7-2500-22077-2
E002/TL-10-249
E002/CN-09-1390

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS

FOR THE PUBLIC UTILITIES COMMISSION

In the Matter of Applications for Certificate of Need by Northern States Power Company and City of Glencoe and Application for a Route Permit by Northern States Power Company for 115kV Transmission Line Upgrades on the 69kV System from Glencoe to Waconia

SUMMARY OF TESTIMONY AT PUBLIC HEARING AND SUMMARY OF WRITTEN COMMENTS

A public hearing was conducted in this matter at the Clay Community Building in Norwood Young America, Minnesota, commencing at 6:30 p.m. on August 24, 2011. Testimony was heard from the Applicant, Northern States Power Company, a division of Xcel Energy, and four members of the public. The record closed on September 12, 2011, the last day set for receipt of written comments by mail. Valerie Herring, Esq., Briggs and Morgan, appeared on behalf of the Applicant. Bill Storm, State Planning Director, Minnesota Department of Commerce, appeared on behalf of the Minnesota Department of Commerce (DOC). Michael J. Kaluzniak, State Planning Director, appeared on behalf of the Staff of the Minnesota Public Utilities Commission (Commission, PUC).

Pursuant to the Commission's Prehearing Order, the written comment period closed September 7, 2011.

SUMMARY OF ORAL TESTIMONY

1. On November 30, 2010, Northern States Power Company (NSP) a division of Xcel Energy, and the City of Glencoe submitted an application to the Commission for a Certificate of Need (CON) for 115kV transmission line upgrades to the Glencoe-Waconia 69kV system. On December 10, 2010, Xcel submitted a high voltage transmission line (HVTL) Route Permit application to the Commission for its portion of the proposed transmission line upgrades on the 69kV Glencoe to Waconia system.

2. The project is located in McLeod and Carver Counties, near the communities of Glencoe, Plato, Norwood Young America, Bongards, Cologne, Waconia and Augusta. The project consists of two miles of new 69kV transmission line, six miles of new 115kV transmission line, and the upgrade of approximately 20 miles of existing

69kV transmission line to 115kV, along with the construction of a new substation and certain substation modifications. The total length of the project is approximately 28 miles.

3. Both the Certificate of Need and Route Permitting processes require a public information-scoping meeting, an environmental document, and a public hearing. This Report summarizes testimony at the public hearing stage of the process.

4. The Company's oral presentation at the hearing was led by Paul Lehman, its Manager of Regulatory Administration. The Company's routing lead person on the project, Siting and Permitting Supervisor Tim Rogers, and Srinivas Vemuri, a Transmission Planning Engineer for the company, offered oral testimony to supplement their Prefiled Written Testimony in the case.

5. Mr. David Meyer, the General Manager of Glencoe Light and Power, spoke in favor of the granting of the Certificate of Need and the Line Permit. The Glencoe Light and Power Commission (Glencoe), which serves the cities of Glencoe and Biscay and associated territory, is proposing to build a 115kV line in conjunction with that of the Applicant in this proceeding, NSP. Glencoe's line will begin at the City's Armstrong Substation (located on the west side of Glencoe), and travel across the community to the east side of Glencoe, ending at the proposed Diamond Substation. At that point, Xcel's line will continue for the rest of the length of the project.

6. The primary benefit to the City of Glencoe, if this project is approved, is that its present power source, one single electric feed purchased from Central Minnesota Municipal Power Association (CMMPA) on a straight west to east radial transmission line, will be replaced by a "loop feed" which would transmit electrical power to Glencoe from both directions.

7. Construction of the new Diamond Substation, which will be owned by the City of Glencoe, will help serve the anticipated growth and demand from the future development of the City of Glencoe.

8. A member of the public (Loren Heupenbecker) questioned Mr. Meyer as to whether the City of Glencoe had explored other options as sources for its loop line, and Mr. Meyer declared that, to his knowledge, there were no other options because the current feed from the west side of Glencoe is on a lateral line from the western substation.

