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Judy D. Hanson, District 1
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July 29, 2009

Mr. Larry Hartman, Project Manager
Minnesota Office of Energy Security
85 7th Place East, Suite 500
St. Paul MN 55101

Ref: PUC Docket Number E282/WS-09-178

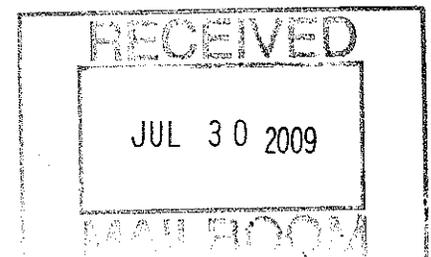
Dear Sir:

Regarding the above project, I would like to make the following comments:

1. I question the feasibility of the project when indications are that the wind resource is only moderate-to-good.
2. On page 24, the permit application refers to the neighborhood in which the turbines are to be placed as, "sparsely populated rural area". It is rural, but the township is the most highly populated of the county's "rural" townships.
3. On page 30, the application describes the agriculture of Nicollet County. It uses data from 2002 that does not give a true picture of the county.
4. On page 31, the permit application erroneously includes turkeys in the top livestock inventory for Nicollet County. There are no commercial turkey facilities in the county. While this information may be incidental to the permit application, this error allows the question of other errors that may be beyond this writer's knowledge.
5. Drainage is discussed in Section 5.10.2.1, page 31. The permit application must address any disruptions to private tile lines and to drainage that is covered by MN Statute 103e. Disrupted tile lines must be not only repaired, but possibly re-routed in order to assure proper drainage.
6. Any alterations to tile lines or drainage will have to be approved by the Drainage Authority and must comply with MN Statute 103e.
7. In Section 5.16.3, the permit application states that county ditches will not be affected. Since one of the landowners has a stipulation on entry to his property, it would appear that a county ditch may be affected.

continued ...

Nicollet County Government Center
501 South Minnesota Avenue, St. Peter MN 56082
Telephone 507-931-6800 - Fax 507-931-9220



July 29, 2009

The concept that led to the application to generate renewable energy using wind turbines by the New Ulm PUC is commendable. It appears the public utilities commission has good intent, but they fall short in their process, procedures, and methods. This raises several questions concerning the application. The New Ulm PUC has chosen to go outside their political boundaries (even to another county) to do the project in an area with questionable wind capacity. They have chosen to use "less than friendly" tactics when dealing with landowners. They have chosen to enter into a project to produce renewable energy even though they are not required to abide by the state's renewable energy standard. I do not believe our state officials had projects of this nature in mind when they set up the Minnesota 25 by 25 mandate. This application should be denied.

Sincerely,

A handwritten signature in cursive script that reads "Judy D. Hanson". The signature is written in black ink and is positioned above the typed name.

Judy D. Hanson
Nicollet County Commissioner

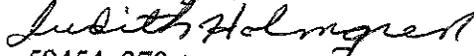
Docket number - E282/WS-09-178

When we attended the first meeting at St. Peter about these wind turbines, we told the County Commissioners that New Ulm Public Utilities would push for a Wind Farm if they allowed them to put the 5 wind turbines they were requesting. Hugh Nierengarten guaranteed us that they had no intention of putting up a Wind Farm---I can safely say he was not being honest with the Commissioners. We do not want the 5 wind turbines; we certainly do not want a Wind Farm. Wind Farms have no place in such a highly populated area. We live in Nicollet County because it is a county that places value on the quality of life the residents have here. More than that, this farm land is the livelihood of all the Farmers here---this is their income. There are good sites in Brown County---why not Westridge Rd.? There is plenty of open space there and only a few homes. Why should we give up our quality of life for Brown County---this will be of no benefit to Nicollet County. We the people of Nicollet County are the ones who pay our taxes to Nicollet County(and believe me that farmers pay the majority of taxes on their land) and we firmly believe that Nicollet County guidelines should apply here, not the guidelines of the state of Minnesota.

This area is side by side family farms and farm sites. They are not only family farms, they are our homes. We have a right to protect the conditions we live and work in and the homes we live in; these wind turbines will destroy family life and farm production and hinder the right to the enjoyment and use of our own property if they are allowed to erect them here.

Please allow the Nicollet County guidelines take precedent over Minnesota State guidelines.

Judith Holmgren



59454 370st.

Lafayette, MN 56054



Memo

District 7 – Mankato and Windom
501 South Victory Drive
Mankato, MN 56001-5302

Office Tel: (507) 304-6100
Fax: (507) 304-6119

TO: Larry Hartman

FROM: Mark Scheidel, Transportation Planner

Tel: (507) 304-6197

mark.scheidel@state.mn.us

DATE: July 20, 2009

SUBJECT: New Ulm Wind Project
PUC Docket: E282/WS-09-178
TH 15, control section 5204, MP 66

The Minnesota Department of Transportation District 7 office appreciates the opportunity to review the New Ulm Site Permit Application for the 10.5 MW Wind Project in Nicollet County and offers the following comments:

1. The closest state highway is TH 15, approximately 4 miles to the east. Because of the distance, District 7 sees no site issues.
2. A turn off point from a state highway may be used to access local roads. If any work is proposed in the state right of way, a District 7 permit will be required. This includes, but is not limited to, radii adjustments and sign relocation – see below.
3. District 7 could comment more specifically on the adequacy of state roads proposed to be used if the proposed routes are identified to us.

If work is required within Mn/DOT right of way for the placement of structures, materials, or access to adjacent properties, please coordinate this through our Property Management/Right of Way Permits office. Our Utility Agreements and Permits website <http://www.dot.state.mn.us/utility/index.html> which contains our accommodation policy <http://www.dot.state.mn.us/utility/files/pdf/appendix-b.pdf> is helpful in the permitting process.

If you have questions or comments, please feel free to contact me.

CC: District 7 Access Committee, Robert Woodruff

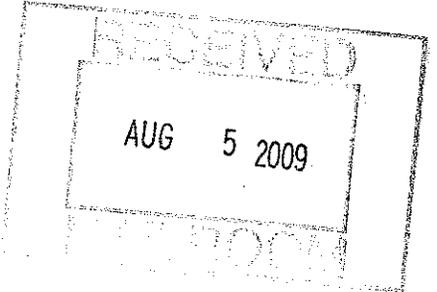


Minnesota Pollution Control Agency

520 Lafayette Road North | St. Paul, MN 55155-4194 | 651-296-6300 | 800-675-3843 | 651-282-5332 TTY | www.pca.state.mn.us

August 4, 2009

Mr. Larry Hartman, Project Manager
Minnesota Office of Energy Security
85 7th Place East, Suite 500
St. Paul, MN 55101-2198



Re: New Ulm Wind Project Site Permit Application
PUC Docket Number E282/WS-09-178

Dear Mr. Hartman:

Thank you for the opportunity to review and comment on the Site Permit Application for the New Ulm Wind Project (Project), a proposed 10.5 megawatt wind farm, in Nicollet County, Minnesota. Regarding matters for which the Minnesota Pollution Control Agency (MPCA) has regulatory responsibility and other interests, the MPCA has no specific comments to provide at this time.

As you are aware, a National Pollutant Discharge Elimination System/State Disposal System (NPDES/SDS) Construction Stormwater Permit is required. The site is approximately five miles north of New Ulm, which is itself north of the Cottonwood River, a water that is impaired for fecal coliform and turbidity. Therefore, the Project site is not required to meet the more restrictive requirements of the NPDES/SDS Construction Stormwater Permit due to the proximity to an impaired water.

Please be aware that this letter does not constitute approval by the MPCA of any or all elements of the Project for the purpose of pending or future permit action(s) by the MPCA. Ultimately, it is the responsibility of the Project proposer to secure any required permits and to comply with any requisite permit conditions. If you have any questions concerning our review of this Site Permit Application, please contact Elise Doucette of my staff by email at elise.doucette@state.mn.us or by phone at 651-757-2316.

Sincerely,

Craig Affeldt
Supervisor, Environmental Review Unit
St. Paul Office
Regional Division

CA/EMD:mbo

cc: Gary Gleisner-Director of Utilities, New Ulm Public Utilities Commission

Requested Supplemental Information Pertaining to Project Size and Phasing Status

Page 1 of the *Draft Site Permit Application for the New Ulm Wind Project, Nicollet County, Minnesota* dated May 5, 2009, states that:

“The Project will have a nameplate capacity of up to 10.5 megawatts (MW), consisting of:

- Up to 5 Vestas V82 Turbines – 1.65 MW each, or
- Up to 5 Suzlon Energy limited S88 Turbines – 2.1 MW each.

Exact turbine models are subject to change to ensure the selection of a turbine that is both cost-effective and optimizes the available land and wind resources. The installation of the turbines may be phased with 3 turbines being installed as Phase 1. At some point in the future, the NUPUC is considering the installation of 2 more turbines as Phase 2 (Figure 1.2). It is anticipated that Phase 2 turbines will all be installed within 3 years of the Phase 1 development. Alternatively, depending on funding availability all 5 turbines may be constructed during Phase 1.”

On June 4, 2009, New Ulm Public Utilities Commission selected the turbines to be installed at the New Ulm Wind Project sites. Five Vestas V82 Turbines at 1.65 MW each will be installed. Thus, Phase 1 and 2 will be completed concurrently as soon as all required permits and approvals are obtained. The resulting Project size is 8.25 MW.



City of New Ulm

Office of the City Attorney

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July 30, 2009

David C. Boyd, Chair
Phyllis Reha, Vice-Chair
Thomas W. Pugh, Commissioner
J. Dennis O'Brien, Commissioner
Betsy Wergin, Commissioner
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

Re: Public Utilities Commission of the City of New Ulm
LWECS Project Site Permit Application
Docket No: E282/WS-09-178

Dear Commissioners:

This letter is written in response to a variety of issues raised at the Commission's June 11, 2009 meeting by both Commission members and a member of the public about the New Ulm Public Utilities Commission's (NUPUC) application for a LWECS Permit to construct 5 wind turbines in rural Nicollet County. Specifically, the Commission asked the NUPUC to address several issues regarding plans for the project including a supplement to the application explaining its decision to do the proposed project rather than to purchase renewable-generated power.

In addition, the NUPUC desires to respond to a number of prevarications made at the meeting by one Jeff Franta. This letter will serve not only to address a number of issues raised at the June 11 meeting but also to recapitulate the NUPUC's deliberative planning process for this project:

1. The NUPUC Planning Process. The NUPUC's Nicollet County turbine project is one of three power project elements resulting from a long-term power study undertaken by the NUPUC starting in 2005. The study was the result of rising electrical costs for the NUPUC's customers and the desire to secure firm affordable electrical service for these customers into the foreseeable future. The study was conducted by a Long Term Power Committee composed of two New Ulm City Councilors, two NUPUC Commissioners, and several senior staff members of the City and NUPUC. The Committee also retained the services of nationally recognized

energy consultants to aid the Committee in evaluating alternatives and developing strategies to meet the power needs of New Ulm residents.

The Committee met publicly on a monthly basis for almost three years. Ultimately the Committee recommended that a hybrid mixture of energy resources be developed. The recommendations, since approved by both the New Ulm Public Utilities Commission and the New Ulm City Council, consist of the following:

a. Long Term Power Contract. It was determined that entry into a long term (20 years) contract for supply of New Ulm's base load (approximately 15MW) would serve to stabilize rates and insure reasonable rates for electricity users. After securing proposals from several providers, the NUPUC negotiated and has entered into such an agreement with Heartland Consumer Power District of Madison, South Dakota. This government chartered power cooperative will provide a full 15MW of power that includes approximately 2.5 MW of renewable energy under a contract with an initial term of 20 years.

b. No. 4 Boiler Improvements. NUPUC's number 4 boiler at its centrally located power plant, originally designed and built to run on coal power, has been running exclusively on natural gas since 1997. Continuation of local generation capacity was deemed essential not only for electrical power, but also to meet the cogeneration steam needs of over 100 low pressure districting steam heating customers in New Ulm's central business district and the high pressure steam needs of several industrial customers.

