office of energy security

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April 19, 2010

TO: William Glahn, Director, Office of Energy Security
THROUGH: Marya White, Manager, Office of Energy Security
FROM: Scott Ek, State Permit Manager, Energy Facility Permitting
RE: Structure and Charge for the Potato Lake Advisory Task Force, Potato Lake 115 kV Transmission Line Project, Docket No. ET2/TL-10-86

ACTION REQUIRED. The signature of the director on the attached advisory task force (ATF) structure and charge. Once signed Office of Energy Security, Energy Facility Permitting (EFP) staff will appoint ATF members and begin work on the proposed charge.

BACKGROUND. On February 26, 2010, Great River Energy (GRE) filed a route permit application under the alternative permitting process for a new 7.25-mile 115 kV transmission line and a newly proposed substation. The transmission project would be located north of the city of Park Rapids in Hubbard County, Minnesota. Specifically, the project would be located in sections of Arago, Lake Emma, Todd, and Henrietta townships. The project as described in GRE's route permit application would consist of the following:

- Construction of a new 115 kV Potato Lake substation that would initially be operated at 34.5 kV until conversion to 115 kV is necessary.

- Construction of approximately 7.25 miles of new overhead 115 kV transmission line between the new Potato Lake substation in section 21 of Arago Township and a tap point on GRE's existing Mantrap Sub Tap 34.5 kV line ("PM Line") in Lake Emma Township. The newly proposed transmission line would initially be operated at 34.5 kV until the surrounding transmission system is converted to 115 kV.

- Approximately 2.25 miles of existing 12.5 kV distribution line owned by Itasca-Mantrap Coop would be removed, upgraded and attached/underbuilt to the proposed 115 kV structures along U.S. Highway 71 between the new Potato Lake substation and 230th Street/Northern Pine Road.

- Installation/underbuild of new 12.5 kV distribution lines on the proposed 115 kV structures along 230th Street/Northern Pine Road and 141st Avenue up to the intersection with County Highway 18.

The Minnesota Public Utilities Commission (Commission) accepted the route permit application as complete on April 16, 2010. In its order, the Commission authorized EFP staff to establish the structure and charge for one ATF. The attached structure and charge was provided to and approved by the Commission during the application acceptance and in the final order. Minnesota Statute 216E.08, subdivision 1, authorizes the Commission to appoint an ATF to assist staff with identifying impacts, issues and alternatives to be evaluated in the EIS.

In the Matter of the Route Permit Application for the Potato Lake 115 kV Transmission Line and Substation in Park Rapids, Minnesota.

POTATO LAKE 115 kV PROJECT ADVISORY TASK FORCE STRUCTURE AND CHARGE DOCKET NO. ET2/TL-10-86

The above entitled matter came before the director of the Department of Commerce Office of Energy Security (OES) for a decision on the appointment of an advisory task force (ATF) to advise the Minnesota Public Utilities Commission (Commission) on the route permit application by Great River Energy (applicant) for a proposed 115 kV transmission line project in Park Rapids, Minnesota.

WHEREAS, the applicant submitted a route permit application for the proposed Potato Lake 115 kV transmission line project on February 26, 2010.

WHEREAS, the Commission, under Minnesota Statute 216E.08, may establish an ATF to assist it in carrying out its duties. Under the statute the Commission shall provide guidance to the ATF in the form of a charge.

WHEREAS, an ATF shall be comprised of at least one representative from each of the following: regional development commissions, counties and municipal corporations, and one town board member from each county in which a route is proposed to be located. This statute further stipulates that no officer, agent, or employee of the applicant shall serve on the advisory task force.

WHEREAS, the ATF terminates upon completion of its charge or upon designation by the director of the OES of alternative sites or routes to be included in the environmental assessment, whichever occurs first.

WHEREAS, on April 16, 2010, the Commission authorized the OES to establish an ATF with the structure and charge herein noted.

THEREFORE, having reviewed this information, the OES makes the following determination with regard to the need for and charge to an ATF relating to this matter.

POTATO LAKE ADVISORY TASK FORCE AUTHORIZATION

As authorized by the Commission, the OES establishes an ATF to assist in identifying impacts and route alternatives to be evaluated in the environmental assessment to be prepared by OES Energy Facility Permitting (EFP) staff for the proposed Potato Lake 115 kV transmission line project. The Potato Lake ATF members will be solicited, as required by Minnesota Statute 216E.08, subdivision 1, from the following governmental units:

- Headwaters Regional Development Commission (Region 2)
- Hubbard County
- City of Park Rapids
- Arago Township
- Henrietta Township
- Lake Emma Township
- Todd Township
- Leech Lake Band of Ojibwe

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In addition, the ATF will include no more than four private citizens, who live, work, or own property on or near the proposed project.

The ATF will be comprised of no more than 12 members total.

The OES charges the Potato Lake ATF as follows:

1. ATF members will assist the EFP staff in identifying specific impacts and issues of local concern that may be included in the scoping decision document and evaluated in the environmental assessment, particularly regarding potential conflicts with local planning and zoning.

2. ATF members will assist the EFP staff in identifying potential alternative transmission line routes or route segments and alignments that may maximize positive impacts and minimize or avoid negative impacts of the project in the specific area of concern and may be included in the scoping decision document and evaluated in the environmental assessment.

The following issues will not be addressed in the scope of environmental review:

- A no-build alternative.
- Issues related to project need, size, type, or timing.
- Routes segments or alternatives that would be unpractical or unreasonable, or would not meet the stated need of the proposed project.

ATF members are expected to participate with EFP staff in up to two meetings and to assist staff with the development of a summary of the task force's work including their preferences or recommendations, if any. Meetings will be facilitated by EFP staff or a facilitator engaged by EFP staff.

The ATF will expire upon completion of its charge or upon release of the environmental assessment scoping decision by the director of the OES, whichever occurs first.

EFP staff is directed to appoint, as appropriate, members of the ATF and to begin work on the above-noted charge.

Signed this 19th day of April, 2010

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
OFFICE OF ENERGY SECURITY

William L Glahn

William Glahn, Director