9. On behalf of NSP, Paul Lehman explained that the purpose of the Glencoe-Waconia project would be to provide an upgrade in service to a number of communities on the line between the two larger communities, including Norwood Young America. The Company wants to assure that it can maintain reliable and adequate service of electricity to its customers.

10. Mr. Timothy Rogers testified about the general scope of the project, explaining that it has been divided into seven segments.

11. Mr. Rogers testified about alternative suggestions for the line and why the Company accepted, modified, or rejected them. Specifically, Mr. Rogers talked about the Waldron Alternative suggestion, found in Segment Four of the project, relating to a relocation of the power line supporting structures outside the right-of-way along the south side of County Road 34. Mr. Rogers declared that the Waldron alternative "Makes sense to us and Xcel supports this alternative."

12. Mr. Rogers also explained why the Company was unable to agree with the proposal presented in the "Maiser Alternative". The Maiser Alternative recommends rebuilding the line on the north side of Highway 5 between Rome Avenue and the West Waconia Substation.

13. Mr. Rogers explained that the Maiser proposal would create a "pinch point" at the location of a commercial building that distributes veterinary supplies, such that there would not be enough room to go between the building and the existing power line (owned by Great River Energy) along Highway 5.

14. The Maiser alternative also asked for the Company to look at adjusting the site of the proposed line slightly to the north at another location, while staying on the south side of Highway 5, but that is an alternative the Company cannot support because the Minnesota Department of Transportation would not allow a line to be placed too close to its planned expanded right-of-way on the south side of Highway 5.

15. In addition to Mr. Rogers's presentation on routing, Mr. Srinivas Vemuri explained his prefiled testimony that described "minor" changes that Xcel is proposing to its operating voltage and configuration for two segments of the proposed project, and the reasons for those changes. The purpose of the changes is to accommodate an additional load expected near the City of Chaska that is coming online sooner than expected, such that it was not foreseen at the time of the original application in this case. Comments from the City of Chaska include an announcement that United Health Group is developing a new data center in Chaska that is anticipated to have a peak demand of 20 megawatts, which will significantly increase the required load in the Chaska area. The increased load will require additional improvements to the transmission facilities in and around Chaska. Specifically the new data center will require upgrading several Chaska area 69kV transmission lines to 115kV capacity, and the proposed modifications to the Glencoe-Waconia Project are necessary to be compatible with the transmission facility upgrades near Chaska.

16. Richard Stolz, a property owner in the City of Norwood Young America, expressed concern about the precise meaning of the Company's plans to "retire" transmission line poles on land that it owns, which poles will no longer be necessary for the newer transmission system it plans to build. When asked whether the Company's plan to "retire" the poles which no longer would be used meant to remove them, Mr. Rogers explained that "retired" meant that the power line structures, including

conductors, would remain in place but that the Company would take down the wiring and cut the flow of power between the poles.[1]

17. The Company's project includes two areas near the existing Young America Substation where an existing kV transmission line will be "deconstructed".[2] The first area of deconstruction for 69kV poles extends from the intersection of the common portion of Highways 25 and 5 and County Road 34 to the Young America Substation, approximately one-half block north of and parallel to First Street NW.

18. Mr. Stolz asked about whether the existing 69kV transmission structures located on his property could be removed after the line was deconstructed. During the hearing, Mr. Rogers told Mr. Stolz he believes the structures on the Stolz property would remain in place.[3] In his post-hearing submission, Mr. Rogers stated that "After further examination and consultation with the transmission engineer for this Project, it is my understanding that the structures on Mr. Stolz's property would be removed as these structures do not support a distribution circuit."[4]

19. The Company proposes to remove all existing 69kV transmission structures that do not support distribution circuits. To clarify, if an existing 69kV transmission structure has distribution underbuild (distribution lines running underneath the transmission line), then the structure will remain in place but would be "topped off" (the top portion of the pole that held the transmission conductors would be removed).