Given (1) the rising cost of natural gas, and (2) the likely upgrade of the Canadian Pacific (formerly DM&E Railroad) railroad line through New Ulm, including its extension into the Powder River Basin coal fields, retrofitting the NUPUC's No. 4 boiler to once again burn coal will be both cost effective and environmentally sound. The NUPUC is already deeply engaged in the design and environmental permitting processes for this element of its long term power project. Ultimately in order to achieve the necessary environmental permits, NUPUC will be required to offset some of the "carbon footprint" of the No. 4 boiler conversion with a renewable energy component. In addition to the wind energy project, NUPUC is actively seeking out biomass fuel sources for the boiler No. 4 operation. This has included collaboration with Minnesota Valley Alfalfa Producers (MnVAP), Agricultural Utilization Research Institute (AURI) and Sunrise Agrifuels on funding application for biomass combustion research opportunities.

c. Renewable Energy Component. While the NUPUC as a municipal utility is not currently subject to Minnesota's 25% renewable energy requirement, similar requirements are looming on the horizon of Federal regulation. In addition, as noted, the No. 4 boiler conversion to burn Powder River Basin coal will require an offsetting renewable energy element for the NUPUC's portfolio of energy resources. But just as importantly, as a matter of public policy the NUPUC deems it to be socially and environmentally responsible to include a significant element of renewable energy resources in its power offerings.

Towards this end, the NUPUC undertook to solicit proposals from commercial producers of renewable energy for a wind energy electrical power contract of between 5Mw and 10Mw. In

early 2007, NUPUC staff developed a Request for Proposals (RFP) for a twenty year contract for 10% of the City of New Ulm's wind energy needs. The RFP was distributed to thirteen potential suppliers and developers of wind energy projects. Of the thirteen RFP's distributed, offers for supply were received from three interested providers. The offers contained a variety of supply possibilities including output from projects under construction, projects being planned, and one offer to construct a project in close proximity to the City of New Ulm.

In order to determine the competitiveness of the supply offers, the NUPUC staff developed a detailed project economic model and analysis for a NUPUC built wind energy project. The New Ulm economic model examined three potential sites for a NUPUC owned project. The three potential sites contained different combinations of wind resource, proximity to New Ulm and proximity to essential transmission. Of the three potential NUPUC developed projects, the project site in Nicollet County now being pursued for development projected the lowest anticipated cost of power over a twenty year planning window. The combination of close proximity to the New Ulm load, close proximity to NUPUC owned transmission facilities and the very good wind resource available at the Nicollet County sites developed the lowest cost of renewable energy power by a significant margin over the competing site locations.

Upon receipt of the wind energy supply offers, the NUPUC staff examined the offers in detail to develop the yearly and levelized wind energy power costs. One of the supply offers was very competitive and came within 15% of the estimated cost of wind energy from the lowest cost NUPUC self-build option. The other offers were approximately 20-25% higher than projected costs for a NUPUC built and operated wind energy project. Because of the increase in the renewable portfolio standard and the competitiveness of one commercial supply offer, the NUPUC elected to pursue both a local wind energy project and a supply offer from the most competitive supplier.

It is important to add that the low cost supply offer developed through the RFP process is from a resource located in South Dakota and that the long term availability of this power is tied to regional transmission upgrades. If the transmission needed to achieve delivery of this energy supply to New Ulm is not developed, the supplier has the ability to terminate the contract at the end of 2012. That would leave the NUPUC with no alternative energy resource, a position unacceptable to the NUPUC. The complement of the commercial supply of renewable energy with the local NUPUC project will insure that the City of New Ulm maintains an uninterrupted supply of renewable wind energy for the foreseeable future.

2. Genesis of the Nicollet County LWECS Project. In the process of investigating potential site for a LWECS in proximity to New Ulm, the NUPUC was approached by one of the property owners with whom it has now negotiated a lease for turbine sites. This property owner encouraged the NUPUC to consider his properties as possible wind turbine sites. In response to this apparent eagerness, the NUPUC invested considerable time, efforts and financial resources into determining the suitability of these sites for the harvesting of wind energy as electricity. This investigation included a detailed preliminary study of potential wind resources by WindLogics, Inc., a preeminent consultant in the wind energy industry. (See Exhibit A to NUPUC's Site Permit Application.)

As it became more apparent that the Nicollet County sites had considerable potential for generating wind energy, the NUPUC began preliminary discussions with landowners over turbine site leases. It quickly became apparent that the affected landowners had notions of the value of wind energy leases for their property that were far beyond any industry standard or any reasonable economic model for wind energy production in Southwestern Minnesota. In an effort to determine more rational lease terms, the NUPUC undertook appraisals of the affected properties. Such appraisals were to be used by the NUPUC to justify offers much more in keeping with local industry standards.

3. Lease Negotiations. At this point the affected landowners retained the services of Earl R. Cummings of TurningPoint Management, Inc., a consultant on wind energy projects, to negotiate with the NUPUC on their behalf. On behalf of the landowners, Mr. Cummings approached the NUPUC with a draft lease document and terms that ultimately formed the framework for the lease agreements now in effect between the NUPUC and landowners. These leases offer the landlords compensation comparable with any wind site lease in Southwestern Minnesota, with rates in excess of \$6,500 per turbine site with only about one-half acre for land actually lost to crop production for each turbine. In addition, the NUPUC paid \$7,500 to the landowners to defray their expenses of legal and consulting services in negotiating these leases.

a. Eminent Domain Claim. While the claim is of no import for the currently pending permit application, opponents to the Nicollet County project assert that the contracting landowners would never have entered into leases with the NUPUC but for the threat that their property would be taken by eminent domain. There are two simple responses to this claim:

(i) The notion that the NUPUC was preparing to condemn land for its Nicollet County wind project arose solely from legal counsel for the landowners. (See April 11, 2008 INTEROFFICE MEMO from attorney Robert D. Hinnenthal contained in the materials submitted to the Commission by Jeff Franta.) At no time did the NUPUC threaten to use the power of eminent domain to secure the property rights necessary for this project. Rather, it was the landowners' own attorney Mr. Hinnenthal who counseled them:

"Because the City could take any estate, including fee simple title, by eminent domain in an eminent domain proceeding, it would seem that negotiations with the City prior to commencement of the proceedings would be the best way to ensure that the Frantas retain fee simple title to the property, subject to some sort of lease and/or easement."

It seems very clear from the record that it was this advice, and not a threat from the NUPUC, that planted the notion of potential condemnation by the NUPUC in the opponents' minds.

(ii) Then there is the "so what" argument. If the NUPUC had obtained the leases through threatening eminent domain, or even had it in fact condemned the necessary property interest, the manner of acquisition of necessary property rights has no bearing on the Commission's consideration of the permitting of this project. Neither the need for this project nor the methods used to acquire property rights are at issue during this process. These decisions have been made

by other units of government (the New Ulm City Council and New Ulm Public Utilities Commission) only after considerable study, analysis and deliberation. The current posture of this matter does not allow the Commission to substitute its judgment on such issues for that of the elected City Councilors of the City of New Ulm and the Council-appointed Commissioners of its Public Utilities Commission.

This entire argument is nothing more than a diversionary tactic by opponents to the NUPUC's well-studied and justified decisions. The cries of "condemnation" and "local control" are simply a smokescreen calculated to inflame local opposition and emotions in an effort to scuttle a worthwhile project that is in all other significant respects just like any other wind energy project in Southwestern Minnesota.

b. The "Gag" Claim. As noted, lease language proposed by the landowners' consultant, Earl Cummings, formed the framework basis of lease negotiations. Their original lease proposal contained the following provision that remained unchanged throughout negotiations as follows:

"Section 12.10. Cooperation. Each of the parties, without further consideration, agrees to execute and deliver such additional documents and take such action as may be reasonably necessary to carry out the purposes and intent of this Lease and to fulfill the obligations of the respective parties."

This is the provision that opponents to the NUPUC wind project now cite as the basis for their claim that the NUPUC has gagged the leasehold landowners from expressing their opposition to this project. It is difficult to justify such a claim when the provision cited was not developed or proposed by the NUPUC, but by the landowners themselves.

In fact, it is much more likely that the landowners entering into leases with the NUPUC fear the unjustified criticism and ire of their neighbors who oppose the project and simply want to stay out of the limelight. The NUPUC has no basis to conclude that those who freely entered into leases with it for this project are secretly opposed to it and feel incapable of objecting. But even if they do now oppose the project, they did in fact enter into leases allowing the project to proceed to their considerable economic benefit.

4. Nicollet County Permitting. This project was originally conceived and developed for regulation through the Nicollet County WECS regulatory process. The NUPUC defined the area in which it would acquire development and wind rights pursuant to the terms of those regulations. Lease agreements, including all wind rights required under the currently existing Nicollet County regulatory scheme, were negotiated with three separate property owners in August, 2008.

Having negotiated and secured the necessary development and wind rights, the NUPUC applied to Nicollet County in the Fall of 2008 for a permit to erect a meteorological tower (MET Tower), from which wind energy resource data specific to the project site would be developed to verify the preliminary study results produced by WindLogics, Inc.. The MET Tower permit application was met with significant public resistance from residents in the immediate vicinity of the NUPUC project site; many of the same who now oppose the application pending before you.

In essence, the resistant elements argued that granting such a permit automatically meant that the NUPUC's project would be built, that there would be significant quality of life and health risks associated with the project, and that their very way of life was being threatened. While they professed support for alternative energy projects in general, their argument was, and continues to be, basically an indefensible "not in my back yard" tirade.

To placate their constituents, the Nicollet County commissioners adopted a 12 month moratorium on the issuance of LWECS permits in the County at the same meeting where the MET Tower was approved and agreed to evaluate revamping the County's LWECS regulation. The effect of this moratorium was essentially to derail the NUPUC's intended plan of seeking permitting for its project through the County's permitting process. It also hardened the intransigence of project opponents, including those in the immediate area whose property falls within the wind rights areas established in the MnPUC's Order. (see below)

The County's moratorium has effectively removed it from any meaningful involvement in the regulatory review and approval process for the NUPUC project. There is no method for the NUPUC to determine when the moratorium will end (it can last up to 18 months), nor can any reasonable estimate be made of what changes to the County's final LWECS regulations will be made.

a. New County Regulations. Given current rural public sentiment in Nicollet County surrounding the NUPUC project, it is likely that any new regulations will be extremely onerous. A draft revised WECS ordinance for Nicollet County was the subject of a public hearing in Nicollet County on July 20, 2009. The revised ordinance proposes a setback for large (over 200 feet in height) wind turbines of 2,640 feet - one-half mile - from any residence in unincorporated Nicollet County. This setback requirement overlays and supercedes a number of specific regulatory provisions addressing such issues as noise, "flicker", etc., contained in the revised ordinance.

