



BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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

DOCKET NO. ET2/TL-10-86

Meeting Date: March 25, 2010 Agenda Item # 2

Company: Great River Energy

Docket No: **ET2/TL-10-86**

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

Issue(s): Should the Minnesota Public Utilities Commission accept the application as complete?

EFP Staff: Scott E. Ek

RELEVANT DOCUMENTS

Notice of Intent Letter.....January 28, 2010
Route Permit ApplicationFebruary 26, 2010

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 Minnesota Public Utilities Commission (Commission) and are based on information already in the record unless otherwise noted.

DOCUMENTS ATTACHED

Figure 1 – Proposed Project

Note: Relevant documents and additional information can be found on eDockets (Docket 10-86) or the PUC's Energy Facilities Siting and Routing website at:
<http://energyfacilities.puc.state.mn.us/Docket.html?Id=26124>.

STATEMENT OF THE ISSUES

Should the Minnesota Public Utilities Commission accept the application as complete? If accepted, should the Minnesota Public Utilities Commission authorize the Office of Energy Security to appoint a public advisor and an advisory task force?

INTRODUCTION

Great River Energy (GRE) is a not-for-profit generation and transmission cooperative based in Maple Grove, Minnesota. GRE provides electrical energy and related services to 28 member cooperatives, including Itasca-Mantrap Cooperative Electrical Association (Itasca-Mantrap), the distribution cooperative serving the area to be supplied by this proposed transmission line project.

On February 26, 2010, GRE filed a route permit application under the alternative permitting process for 7.25 miles of 115 KV transmission line and a newly proposed substation. Great River Energy would be named as permittee for the proposed project and would own the approximately 7.25 miles of 115 KV overhead transmission line. Itasca-Mantrap would own the proposed Potato Lake Substation, and has purchased 3.2 acres of land on which to construct the new facility. In addition, Itasca-Mantrap would own and operate all the associated low-voltage distribution facilities.

GRE indicates in the route permit application that the existing 34.5 kV Itasca-Mantrap distribution system serving the area has reached its capacity limit based on continuous growth of electric demand averaging six percent per year for the past seven years. GRE has determined that the existing 34.5 kV system serving the area will eventually be unable to support the area electric load, and a higher voltage will be required to provide adequate system support, thus the reason for proposing the Potato Lake 115 kV transmission project.

PROJECT DESCRIPTION

The proposed 115 kV Potato Lake transmission project would be located north of the city of Park Rapids in Hubbard County, Minnesota. The project would specifically be located in sections of Arago, Lake Emma, Todd, and Henrietta townships (see Figure 1).

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 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.

GRE has identified a proposed and an alternate route in their application. The proposed 115 kV transmission line route would exit the new Potato Lake Substation and proceed south paralleling U.S. Highway 71 for approximately 1.5 miles to 230th Street/Northern Pine Road, east along 230th Street/Northern Pine Road for approximately 1.5 miles to 141st Avenue, south approximately 1 mile along 141st Avenue to County Highway 18, then east paralleling County Highway 18 for approximately 3.25 miles to County Highway 4 and the proposed 3-way switch on the existing PM Line (see Figure 1).

The alternate route identified in the application would exit the new Potato Lake Substation proceed south paralleling U.S. Highway 71 for approximately 1.5 miles to 230th Street/Northern Pine Road, east along 230th Street/Northern Pine Road for approximately 2 miles, south approximately 1 mile following the boundary between sections 35 and 36 (Arago Township) to County Highway 18, then east paralleling County Highway 18 for approximately 2.75 miles to County Highway 4 and the proposed 3-way switch on the existing PM Line (see Figure 1).

GRE is requesting a 300 foot route width that extends 150 feet on either side of the road centerlines (or section lines) for the entirety of the route(s).

