel Energy requests that the Final EIS be updated to reflect the most recent analysis regarding the feasibility of alternate substation sites.

2. Midtown Substation Sites

Xcel Energy notes that property information regarding two of the Midtown Substation alternative sites should be clarified. The DEIS states that Mt-28N and Mt-28S are located on vacant property. DEIS at pp. 7, 46 and 47. Mt-28N is located on private green space owned by Wells Fargo and Mt-28S is located on a parking lot owned by Wells Fargo.

Page 13 of the DEIS states that Applicant has proposed low-profile designs for both the Hiawatha Substation and the Midtown Substation. Xcel Energy requests that the Final EIS clarify that Xcel Energy has only proposed a low-profile design for the Hiawatha West and Hiawatha East substation sites and the Midtown South substation site. The Midtown North substation site is proposed to be a high-profile design.

3. Underground Substation Cost Study

Appendix D of the DEIS includes a copy of the "Hiawatha Underground Substation Study Paper" prepared by Sargent & Lundy. References to this study are found throughout the DEIS. *See e.g.* pp. 48 and 75. For purposes of clarity, Xcel Energy requests that the Final EIS note that this study only assessed the costs associated with constructing the Hiawatha Substation underground at the Hiawatha West site. This cost study did not assess the feasibility of constructing an underground substation at the Hiawatha West site or any other proposed site. A determination of feasibility would require investigation into water table depths, soil stability and other factors.

D. Electric and Magnetic Fields

Page 22 of the DEIS provides electric field measurements for Routes A and D, underground construction. As noted in the direct testimony of Benjamin Gallay, the electric field measurements from the center of the transmission line to 200 feet from the center of the right-of-way should have zero electric fields for underground construction. This is because electric fields are contained within the duct banks of the underground systems. *See* Direct Testimony of Benjamin Gallay at p. 3. Xcel Energy requests that the Final EIS include these updated electric field calculations.

Table 5.6-4 of the DEIS, page 248, includes magnetic field calculations for the proposed transmission lines that were based, in part, on information provided in Table 8 of the Application. Xcel Energy notes that in both tables, the calculations for Routes A and D for the two different underground cable types were transposed. These calculations should be: 19.67 for the 3000 kcmil conductor (peak), 11.80 for the 3000 conductor (average), 13.08 for the 1250 kcmil conductor (peak), and 7.85 for the 1250 kcmil conductor (average).

In addition, since the filing of the Application, Xcel Energy has updated its magnetic field calculations in response to an information request. Attached is a copy of this information request response. **Attachment 3** (Xcel Energy's Response to Midtown Greenway Coalition IR No. 30). These revised calculations reflect updated cable information and default ground conditions. It should be noted that the calculations contained in Table 3 of this response for Route A (underground) apply to both Alignment A2 and Alignment A3.

E. Cost Allocation

Section 1.8 of the DEIS discusses Project costs and illustrates rate impact calculations based on allocating the incremental cost between overhead and underground design across multiple customer population using the City Requested Special Facility Surcharge ("CRFS") rates. Xcel Energy notes that the CRFS mechanism has only been used for underground distribution special facilities. Moreover, the cost allocation estimates provided in the DEIS are based on Xcel Energy's August 2009 response to an information request from the Commission. Xcel Energy provided updated cost information in the direct testimony and schedules 7 and 8 of Paul Lehman. Xcel Energy requests the Final EIS be updated to reflect these additional cost allocation scenarios.

F. Vegetation Management

Pages 10 and 11 of the DEIS state that each of the proposed routes will involve tree trimming. Xcel Energy asks that the Final EIS clarify that all of the overhead routes, with the exception of Route C, have existing distribution lines along the entire route. As a result, trees along these routes are already trimmed at a lower height than what would be required for the proposed overhead transmission lines.

The DEIS, at page 195, asserts that along Route D, 34 trees would be removed from the south-exposed side of the street. As the final alignment for all of the proposed routes is yet to be determined, Xcel Energy suggests that the Final EIS note that 34 trees could be removed along Route D, depending on the final alignment of the proposed transmission lines.

Pages 179 and 180 of the DEIS lists 14 community gardens that are located within the vicinity of the proposed routes. To help assess the proposed routes' impacts on these gardens, Xcel Energy suggests that the Final EIS identify which routes may impact each particular garden.

G. Pole Placement and Distribution Lines

The DEIS states that for Routes B and C, "the majority of pole structures would be placed on existing paved surfaces." *See, e.g.*, DEIS at p. 67. Xcel Energy requests that the Final EIS reflect Xcel Energy's intent to place poles adjacent to, not on, paved surfaces, where possible. There may be circumstances where the paved surfaces may need to be extended away from the

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street and the poles may need to be placed in the outer edge of those surfaces to meet Americans with Disabilities Act requirements.

The DEIS notes that some overhead routes require moving existing distribution lines underground. Xcel Energy asks that the Final EIS clarify that none of the route alternatives requires moving existing distribution lines underground.

H. Appraisal Fees

As stated in my direct testimony, appraisal fee information provided on page 50 of the Route Permit Application and on page 81 of the DEIS needs to be updated. First, the Application erroneously states that when a landowner obtains an appraisal during the right-of-way acquisition process, the landowner is entitled to be reimbursed up to \$500 toward the appraiser fee as long as the appraisal follows standard and accepted appraisal practices. This section should have stated that the court-appointed Commissioners are authorized to award appraisal fees in the condemnation process. *See* Minnesota Statutes § 117.189. In addition, after the Application was filed, the statute governing appraisal reimbursement, Minnesota Statutes § 117.189, was amended to allow Commissioners to award up to \$3,000 for appraisal fees if the property is being acquired for a high voltage transmission line.

Thank you for considering our comments. Please contact me at 612-330-6512 if you have any questions regarding this letter.

Sincerely,

s/RaeLynn Asah
RaeLynn Asah

LMA/dba
Attachments

cc: Service List

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Voltage Transmission Line Route Permit
for the Hiawatha Transmission Project*

CERTIFICATE OF SERVICE
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Diane Bailey-Andersen certifies that on the 10th day of March 2010, she filed a true and correct copy of an **Xcel Energy DEIS Comment Letter** by posting it on www.edockets.state.mn.us. Said document was also sent via U.S. Mail as designated on the Official Service List on file with the Minnesota Public Utilities Commission.

/s/ Diane Bailey-Andersen
Diane Bailey-Andersen