Strictly applied, these new setback regulations will limit and relegate large wind energy project to what has been estimated to be about six sites in all of rural Nicollet County. When the radical nature of these limitations was noted by a Gustavus Adolphus College physics professor at the hearing, the same opponents to the NUPUC project that appeared before the MnPUC gave, in essence, the following preposterous response: *When cooperating property owners themselves want to develop a wind energy project, then the setback requirements can simply be waived by the county to allow the project to proceed.*

The implication of such a position is that the setback requirements proposed for Nicollet County have no actual scientific justification, but that they are merely a method of artificially limiting the development of wind energy to those projects that all the neighbors want. The wisdom of such a policy is ultimately for determination by Nicollet County Commissioners. But in the end analysis the development of clean, renewable energy should be the motivating, prudent public policy consideration, not provincial notions of "local control" and the "rural way of life."

5. MnPUC Permitting. The NUPUC is committed to creating alternative sources of energy and, as noted, has undertaken a major long-term power study to provide a mechanism by which the NUPUC's municipal customers can receive a consistent source of electrical power at reasonable rates. One element of this process is the development of a LWECS project in Nicollet County about 5 miles north of New Ulm.

This project has been reviewed by Federal authorities as part of the NUPUC's application for Clean Renewable Energy Bond (CREB) bonding authority. CREB authority of almost \$3 million has been approved and CREB bonds have been issued by NUPUC for this project. The competition for this authority was intense and approval of NUPUC's application for CREB authority is a testament to the merits of the project. Interestingly, at the time of the CREB application by the NUPUC, the Environmental Services Director and the Planning and Zoning Administrator of Nicollet County wrote a joint letter of support for the project stating that the project met or exceeded all of the Nicollet County LWECS requirements. (See attached Exhibit A) Only after the chauvinistic and vitriolic criticism of the NUPUC's proposed project by local opponents arose did Nicollet County's attitude towards LWECS projects harden into one that now appears poised to adopt inane new regulations for such projects.

However, the NUPUC has committed itself to moving forward with the project. Given the Nicollet County LWECS permitting moratorium, the NUPUC's only permitting alternative is through the MnPUC permitting process. However, that process and particularly the Setback provisions of the Order are significantly different than the Nicollet County regulatory process under which this project was first conceived and leases negotiated.

a. The Order. Among the issues involved in the current application is that of setbacks from land and/or wind rights not currently under the control of the NUPUC. The NUPUC understands that the Minnesota Public Utilities Commission (MnPUC) has established standards for such setbacks under Docket No. E,G-999/M-07-1102, Order Establishing General Wind Permit Standards. (the "Order") Specifically, the Order provides that, "the Commission will maintain its current setbacks of three rotor diameters on the secondary wind access and five rotor diameters on the predominant axis." (the "Setback")

The Setback provision of the Order is justified by the notion that, "This buffer setback has been shown to protect wind rights and future development options of adjacent rights owners." In essence, this justification assumes that all properties in the vicinity of a proposed project are equally situated with respect to the quality of wind resources available, and that the owners of such adjacent properties are equally motivated to harvest their wind resources. Neither assumption is valid in this case:

(i). Adjacent Wind Resources. The NUPUC has entered into long-term leases on three parcels of property for this project. The areas subject to these leases are depicted in the attached six figures for the Franta, Hacker and Klossner parcels. Each of these parcels were selected because they contain prominent, high points better suited for the placement of wind energy conversion systems than the surrounding lands. In fact, given the general assumption that south central Minnesota is part of the vast, flat Great Plains, the selected sites are at a surprisingly greater elevation than surrounding properties.

The attached Franta-Fig. 1, Hacker-Fig. 1 and Klossner-Fig. 1 depict each of the three NUPUC wind turbine parcels as follows: the parcel under lease to the NUPUC is outlined in red; the Setbacks are depicted for the predominant axis (North/South) with the larger diameter dashed circle and for the secondary axis (East/West) with the smaller diameter dashed circle; and the elevation of each parcel is depicted in one foot gradients. Figure 2 for each parcel is a larger scale topographic map of each red-outlined parcel under lease to NUPUC.

Each of the attached Figures 1 and 2 show selected sites for the possible placement of wind turbines. Each of these sites is located atop promontories, a prominent mass of land which overlooks the lower lying surrounding lands in the Setback areas. Some of these promontories are as much as 40 feet higher than surrounding land (see Franta-Fig. 2) and are ideally suited to harvest the abundant wind resources available at these higher elevations.

Given the economic realities of wind energy conversion systems and the simple physics of the conversion process, it is extremely unlikely that any of the areas within the Setback areas where the wind resources are not under the control of the NUPUC would ever be developed for such a purpose. Thus the stated goal of the Order, "to protect wind rights and future development options of adjacent property owners" is simply inapplicable to these Setback areas. Where there are no viable resources to be protected, the need for Setbacks ceases.

(ii). Practical Realities. As noted above, those property owners within the Setback areas not under lease to the NUPUC (as well as more remotely located property owners, including Jeff Franta who lives about 1½ miles from the project site) are vehemently opposed to this project. Their avowed position is that, while renewable wind energy is a good concept in principal, locating wind turbines in their part of Nicollet County is wrong and they want no part of it now or ever.

All of the neighbors within the Setback areas have been approached in an effort to secure easements for wind rights over their properties sufficient to comply with the Order. Offers have been made that exceed the standard compensation for such wind rights in Southwestern Minnesota. The NUPUC's approach has been simple - Granting the NUPUC wind easements in the Setback areas will ensure that no other wind energy conversion system will encroach into the same areas. In essence the argument is that if you don't want wind energy conversion systems in this area of Nicollet County, encumbering your property with wind easements to the NUPUC is the best defense. These arguments have fallen on deaf ears and, by and large, only a couple of property owners within these areas have shown any interest in the NUPUC easement proposals under which they would be well compensated.

6. Conclusion. Because of Nicollet County's moratorium, the NUPUC is forced into a permitting process that was not envisioned when leases for this project were entered into. The length and outcome of the moratorium are sufficiently uncertain that the NUPUC needs to move forward with this important project through the MnPUC permitting process.

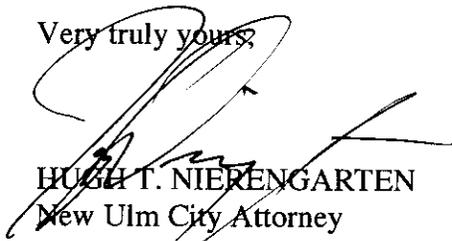
MnPUC Setback standards set forth in the Order appear to have little or no applicability to NUPUC's proposed project because of the unique topography of the project sites and

neighborhood opposition to wind energy developments in general. It makes little practical sense to require the acquisition of rights that offer no conflict with the NUPUC's project from owners who have no desire to exercise such rights now or in the future.

In the end analysis, if a waiver is not granted the NUPUC will once again attempt to secure the necessary wind easement rights by negotiation. However, absent such agreements or a waiver of the Setback requirements for areas not currently under lease to the NUPUC, it will be necessary for the City of New Ulm to exercise its powers of eminent domain to secure such rights and move this vital project forward. Given the practical realities outlined herein and the additional likely furor over such an effort, there seems to be little if any justification for a strict enforcement of Setback standards for this project.

While lengthy, I believe that this response to the Commission's inquiries and rebuttal to many spurious representations about the history and evolution of this project will be enlightening as to the need for and propriety of this project. The New Ulm Public Utilities Commission therefore requests that permit application for its Nicollet County large wind energy conversion system project be approved without delay.

Very truly yours,



HUGH T. NIERENGARTEN
New Ulm City Attorney

HTN/hh

Enclosures

cc: Joel T. Albrecht, Mayor
Charles E. Schmitz, City Council President, Councilor-at-Large
Ruth Ann Webster, City Councilor
Todd J. Olson, City Councilor
Les P. Schultz, City Councilor
Kenneth H. RockVam, City Councilor
David Lynn, Public Utilities Commission President
Susan Fix, Public Utilities Commissioner
James Schuetzle, Public Utilities Commissioner
William Steinke, Public Utilities Commissioner
Norman Melville, Public Utilities Commissioner
Brian J. Gramentz, City Manager
Gary J. Gleisner, Director of Utilities
Patrick Wrase, Utilities Engineer
Burl W. Haar, Executive Secretary, Minnesota Public Utilities Commission
Larry Hartman, Project Manager, Energy Facility Permitting

July 11, 2007

Gary Gleisner
Director of Utilities
New Ulm Public Utilities
310 First North St.
New Ulm, MN 56073

RE: Proposed New Ulm WECS

Dear Mr. Gleisner,

The purpose of this letter is to extend Nicollet County Environmental Services' support of the City of New Ulm's proposed wind energy conversion system.

In keeping with the County's Comprehensive plan and directive to protect the health, safety, and welfare of all County residents, both now and in the future, it is our opinion that the development and implementation of clean, renewable, and sustainable energy sources are in all of our best interests.

The preliminary plan for New Ulm's clean energy concern submitted to our office meets or exceeds all the standards outlined in the Nicollet County WECS ordinance.