REGULATORY PROCESS AND PROCEDURES

In Minnesota, no person may construct a high-voltage transmission line without a route permit from the Commission (Minnesota Statute 216E.03, subdivision 2). A high-voltage transmission line is defined as a conductor of electric energy designed for and capable of operation at a voltage of 100 kV or more and is greater than 1,500 feet in length (Minnesota Statute 216E.01, subdivision 4). The project as proposed would consist of approximately 7.25 miles of new 115 kV transmission line and would therefore require a route permit from the Commission.

Because the proposed project transmission line capacity is under 200 kV, less than ten miles in length, and does not cross a state border, a certificate of need is not required (Minnesota Statute 216B.2421, subdivision 2).

Route Permit Application and Acceptance

In accordance with Minnesota Rule 7850.2800, subpart 2, applicants are required to provide a 10-day advance notice of intent to the Commission before submitting a route permit application. On January 28, 2010, GRE filed a letter with the Commission indicating their intent to submit a route permit application for the project under the alternative permitting process.

On February 26, 2010, GRE filed a route permit application under the alternative permitting process for a new 7.25-mile 115 KV transmission line and substation. The project is eligible for consideration under the alternative permitting process as the transmission line voltage would be between 100 and 200 kilovolts (Minnesota Rules 7850.2800, subpart 2B).

Route permit applications for high-voltage transmission lines reviewed under the alternative permitting process must provide specific information about the proposed project including, but not limited to, applicant information, route description, environmental impacts and mitigation measures as defined in Minnesota Rule 7850.3100. Review under the alternative permitting process does not require the applicant to propose any alternative sites or routes in the permit application. However, if the applicant has rejected alternative sites or routes they must include the rejected routes and reasons for rejecting them in the route permit application (Minnesota Rule 7850.3100).

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. The environmental review process begins on the date the Commission determines that a route permit application is complete (Minnesota Rule 7850.3200) and the Commission has six months to reach a final route permit decision from the date an application is accepted (Minnesota Rule 7850.3900).

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 7850.3400). The public advisor is someone who is available to answer questions from the public about the permitting process. In this role, the public advisor may not act as an advocate on behalf of any person. The Commission can authorize the OES to name a member from the EFP staff as the public advisor or assign a Commission staff member.

Advisory Task Force

The Commission has the authority to appoint a citizen advisory task force pursuant to Minnesota Rule 7850.3600. An advisory task force may include interested local persons, but requires at least one representative from each of the following local governmental units: Regional development commissions, counties and municipal corporations, and one town board member from each county in which a route is proposed to be located (Minnesota Statute 216E.08, subdivision 1). A task force can be charged with identifying additional routes or specific impacts that could be included in the scoping decision document and evaluated in the environmental assessment. The task force terminates upon completion of its charge, upon designation by the director of the OES of alternative sites or routes to be included in the environmental assessment, or upon the specific date identified by the Commission in the charge, whichever occurs first.

The Commission is not required to assign an advisory task force for every project. If the Commission does not name a task force, the rules allow members of the public to request appointment of a task force (Minnesota Rule 7850.3600). The Commission would then need to determine if a task force should be appointed or not.

Environmental Review

An application for a high-voltage transmission line route permit is subject to environmental review conducted by EFP staff. The staff will provide notice and conduct a public information and environmental assessment scoping meeting to solicit public comments on the scope of the environmental assessment. The director of the OES may include a suggested alternative site or route in the scope of the environmental assessment only if the director determines that evaluation of the proposed site or route will assist in the Commission's ultimate decision on the route permit. Any person may also suggest specific human or environmental impacts that should be included in the environmental assessment. The environmental assessment will be completed and made available prior to the public hearing (Minnesota Rule 7850.3700).

Public Hearing

Applications for high-voltage transmission line route permits under the alternative permitting process require a public hearing upon completion of the environmental assessment. The hearing is held in the area where the proposed project would be located and is conducted in accordance with Minnesota Rule 7850.3800.