20. Mr. Rogers noted in his post-hearing submission also that, if the Public Utilities Commission chooses to include the Waldron Alternative Route Segment in the route, which would move the 115 kV line closer to County Road 34, the existing 69 kV structures along old County Road 34 would be removed if such structures do not support any distribution circuits.

21. Mr. Loren Huepenbecker expressed concerns about possible safety issues associated with proposed high voltage transmission lines being in close proximity to a truck storing flammable material, which he parks on his land that is in the vicinity of the proposed transmission line route. The Huepenbecker property is on the east side of Carver County Road 51, along a proposed 115/69 kV double-circuit portion of new transmission line.

22. In his post-hearing submission, Mr. Rogers noted that the Company has experience in constructing and operating transmission lines near tanks storing flammable materials and has built and operated such facilities safely. While the Company does not believe that there are any safety concerns associated with the proximity of Mr. Huepenbecker's truck to the proposed transmission lines, the Company's proposed alignment along that section of the route is along the west side of County Road 51, the opposite side of the highway from Mr. Huepenbecker's property.

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[1] Transcript, at p. 35.
[2] Post-hearing filing of Timothy Rogers, 9/8/11.
[3] *See* Finding 16.
[4] Post-hearing filing of Timothy Rogers, 9/8/11.

23. Mr. Lowell Noeldner owns farm property outside of Cologne, Minnesota, which property is along County Road 51 South between State Highway 5 and the community of Bongards.

24. Mr. Noeldner is concerned that the Company will run its power poles along Highway 51 in a position where the digging necessary to put the structures in place would cut or otherwise damage the tiling system that drains his fields.

25. Mr. Noeldner's tiles lie approximately three to four feet underground and drain an area that would otherwise be a swamp, absent the tiling system. The Company's placement of structures to support the new 115kV transmission line would involve digging approximately eight to ten feet below the surface of the ground in order to provide proper support for the structures.

26. Mr. Noeldner's property runs along the east side of County Road 51. The west side of Highway 51 at that point already is occupied by a distribution line, and Mr. Noeldner wonders whether the two lines can be combined on structures that would be built away from his property.

27. In response to Mr. Noeldner, Mr. Rogers noted that it would be difficult to underbuild distribution lines on the transmission line already constructed on the west side of Highway 51, which was a major reason why the Company plans to build on the east side.

28. Brian Meilke of Xcel noted that the Company's officials had talked to Mr. Noeldner at the scoping meeting conducted earlier in this matter, and had gotten "some idea" where Mr. Noeldner's tiles are located.[5] Mr. Mielke noted also that the Company was trying to obtain and interpret aerial maps of the general locations of tiling in the project area, in hopes of obtaining photographs where tiles are physically visible at the ground surface. He noted also that if the tiles are damaged the Company is "absolutely responsible". For example, if crops are flooded out as a result of a broken tile, the landowner or renters of the farmland will be reimbursed for the lost crops and the Company will pay for fixing the damaged tile.[6] Mr. Noeldner was skeptical that farmers would be reimbursed fairly.[7]

SUMMARY OF WRITTEN COMMENTS

29. Two state agencies filed written comments, the Minnesota Department of Transportation (MnDOT) and the Minnesota Department of Natural Resources (MnDNR).

30. MnDOT's primary concern is the safety of the transportation system and effectiveness of any operations or maintenance of the state trunk highway system, including any additional costs that may be imposed on the state trunk highway fund as a

[5] Transcript, at p. 95.
[6] *Id.*
[7] Transcript, at p. 102.

result of locating the proposed HVTL. MnDOT notes that the Environmental Assessment (EA) in this matter describes the coordination that must occur in locations where the HVTL is planned to intersect with public highways, and that MnDOT plans to make improvements to Trunk Highway 5, County Road 34 and some city streets near Norwood Young America. MnDOT intends to implement its Utility Accommodation Policy to determine whether and where to issue permits to Xcel in places where proposed intersections of state highways and the power line project will occur. The Department of Transportation notes that, in determining the final route for the HVTL, it is important to leave as much space as possible in locations where future highway improvement projects are anticipated to minimize the risk that more public funds will be needed in the future to relocate the new HVTL. Each pole location will need to be assessed for considerations such as highway clear zone impact, and impacts on visibility or drainage requirements, so MnDOT cautions that the route should be sufficiently wide to preserve flexibility for the Transportation Department to work with the Applicant to determine appropriate specific locations for each pole.