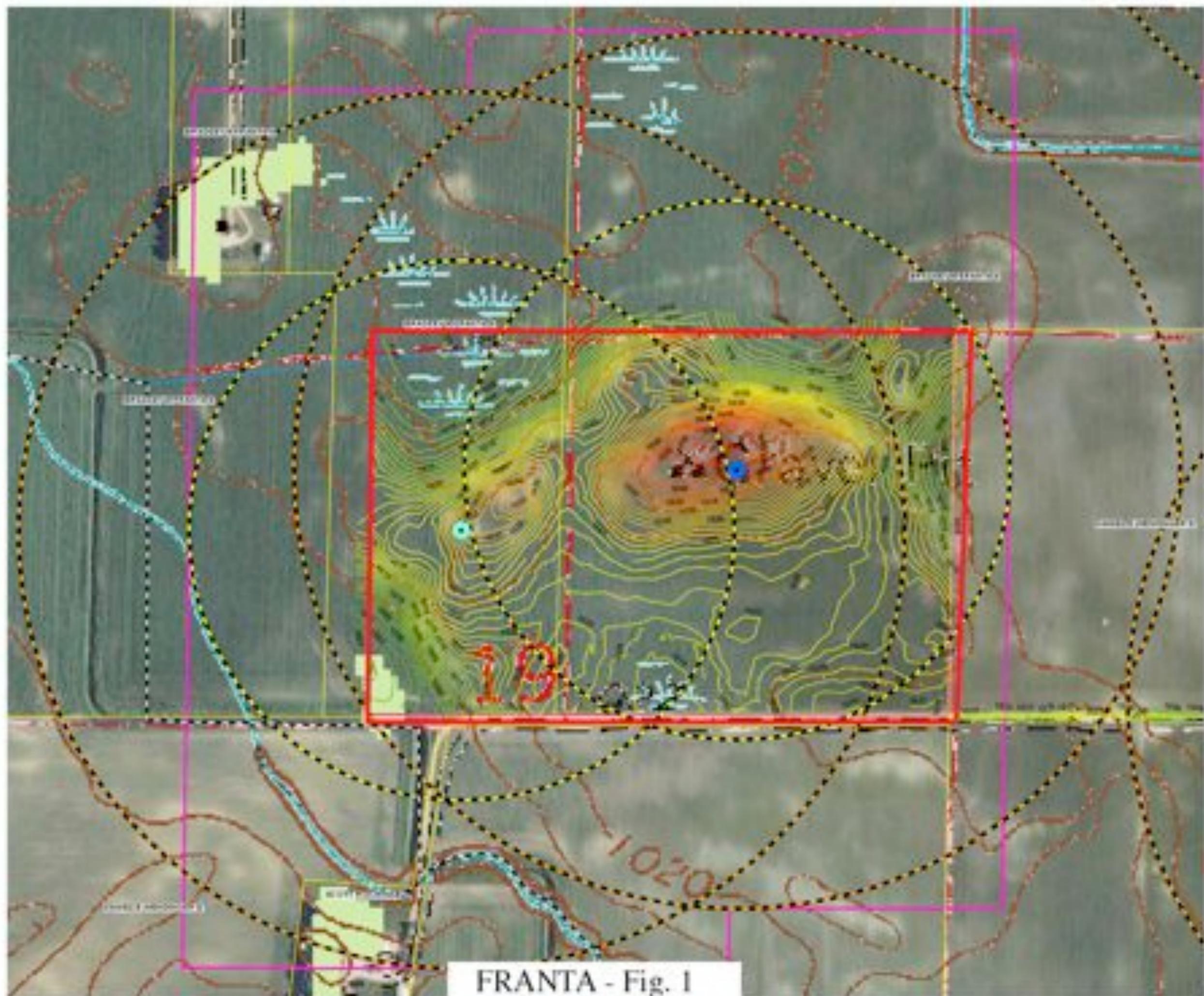
Sincerely,



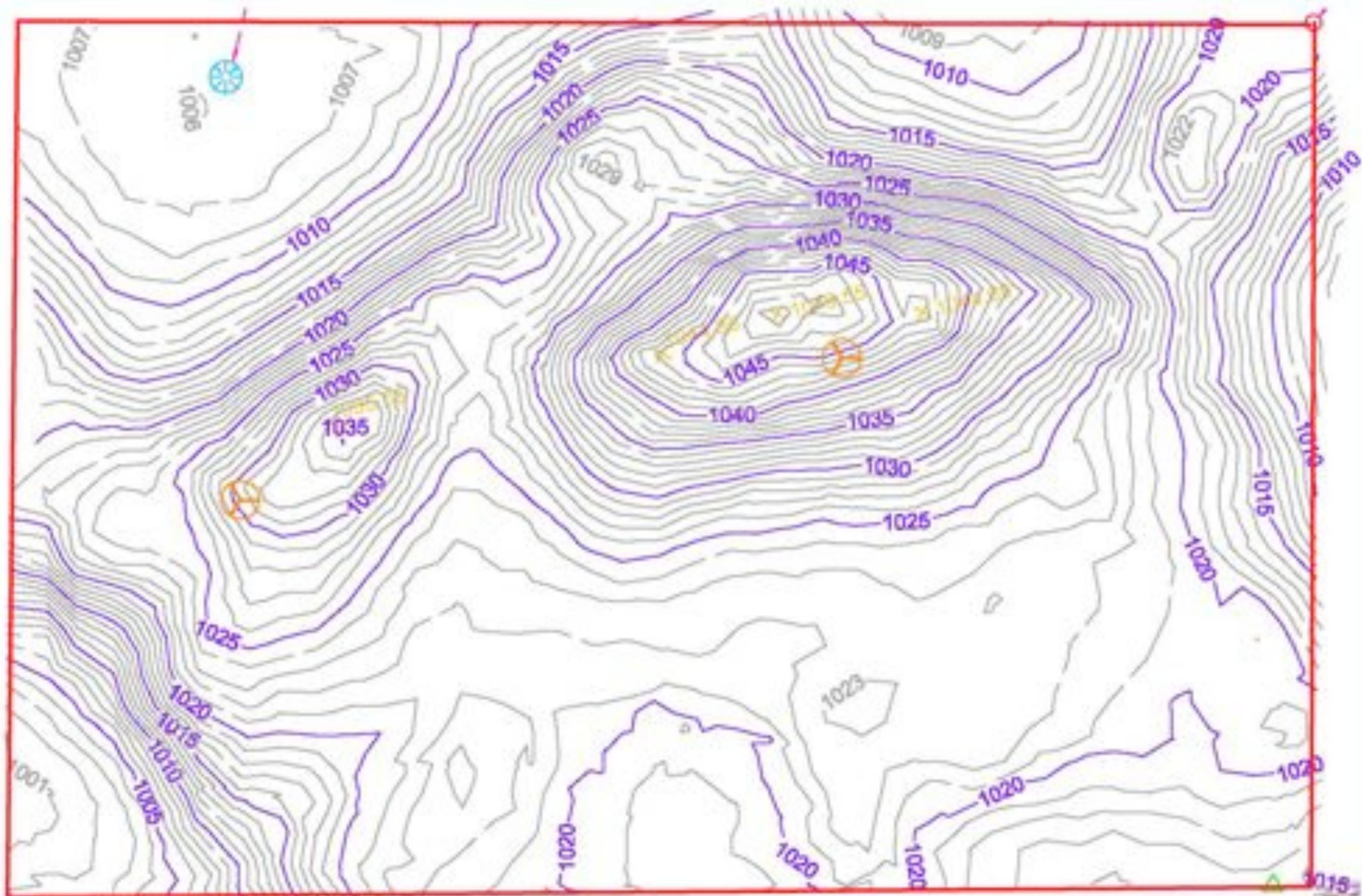
Tina Rosenstein
Environmental Services Director



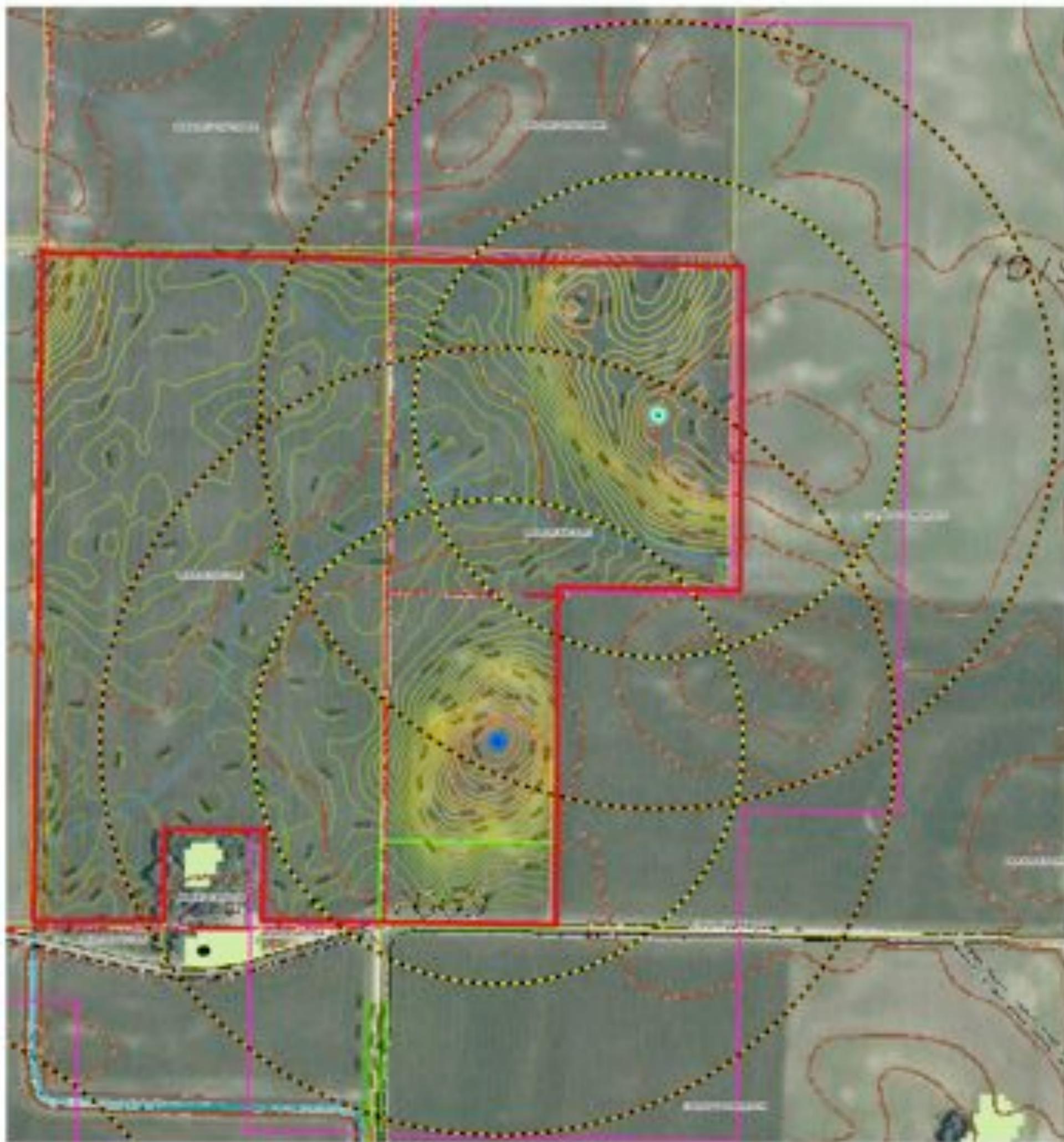
Robert Redding
Senior Planner/Deputy Zoning Administrator