STAFF ANALYSIS AND COMMENTS

The EFP staff conducted a completeness review of the route permit application. Staff concludes that GRE has met the procedural requirement of Minnesota Rule 7850.2800, subpart 2, by providing the Commission written notice of its intent to submit a route permit application under the alternative permitting process at least 10 days prior to submitting the application. Staff also concludes that the proposed project is eligible for the alternative permitting process and that the application meets the content requirements of Minnesota Rule 7850.3100. The Commission's acceptance of the application will allow EFP staff to commence and conduct the public participation and environmental review processes. The applicant has indicated that any additional information deemed necessary for processing the application can and will be provided in a prompt manner.

Advisory Task Force

In analyzing the merits of establishing an advisory task force for the project, staff considered four characteristics: project size, complexity, known or anticipated controversy, and sensitive resources.

Project Size

At approximately 7.25 miles, the project is relatively short. The requested route width for the entirety of the project is 150 feet on each side of the route centerline (300 foot total route width) with a 100 foot required right-of-way.

Complexity

The proposed route is simple and straight forward. Approximately 31 percent of the route would be constructed along an existing 12.5 kV distribution alignment that will be removed and co-located on the proposed 115 kV structures. The remaining 69 percent of the route would parallel existing road rights-of-way.

Known or Anticipated Controversy

The route permit indicates that GRE attended township board meetings in the proposed project area to describe the project to township board members.

It is GRE's understanding that all township boards recognize the need for additional electric capacity in the area. GRE also held its own public information meeting on October 22, 2009. GRE has provided documentation of the comments it received from government agency consultation in Appendix A.

There appears to be some early public interest and disapproval for this proposed project, as indicated by seven comment letters already efiled on the eDockets website.

Sensitive Resources

At this early stage of the process, EFP staff have not identified any sensitive resources that would be potentially impacted by the proposed project. Nor does staff believe the project would require any irreversible or irretrievable commitment of resources at this time.

Based on the analysis above, EFP staff concludes that an advisory task force is not warranted in this case. The proposed route is relatively short and uses or parallels existing electric transmission facilities and road rights-of-way for the entire proposed route. Staff believes that the alternative permitting process will provide adequate opportunities for the public to identify issues and route alternatives to be addressed in the environmental assessment. Staff can assist local landowners and governmental units in understanding the siting and routing process and identifying opportunities for participating in further development of alternative routes and/or permit conditions.

COMMISSION DECISION OPTIONS

A. Application Acceptance

1. Accept the Great River Energy route permit application for the Potato Lake 115 kV transmission line and substation project as complete, and authorize the OES EFP staff to process the application under the alternative permitting process pursuant to Minnesota Rules 7850.2800 to 7850.3900.
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 route permit application complete upon the submission of supplementary information.
4. Make another decision deemed more appropriate.

