



BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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

DOCKET No. E002, ET2 /TL-09-1056

Meeting Date: November 12, 2009

Agenda Item # 2

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

Docket No. E002, ET2/TL-09-1056

**In the Matter of the Application for a Route Permit for the Fargo 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 ApplicationOctober 1, 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).....October 1, 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>)

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

On October 1, 2009, Xcel Energy and Great River Energy (Applicants) filed a route permit application under the full review process for the Fargo to St. Cloud 345 kV transmission line project (Project). The Project is over 200 kV and requires a Certificate of Need (CN). An Order was issued by the Commission on May 22, 2009, granting a CN for the CapX2020 Phase I project, of which this line segment application is a part.

Project Description

The Minnesota portion of the proposed Fargo to St. Cloud 345 kV Project will be approximately 169 to 180 miles long, extending from the Red River which extends along the Minnesota and North Dakota border, particularly between Clay and Wilkin counties, to the existing Alexandria Switching Station located south of Alexandria; and to the new Quarry Substation to be located west of St. Cloud. The North Dakota portion of the Fargo to St. Cloud 345 kV Project from the Bison Substation to the Red River, depending on the route selected, will be approximately 31 to 81 miles.

The proposed structures will primarily include single-pole, double-circuit capable, self-weathering or galvanized steel structures that will range in height between 130 and 175 feet. The span length between structures will range between 600 and 1,000 feet depending on site-specific considerations. Although the proposed line will be built using double-circuit capable poles, only one circuit will be installed for this Project. The second position will be available for a future additional circuit, as per the Commission’s CN Order. The right-of-way for the proposed 345 kV electrical transmission line will generally be 150 feet in width.

The estimated cost of the Project for facilities to be located in Minnesota is between \$269.0 and \$308.9 million (in 2009 dollars), depending on the final route selected. Construction of the Project is expected to begin in 2014 and be completed and the line in-service by third quarter 2015.

Regulatory Process and Procedures

High voltage transmission lines with a voltage of 200 kV or above are required to file application under the Full Review Process under Minnesota Rule 7850.1700-2700 and Minnesota Statute 216E.03. 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 7850.1900). An applicant under this process is required to propose a preferred route and at least one alternative route.

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 7850.2000). 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 7850.2700).

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 7850.2200). 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 can authorize 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 7850.2400 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 7850.2500.

Public Hearing

Applications for route permits under the full review process require a contested case hearing to be held as per Minnesota Rule 7850.2600.

The docket must be referred to the OAH for conduct of the Minn. R. 1405, contested case hearings. However, since the hearings must follow release of the draft EIS, the date for hearings cannot be set until the OES completes the EIS scoping process and determines the schedule for completion of the EIS. The Commission can refer the docket to the Office of Administrative Hearings (OAH) for hearing at this time, with the understanding that the OES will work with the OAH to establish a schedule once the EIS scoping process is complete.

EFP Staff Analysis and Comments

EFP staff reviewed and evaluated the Fargo 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 7850.1900. 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 a project, staff considers four characteristics: size, complexity, known or anticipated controversy, and sensitive resources.

Project Size. At approximately 169-180 miles, and at 345 kilovolts, the proposed line is a significantly-sized project that poses several potential environmental impacts.

Complexity. The proposed route is fairly complex in routing mostly along the Hwy 94 corridor. It presents a unique interaction between private, state and federal interests. Several questions are being addressed in the Monticello to St. Cloud 345 kV Transmission Line Project with MnDOT and the Federal Highway Administration in establishing potential easement sharing along the corridor. These agencies' concerns will also need to be addressed in this project. 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. Staff expects significant controversy in the St. Joseph to Freeport area where the Applicants' preferred route does not parallel the Hwy 94 corridor,

particularly in the Collegetown and the Avon Hills area. This section has originated the majority of calls to staff with routing concerns,

Sensitive Resources. In this application, a significant number of impacts are encountered in the segment from St. Joseph through Freeport where the Applicants' preferred route does not parallel the Hwy 94 corridor. The Applicants' preferred route attempts to avoid the difficult routing area through and around Collegetown and the Avon Hills area. Routing concerns include potential forested and wetland area impacts. Potential crossings of the Red River also contain sensitive resources.

Based on the analysis above, staff concludes that an advisory task force would be prudent in the St. Joseph to Freeport area. The purpose of the advisory task force would be twofold:

1. Assist in determining specific impacts and issues of local concern that should be assessed in the EIS by adding detail to the draft Scoping Document;
2. Assist in determining potential route alternatives that should be assessed in the EIS.

The advisory task force would comprise a representative each from Stearns County and the local cities, interested town board members from the project area, and members representing local non-governmental interest groups. The advisory task force would expire on the issuance of the OES Director's Scope for the EIS.

Staff will investigate whether or not additional task forces are warranted for specific areas along the line, especially by contact with local governments along the route. As well, we will continue 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 Fargo 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 7850.1700-2700.
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.

D. Public Hearing

1. Refer the Xcel Energy and Great River Energy Fargo to Monticello 345 kV Transmission Line Route Permit Docket E002, ET2/TL-09-1056 to the Office of Administrative Hearings for conduct of the Minn. R. 1405 contested case hearing.
2. Make another decision deemed more appropriate.

EFP Recommendations: Staff recommends options A1, B1, C1 and D1.

Legend

- Preferred Route
- Preferred Route Segment Alternative
- Alternative Route A
- Substation

Transmission Lines Voltage (KV)

- 400
- 345
- 250
- 230
- 115
- 69

Roads

- Interstate
- US Highway
- State Highway
- County Road / Secondary Road

Other Features

- Railroad
- River / Stream
- Lake
- State Boundary
- County Boundary
- Municipal Boundary

Appendix A.1
Project Overview Map
 Route Permit
 Range to St. Cloud
 345 KV Transmission Lines

File/Dates: 10/1/19 Drawn by: MATTHEW BERT

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