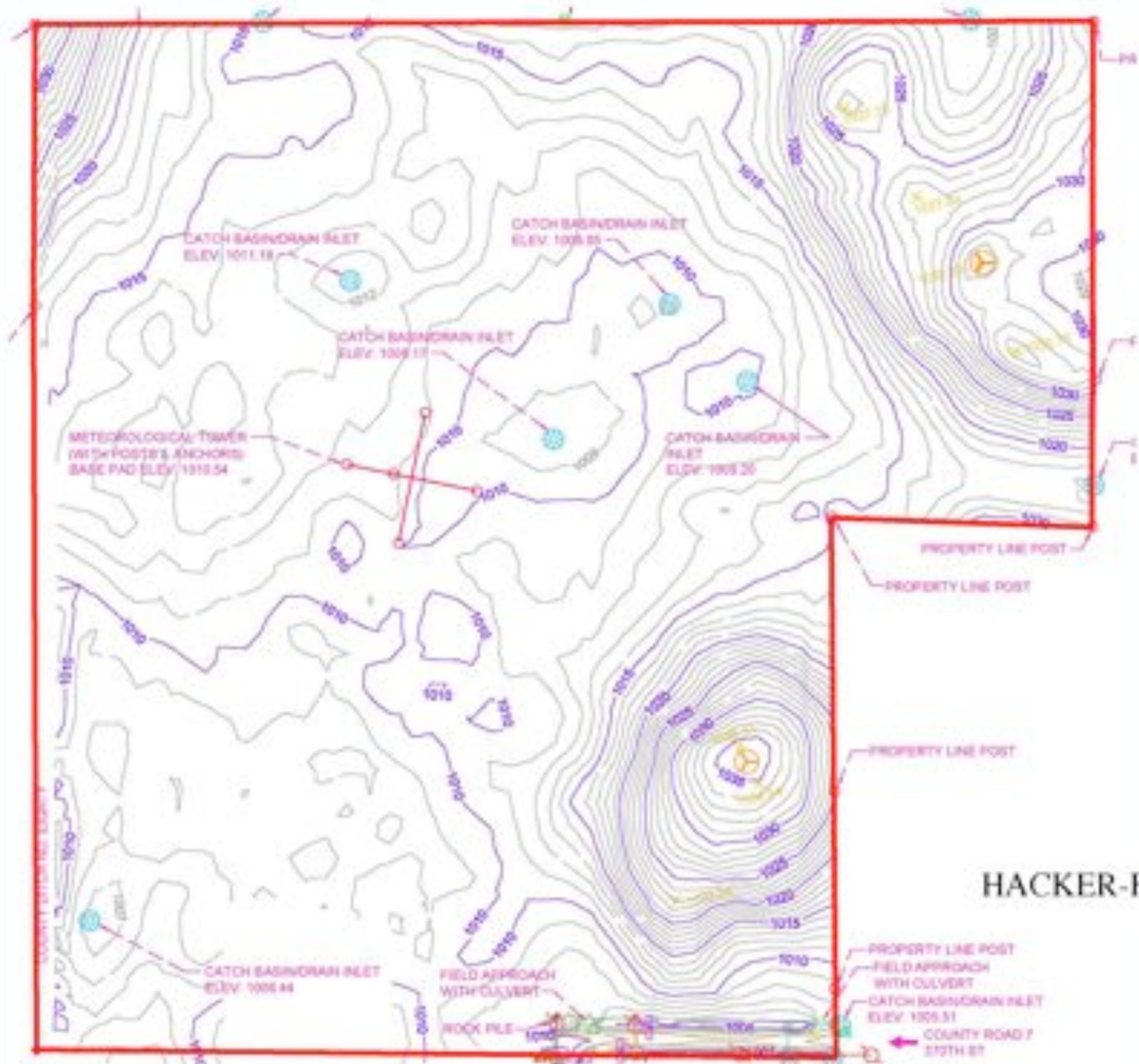
FRANTA - Fig. 1



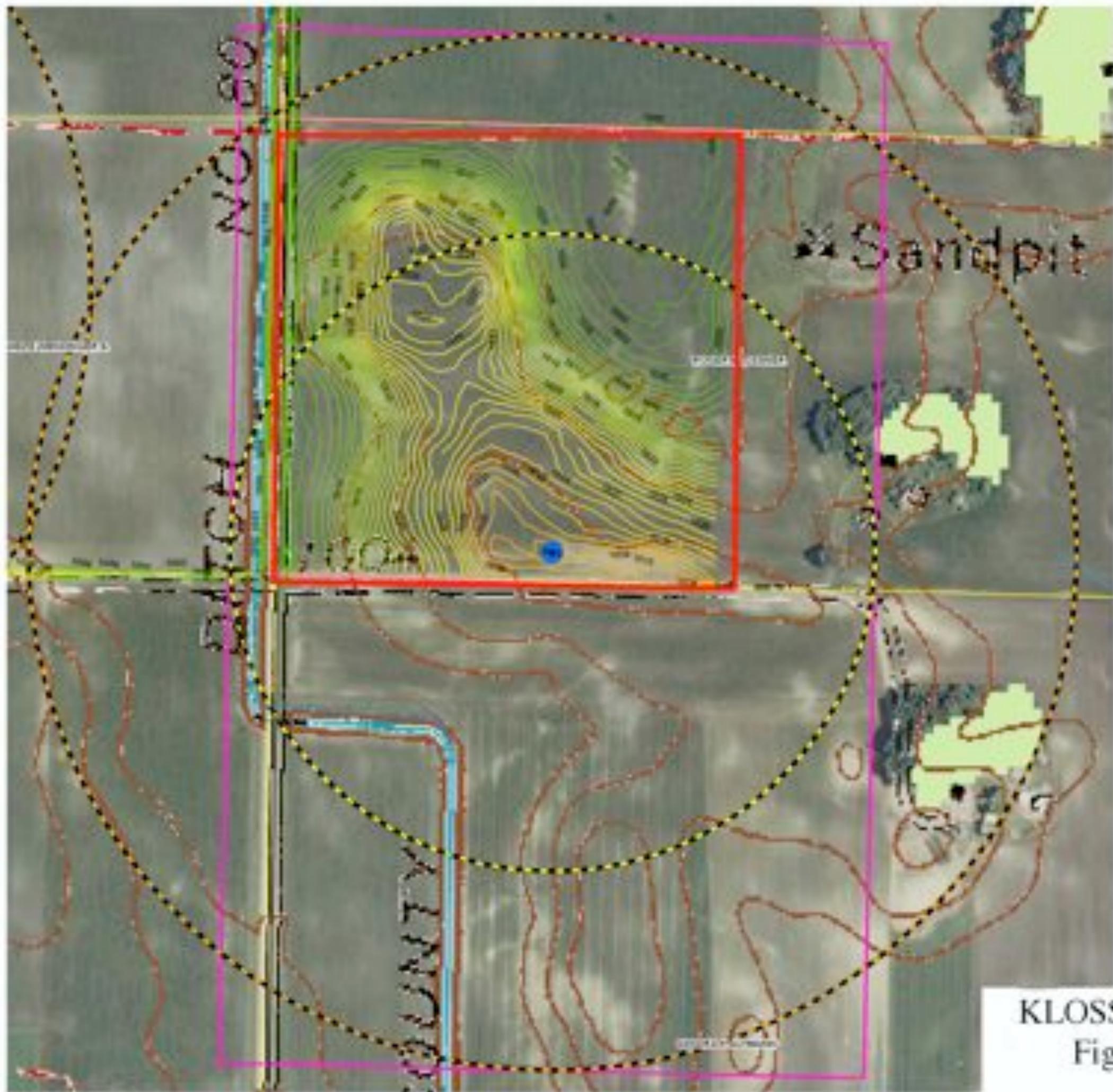
FRANTA-Fig.2



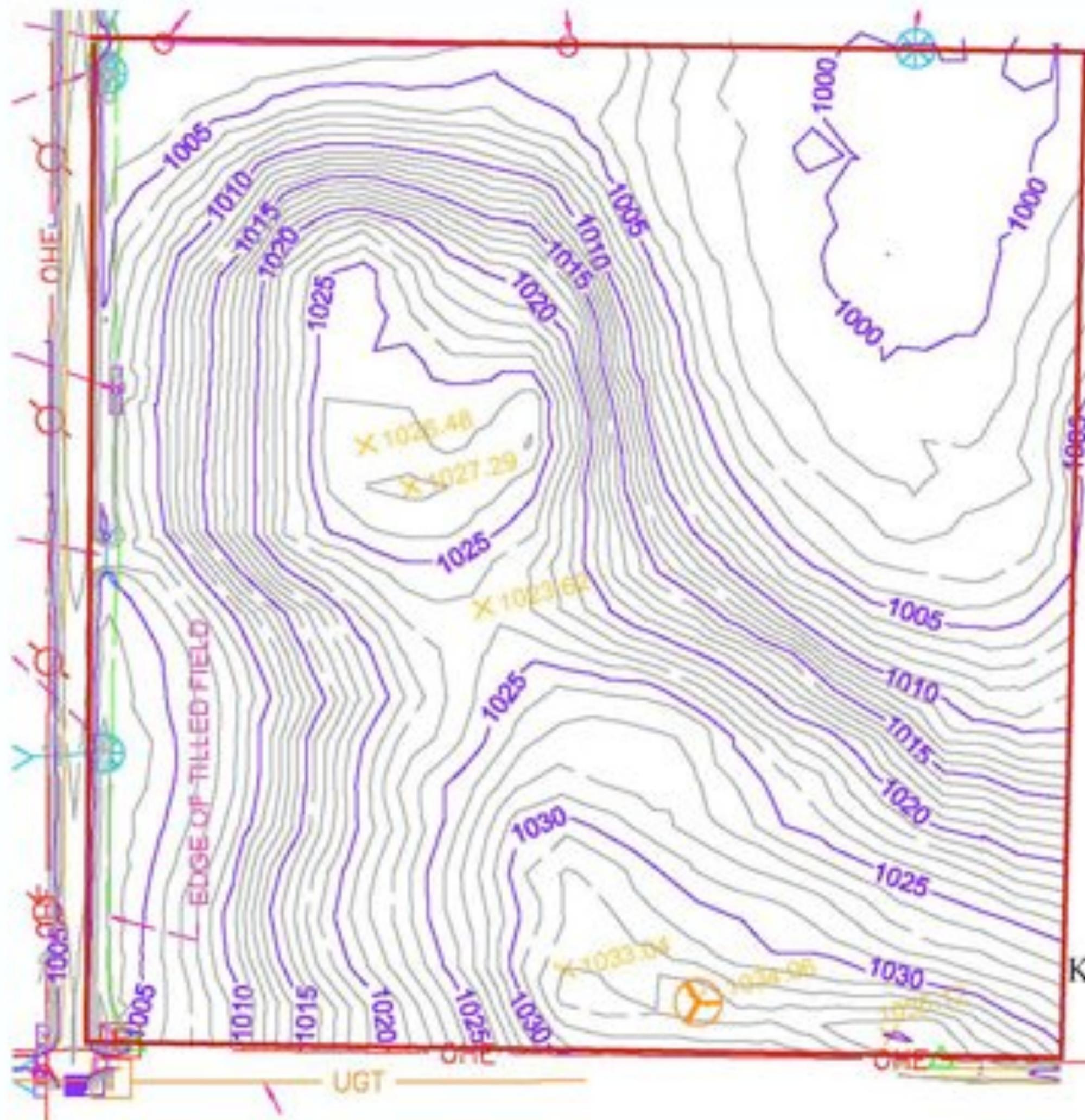
HACKER-
Fig. 1



HACKER-Fig.2



KLOSSNER-
Fig. 1



KLOSSNER-
Fig. 2

July 30, 2009

Mr. Larry Hartman, Project Manager
Minnesota Office of Energy Security
85 7th Place East, Suite 500
St. Paul, MN 55101

RE: PUC Docket Number E282/WS-09-178

Dear Mr. Hartman:

Attached please find Nicollet County Environmental Services' comments and supporting documentation regarding PUC Docket Number E282/WS-09-178.

Please do not hesitate to contact me if you have any questions.

Sincerely,



Robert Redding
Senior Planner/Deputy Zoning Administrator
Nicollet County Environmental Services
501 South Minnesota Ave.
St. Peter, MN 56082

507-934-0251
rredding@co.nicollet.mn.us

enc

July 30, 2009

**Nicollet County Environmental Services Comment
New Ulm Public Utilities LWECS Project Application
PUC Docket Number E282/WS-09-178**

Copied from “Section 1.0, Introduction” on page 1 of the above referenced application (emphases added):

*The Project is depicted on Figures 1-1 and 1-2. Associated facilities include access roads, an operations and maintenance (O&M) building, and a wind electrical collection system. The NUPUC has submitted an application to the Midwest Independent Transmission System Operator, Inc. (MISO) to allow transmission of the power from the Project via a substation to be constructed on Project site and **interconnecting with the existing Xcel Energy 69 kV line that runs adjacent to the Project site**. Pending MISO approval, the Project is expected to be operational by the fourth calendar quarter of 2010.*

*Consistent with Minnesota PUC objectives, the NUPUC is committed to optimizing the wind resources for the Project. All decisions with respect to equipment selection, site layout, and spacing are designed to make the most efficient use of land and wind resources. The NUPUC is proceeding with evaluating the Project site to optimize wind resources, **transmission interconnection opportunities**, and other economic factors while avoiding and minimizing impacts to environmental resources.*

Nicollet County Environmental Services Comment:

NUPUC submitted an application dated May 12, 2009 to Nicollet County Public Works to construct a secondary 34.5kV line from the proposed project site substation to the Fort Ridgley substation (copy attached).



Public Utilities Commission

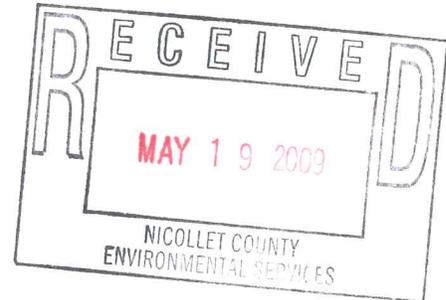
City of New Ulm

Administration
310 First North Street
New Ulm, Minnesota 56073

Telephone: (507)-359-8264
Fax: (507)-354-7318
E-mail:

May 12, 2009

County of Nicollet-Department of Highways
1700 Sunrise Drive
P.O. Box 518
Saint Peter, MN 56082-0518



Re: Application for Utility Permit on County Road Right-of-Way

Dear Sir or Madam,

The New Ulm Public Utilities Commission (NUPUC) hereby submits an "Application for Utility Permit on County Highway Right-of-Way" to construct a 34.5 kV transmission line as described.