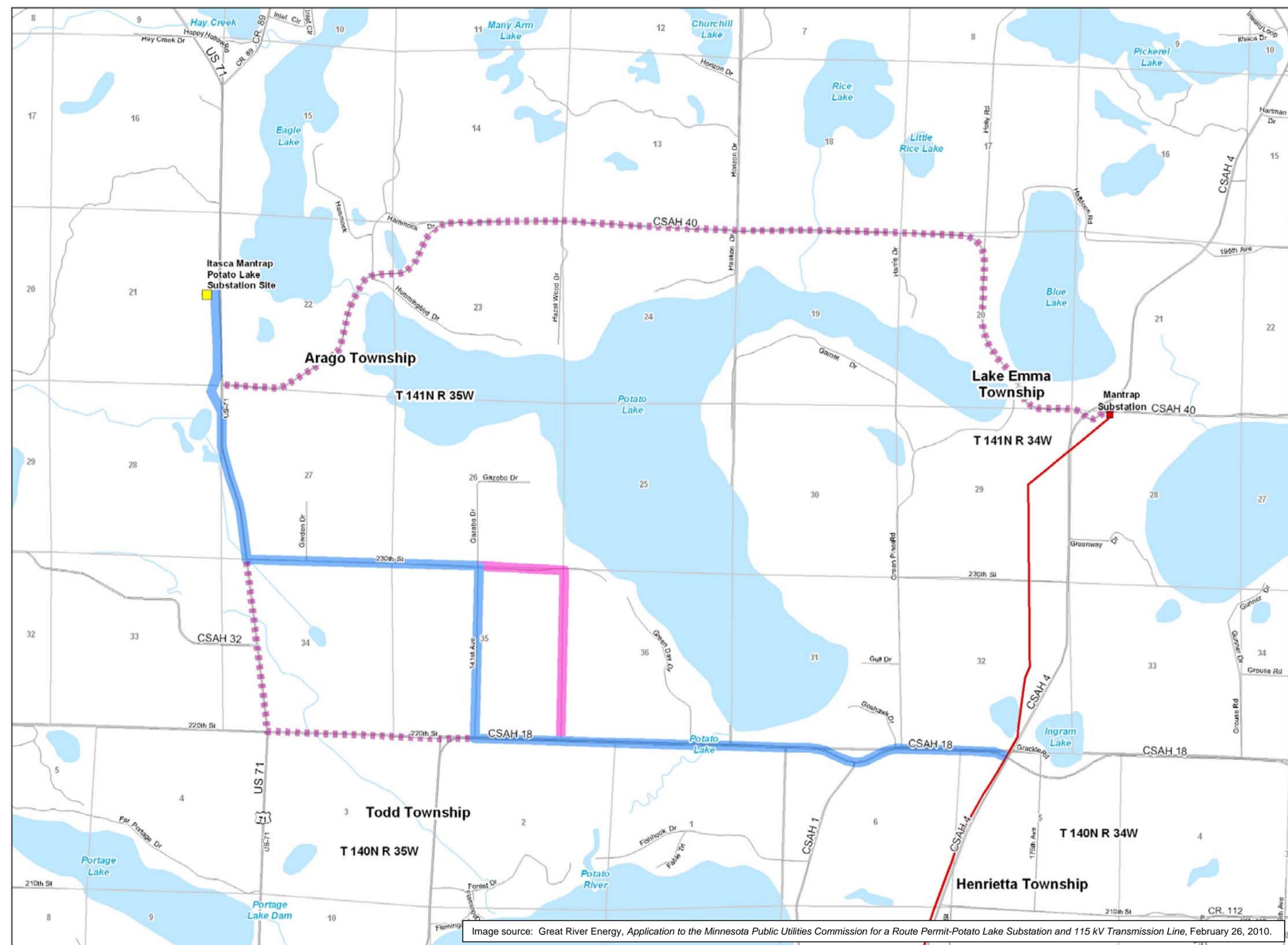
B. Public Advisor

1. Authorize OES EFP staff 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 OES EFP staff to establish an advisory task force and develop a proposed structure and charge for the task force.
2. Take no action on an advisory task force at this time.
3. Determine that an advisory task force is not necessary.
4. Make another decision deemed more appropriate.

EFP Staff Recommendation: Options A1, B1, and C2.



- Proposed Itasca-Mantrap (IM)
- Distribution Substation
- Existing Itasca-Mantrap
- Distribution Substation
- Proposed Great River Energy (GRE)
- 115 kV Transmission Line Route
- Alternate Route
- Rejected Alternative Routes
- Existing Great River Energy
- 34.5 kV Transmission Line
- Existing Minnesota Power (MP)
- 34.5 kV Transmission Line
- Land Base Features
- Road Centerline
- Lakes and Rivers
- PLS Section Lines

N

Updated: Feb 18, 2010

0 2,000 4,000 Feet

Data Sources Vary Between
MNDOT, MNDNR, MNGEO
and Great River Energy

Map Projection:
UTM, NAD83, Zone15, Meters

**FIGURE 1
PROPOSED PROJECT**

Potato Lake 115 kV
Transmission Line and
Substation Project

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Image source: Great River Energy, Application to the Minnesota Public Utilities Commission for a Route Permit-Potato Lake Substation and 115 kV Transmission Line, February 26, 2010.