We appreciate your timely response to this application. Please address any questions or comments to me:

Patrick Wrase, P.E.
Utilities Planning and Development Engineer
New Ulm Public Utilities
310 First North Street
New Ulm, MN 56073
(507) 359-8202 office
(507) 354 7318 fax
patrick.wrase@ci.new-ulm.mn.us

Sincerely,

Patrick Wrase, P.E.
New Ulm Public Utilities Commission

Cc: Gary Gleisner, New Ulm Public Utilities
Hugh Nierengarten, New Ulm City Attorney
Brian Gramentz, New Ulm City Manager
Edgar Preissner, Sargent & Lundy, LLC
Leslie Knapp, EDAW|AECOM
Keith Anderson, Howard R. Green Company

**APPLICATION FOR UTILITY PERMIT on
COUNTY HIGHWAY RIGHT OF WAY**

Board of County Commissioners
Nicollet County, Minnesota
Attn: County Highway Engineer

C.S.A.H. 7
C.R. Township Roads 601st Ave. and

Application is hereby made for permission to place, construct and thereafter maintain a 597th Ave. See Attachment A
along or across County Highway No. _____ from _____

to _____
feet from center line on the _____ (east, west, north, or south) side of the county highway in accordance
with the sketch shown on the inside hereof, or attached thereto.

I. AERIAL CONSTRUCTION

- | | |
|--|--|
| <input checked="" type="checkbox"/> Single pole | <input type="checkbox"/> Open wire |
| <input type="checkbox"/> H-Frame | <input type="checkbox"/> Cable |
| <input type="checkbox"/> Single pole and H-Frame | <input type="checkbox"/> Vertical |
| <input type="checkbox"/> Steel tower | <input type="checkbox"/> Cross-arm |
| <input type="checkbox"/> Other | <input checked="" type="checkbox"/> Vertical and cross-arm |

VOLTAGE 34,500 Volts	NUMBER OF CONDUCTORS 1 per Phase (3 total)	SIZE OF CONDUCTORS 336 Aluminum Conductor Steel Reinforced
-------------------------	---	--

Minimum height of conductor: * 20 ft. along highway * 20 ft. at crossing over highway

*=NGSC 2007 + 1.5 foot tolerance

EXTENT AND LOCATION OF TREE TRIMMING AND/OR CLEARING

No tree trimming and/or clearing is anticipated.

II. UNDERGROUND CONSTRUCTION

CONDUIT

- | | |
|--|---|
| <input type="checkbox"/> Multiple tile | <input type="checkbox"/> Sectional concrete |
| <input type="checkbox"/> Transite | <input type="checkbox"/> Steel pipe |
| <input type="checkbox"/> Clay tile | <input type="checkbox"/> Other |

CASING

- | | | |
|-------------------------------------|---|--------------------------------|
| <input type="checkbox"/> Steel pipe | <input type="checkbox"/> Sectional concrete | <input type="checkbox"/> Other |
|-------------------------------------|---|--------------------------------|

SIZE	DEPTH
------	-------

VOLTAGE	NUMBER OF CONDUCTORS	SIZE OF CONDUCTORS
---------	----------------------	--------------------

METHOD OF INSTALLING UNDER ROADBEDS (if open trench, explain why necessary)

- | | | | |
|--------------------------------------|----------------------------------|---------------------------------|--|
| <input type="checkbox"/> Open Trench | <input type="checkbox"/> Jacking | <input type="checkbox"/> Boring | <input type="checkbox"/> Pneuma Gopher |
|--------------------------------------|----------------------------------|---------------------------------|--|

EXTENT AND LOCATION OF TREE CLEARING:

New Facility

Replacement Facility

III. Work to start on or after June 2009 and to be completed on or before October 2010.

IV. The applicant is carrying on any and all of the work herein above mentioned or referred to in its application and in the Permit issued herefor, shall strictly conform to the terms of such Permit, and the regulations of the Board of County Commissioners, as set forth herein together with the Special Provisions, all of which are made a part hereof. The applicant specifically agrees to be bound hereby. The applicant shall also comply with the regulations of all other governmental agencies for the protection of the public. The work shall be accomplished in a manner that will not be detrimental to the highway and that will safeguard the public.

Dated this 7th day of May, 2009.

New Ulm Public Utilities Commission

Signature Patrick Wrase, PE

Name of Company making application

By

Title

Address 310 First North Street, New Ulm, MN 56073

Proposed New Ulm Public Utilities Commission 34.5 kV Transmission Line Attachment A

Description of the Proposed 34.5 kV Transmission Line Route

The New Ulm Public Utilities Commission (NUPUC) proposes to construct a new 34.5 kV overhead transmission line from the intersection of Nicollet County State Aid Highway (CSAH) 7 and 370th Street south along the east side of CSAH 7 for approximately 2.2 miles. The transmission line would then span CSAH 5 and continue south along the east side of 601st Avenue for approximately 1.4 miles until it reaches 591st Avenue. At 591st Avenue the transmission line would make a 45 degree turn, spanning 601st Avenue and continue along the west side of 597th Avenue for approximately 0.5 miles before connecting into the existing NUPUC 69 kV transmission line (Figure 1). The transmission line would be located approximately 25 feet from the center line of all county roads within existing road right-of-way (ROW). Figure 2 shows typical tangent structure arrangements for a 34.5 kV overhead transmission line.

The 34.5 kV line would be routed to intersect with an existing 69 kV NUPUC wooden pole line on 597th Avenue south of the intersection of 591st Avenue just outside of the existing Fort Ridgley substation. There the new 34.5 kV line would be underbuilt on the existing 69 kV wooden pole line for approximately 2.5 miles to the NUPUC North Side Substation. The 34.5 kV line conductors would be on crossarms or line post insulators to meet clearance requirements. The line would cross the Fritsche Creek Wildlife Management Area (WMA) and the Minnesota River as an underbuild on the existing 69 kV NUPUC line as a part of this route (Figure 3). This existing line is located on a berm within the WMA.

Construction of the 34.5 kV Transmission Line

Where new transmission line is constructed it would use wooden poles to support three conductors with a single overhead shield wire (Figure 4). The conductors would be located on crossarms or line post insulators and would be designed in a compact arrangement to minimize pole height (Figure 5). Poles would be direct embedded by auguring a hole in soil, inserting the wooden pole, and backfilling the hole with a well compacted granular aggregate or concrete. Wooden corner poles would use down guys or consist of self-supporting poles, depending on available right of way (ROW) (Figure 6). Steel poles may be required at select locations and would be a function of sharp or acute turns in line routings and/or potential restriction of width within the ROW. If used, tubular steel poles would be embedded in a concrete foundation as necessary for support required by site conditions. All construction is expected to occur within existing Nicollet County road ROW.

The transmission line would be supported on wooden poles spaced approximately 250 feet apart along the principal portion of the route. Pole spacing adjustments would be made to accommodate identified particular easement conditions and to avoid sensitive resources, such as wetlands, during the detailed design phase.

The NUPUC engineering consultants will confirm the ROW conditions prior to issuance of construction drawings.

Construction, Restoration and Maintenance

The line construction procedure for the new 34.5 kV line typically occurs as described below:

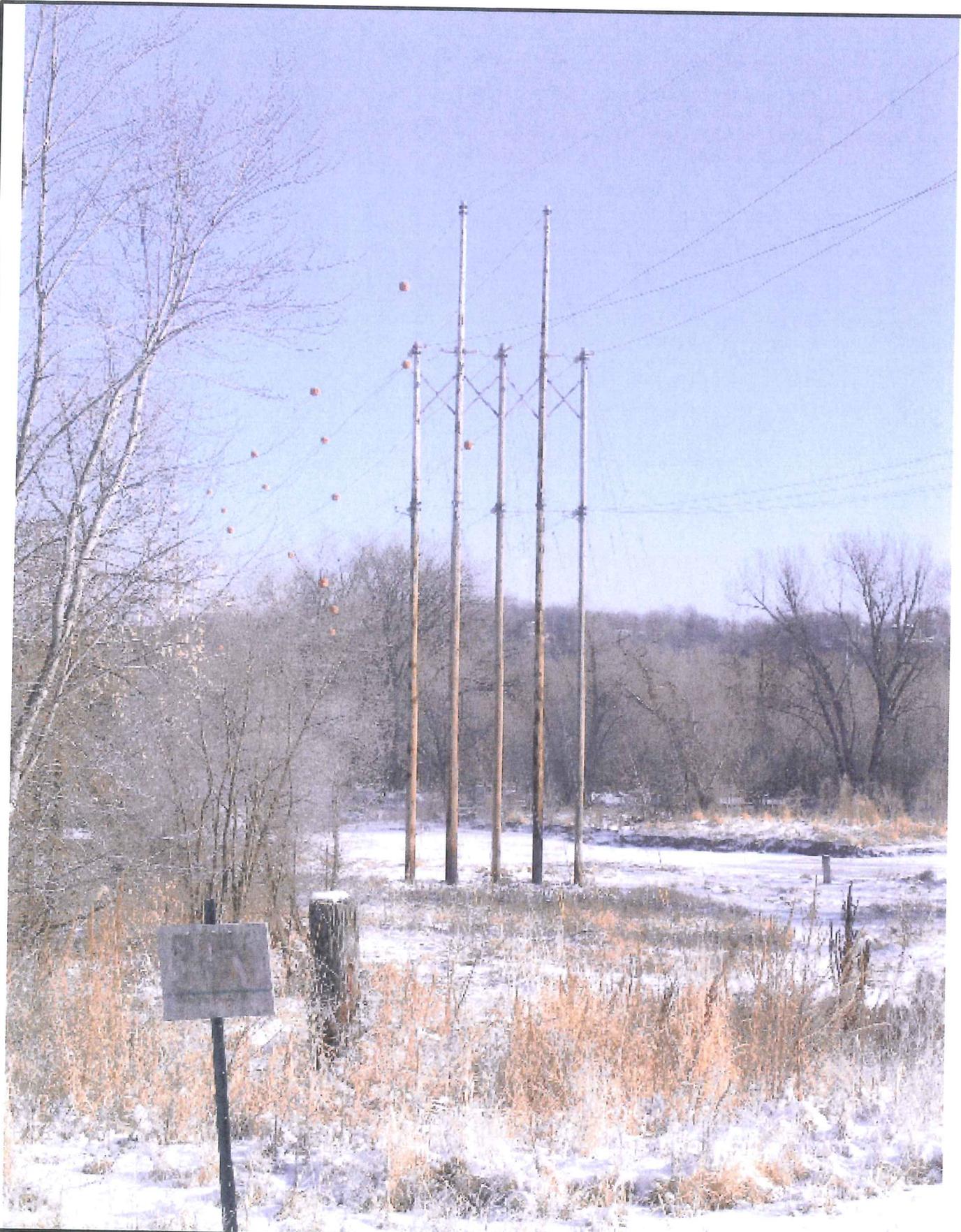
1. Poles locations are surveyed or marked in the field. Underground utilities are marked.
2. Material is delivered and distributed along the transmission line route.
3. Poles are assembled on the ground, i.e. insulators, guide connections, cross bars etc.
4. Holes are augured for pole installation and the poles are set.
5. Conductors are loosely strung on the poles.
6. Conductors are tightened and attached to the poles.
7. Construction area is cleaned up, excess material is picked up, and site restoration is completed.
8. Final end connections are made to the substations and line is energized
Subsequent to construction, maintenance procedures are followed.

The planning estimated cost of the transmission line was developed using actual construction database costs. The planning estimated cost is \$660,000; however, since the database was developed, there has been a reduction in economic construction material costs and equipment. It is believed that with the NUPUC's access to lower cost labor and materials the estimate may be considered somewhat on the conservative side. Construction costs will be refined during the detailed engineering design phase.

34.5 kV Transmission Line Interconnection Substation

The 34.5kV line would terminate at the existing New Ulm North Side Substation in a new line bay within the existing substation fence. The line would be connected through a new 34.5 kV breaker to a 10 MVA 34/13.2 kV transformer and connected into existing 12 kV switchgear in the control building. Protection for the transformer would include differential and overcurrent protection that can be located in the switchgear cubicle as well as line protection for the 34.5 kV breaker that can include distance, breaker failure, and reclose functionality.

FIGURES



Prepared By:

 Howard R. Green Company
EDAW | AECOM



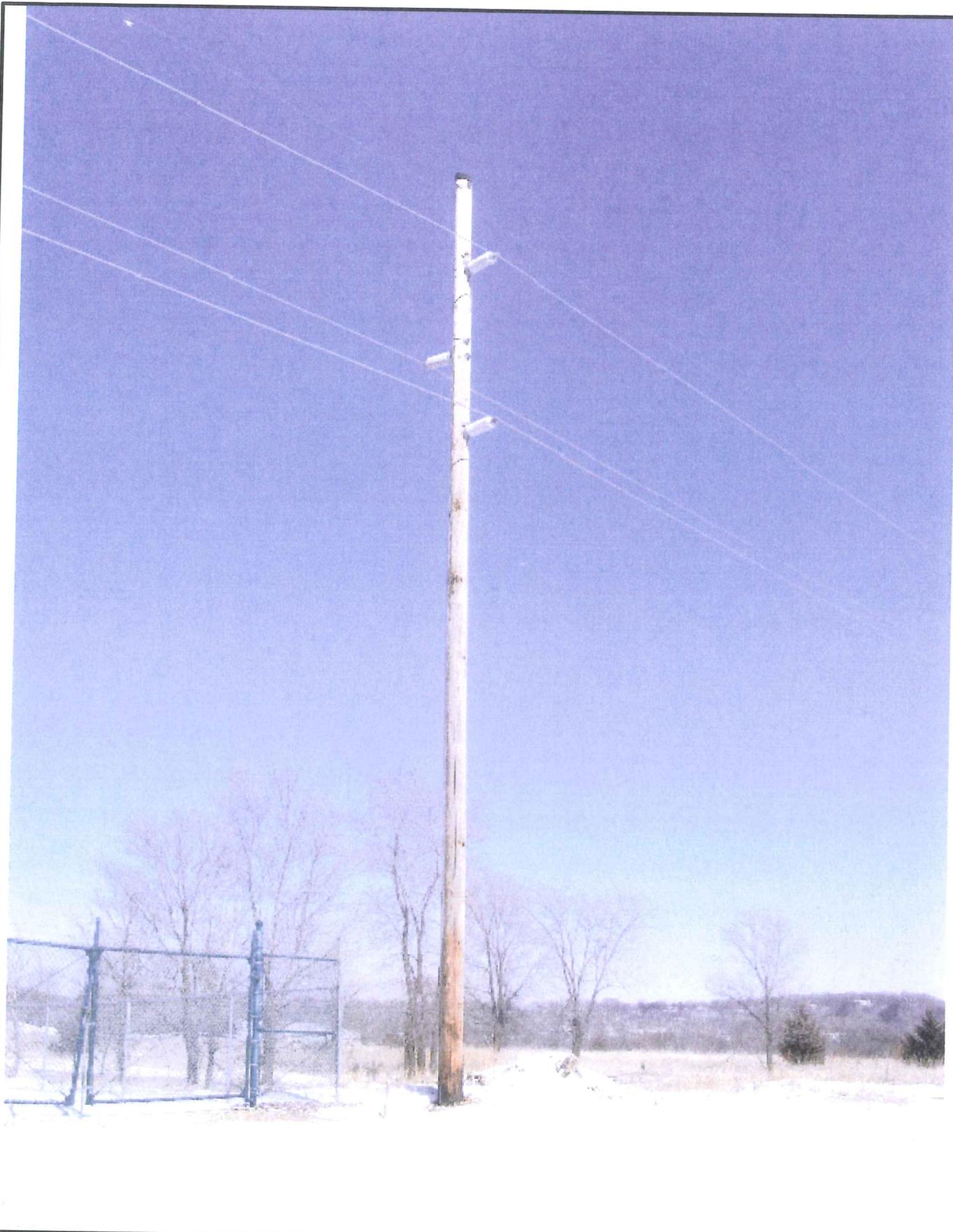
New Ulm Public
Utilities
Commission

Prepared For: MAY 2009

FIGURE 3
EXISTING 69 kV LINE AT RIVER CROSSING

NEW ULM PUBLIC UTILITIES COMMISSION
PROPOSED 34.5 kV TRANSMISSION PROJECT
NICOLLET COUNTY, MINNESOTA

831660J



Prepared By:

 Howard R. Green Company
EDAW | AECOM

Prepared For:

POWER of INDEPENDENCE

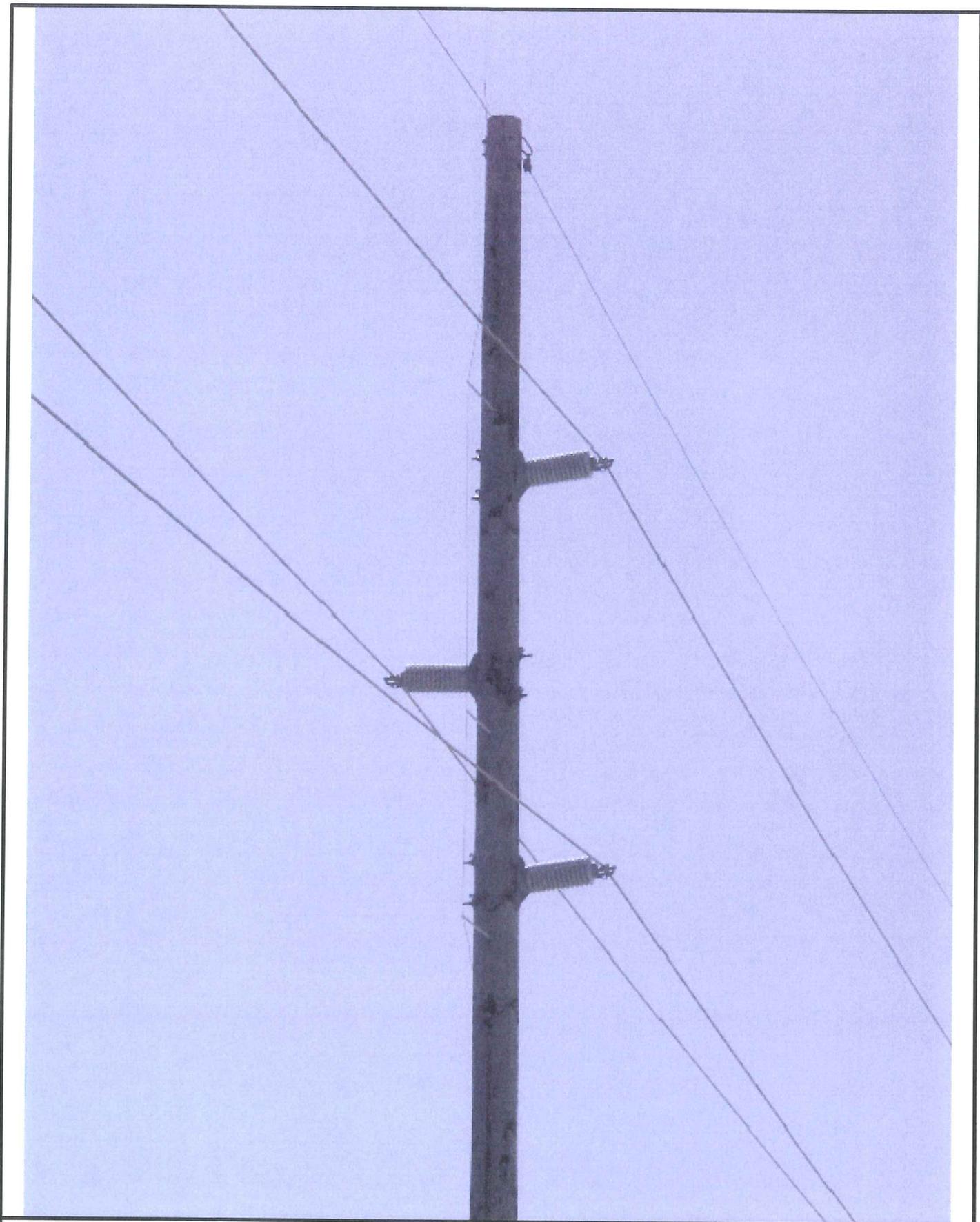
New Ulm Public
Utilities
Commission

MAY 2009

FIGURE 4
VIEW OF PROPOSED 34.5 kV WOOD POLE

NEW ULM PUBLIC UTILITIES COMMISSION
PROPOSED 34.5 kV TRANSMISSION PROJECT
NICOLLET COUNTY, MINNESOTA

831660J



Prepared By:

 Howard R. Green Company
EDAW | AECOM

Prepared For:

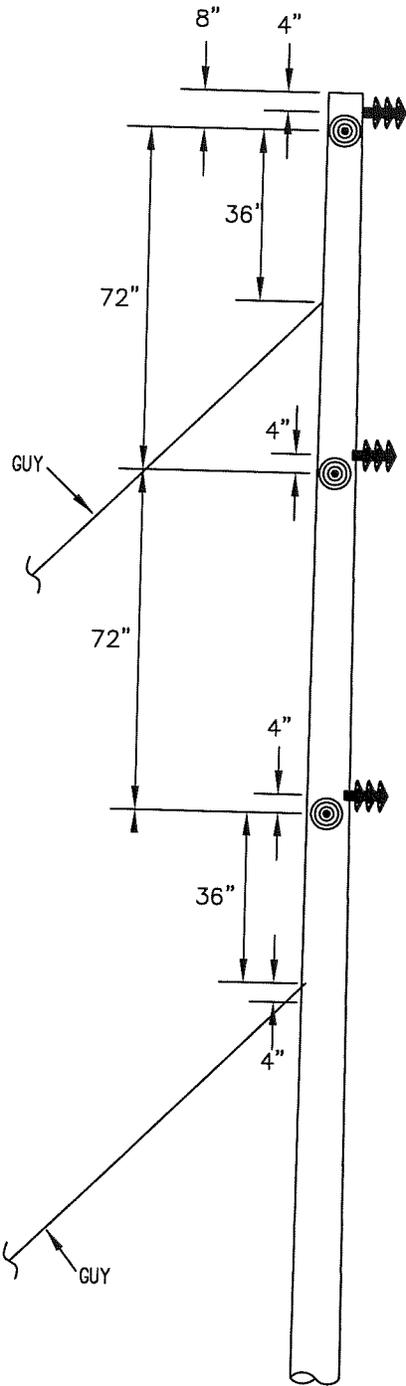


MAY 2009

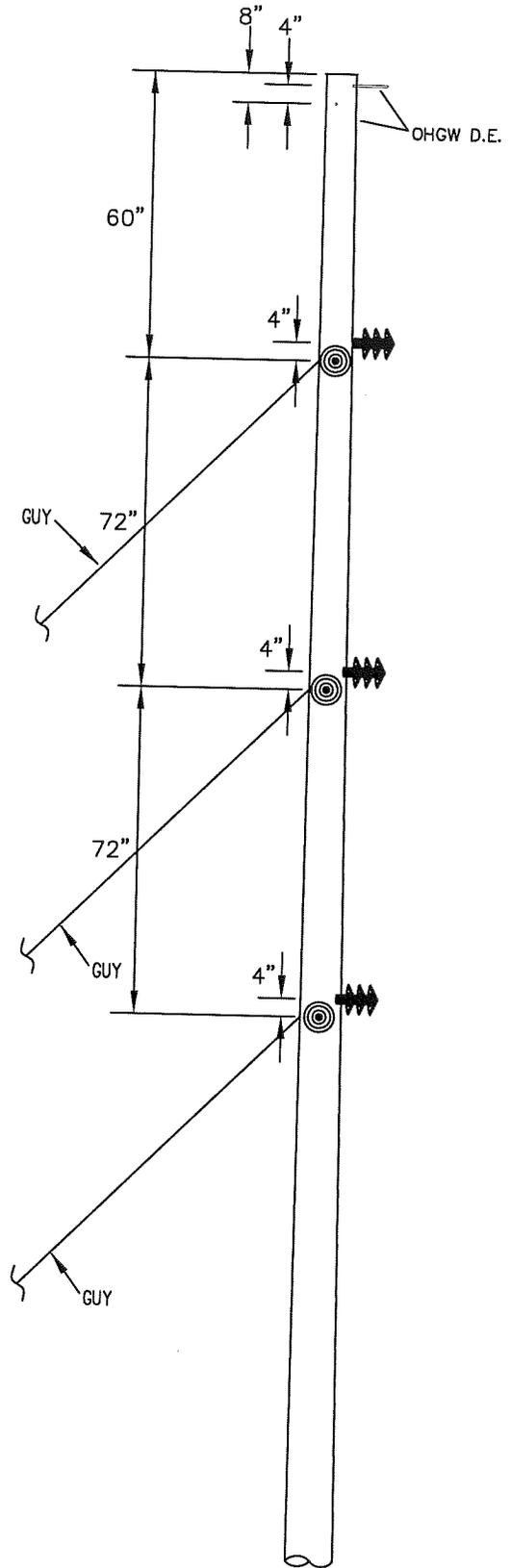
FIGURE 5
VIEW OF PROPOSED 34.5 kV CONDUCTORS

NEW ULM PUBLIC UTILITIES COMMISSION
PROPOSED 34.5 kV TRANSMISSION PROJECT
NICOLLET COUNTY, MINNESOTA

831660J



34kV Unshielded
Heavy Angle Vertical Deadend
No Neutral



34kV Shielded
Heavy Angle Vertical Deadend
No Neutral

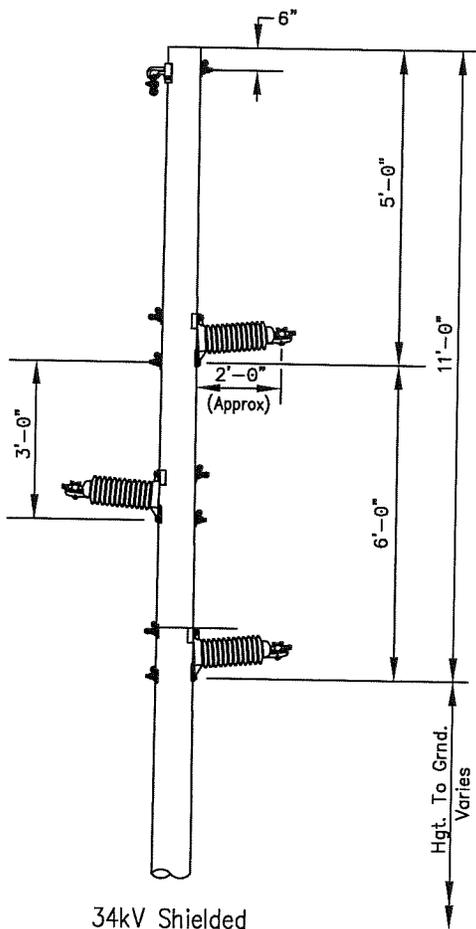
PRELIMINARY



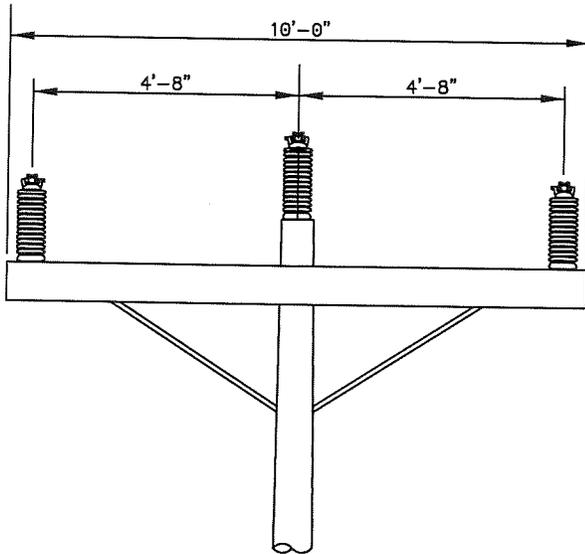
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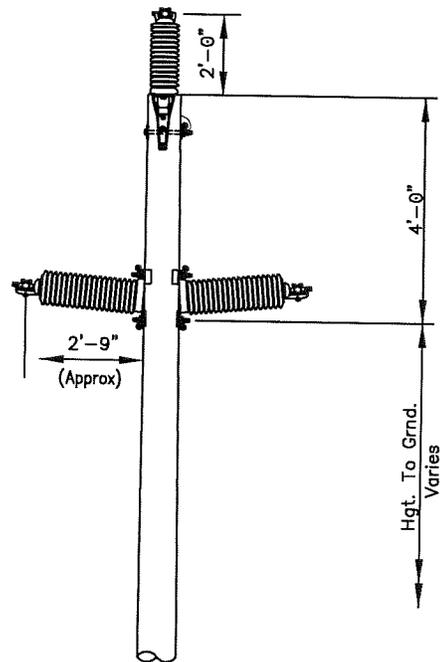
SARGENT & LUNDY LLC
34KV DISTRIBUTION
TYPICAL VERTICAL DEAD-END
STRUCTURE ARRANGEMENTS
FOR NEW ULM



34kV Shielded
Tangent w/ Post Ins.
No Neutral



34kV Unshielded
Tangent w/ Crossarm & Pin Ins.
No Neutral



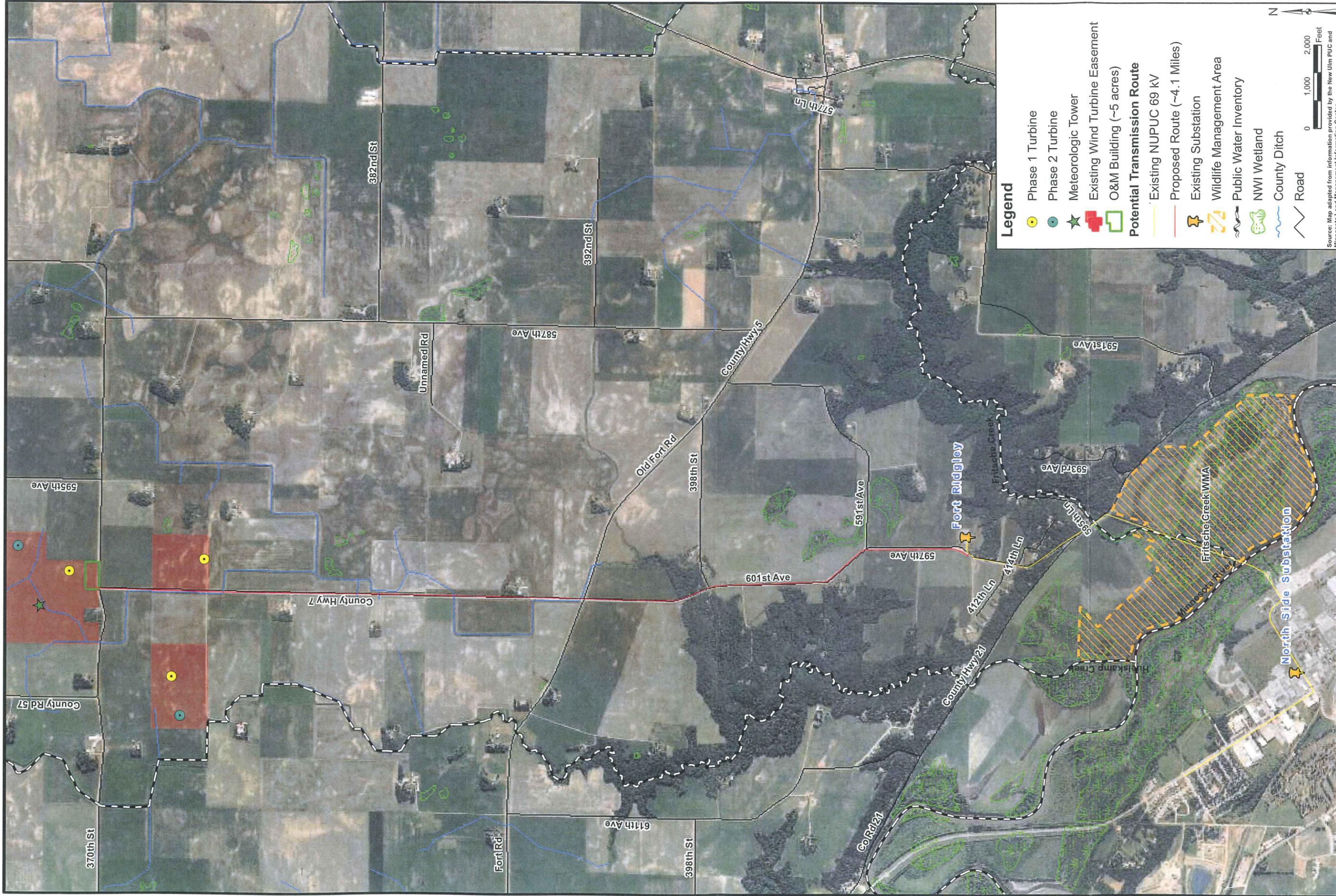
34kV Unshielded
Tangent w/ Post Ins.
No Neutral



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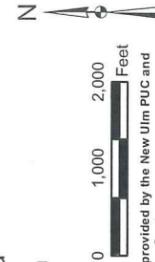
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SARGENT & LUNDY LLC
34KV DISTRIBUTION
TYPICAL TANGENT
STRUCTURE ARRANGEMENTS
FOR NEW ULM



Legend

- Phase 1 Turbine
 - Phase 2 Turbine
 - ★ Meteorologic Tower
 - Existing Wind Turbine Easement
 - O&M Building (~5 acres)
- Potential Transmission Route**
- Existing NUPUC 69 kV
 - Proposed Route (~4.1 Miles)
 - Existing Substation
 - ▨ Wildlife Management Area
 - Public Water Inventory
 - NWI Wetland
 - County Ditch
 - Road



Source: Map adapted from information provided by the New Ulm PUC and Minnesota Land Management Information Center.

FIGURE 1
PROPOSED TRANSMISSION ROUTE
 NEW ULM PUBLIC UTILITIES COMMISSION
 PROPOSED 34.5 kV TRANSMISSION PROJECT
 NICOLLET COUNTY, MINNESOTA



Prepared For:
 New Ulm Public Utilities Commission

Prepared By:
 Howard R. Green Company
EDAW | AECOM

MAY 2009

831660J