31. In specific, the MnDOT is concerned particularly with the alternative alignment proposed in the Maiser Alternative, which would move the power line closer to Highway 5 than an existing 69kV line. That move would likely cause the new line to occupy the same location as a future expansion area for widening Trunk Highway 5. In addition, the Maiser Option does not include the cost to the public involved with relocation of the HVTL as part of a highway expansion project, should a widening of highway right-of-way occur at that point along Highway 5. The MnDOT cautions that, in order for the Minnesota Public Utilities Commission to make a fully-informed selection based on all the pros and cons of various alternatives, such as the Maiser proposal, the costs involved in such a relocation need to be recognized and evaluated.[8]

32. The DNR noted that it had filed a letter with the Department of Commerce during the earlier stages of this proceeding (on March 23, 2011) requesting modification of some of the proposed swan diverter locations. From DNR records, the Department of Natural Resources notes also that no coordination yet has occurred with the Company or the Department of Commerce regarding recommended adjustments to those swan diverter locations.

33. In areas where construction sites would need to be regraded so that all surfaces drain naturally and would be left in conditions that would facilitate natural re-vegetation, the DNR recommends specific restoration of native vegetation in those areas. Its letter notes that bare soil should not be included as an option, because it may result in erosion or the introduction of invasive plant species.[9]

34. The DNR is concerned also that details are lacking about what specific vegetation maintenance would include, especially regarding methods of maintenance. The DNR continues to recommend an analysis of minimization of forestry impacts near

[8] Letter from Stacy Kotch, MnDOT Utility Transmission Coordinator, 9/7/11.
[9] Letter from Jamie Schrenzel, DNR Principal Planner, 9/7/11.

waterways due to any clearing that may result in construction of the proposed power lines.

35. The DNR notes that the Route Permit Application indicates 61 poles (estimated) will be placed within wetlands. The DNR believes the Applicant should avoid impacts to wetlands where and when feasible by spanning or through alignment adjustments, and that further analysis should include a more detailed discussion on pole placements, both within the existing transmission line corridor and the new line route. Other potential impacts such as avian collisions or invasive species should also be considered in these more sensitive areas, especially if large wetland complexes would be crossed by the route. Also, the DNR is concerned about whether or not data from the Natural Heritage Information System (NHIS) has been updated.

36. The DNR notes also that it will be issuing, if necessary, Licenses to Cross Public Lands and Waters.

37. The DNR is concerned also that the listing of the location of all possible gravel pits in the area is incomplete.

Dated: September 27th, 2011

/s/ Richard C. Luis

RICHARD C. LUIS
Administrative Law Judge

Reported: Court Reported
Transcript Prepared by Christine Simons,
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September 27, 2011

Dr. Burl W. Haar, Executive Secretary
Minnesota Public Utilities Commission
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Re: ***In the Matter of Applications for Certificate of Need by Northern States Power Company and City of Glencoe and Application for a Route Permit by Northern States Power Company for 115kV Transmission Line Upgrades on the 69kV System from Glencoe to Waconia*; E002/TL-10-249, E002/CN-09-1390**
OAH Docket No. 7-2500-22077-2

Dear Dr. Haar:

The document listed below has been filed with the E-Docket system and served as specified on the attached service list.

Summary of Testimony at Public Hearing and Summary of Written Comments

Very truly yours,
/s/ Richard C. Luis

RICHARD C. LUIS
Administrative Law Judge

Telephone: (651) 361-7843

RCL:mo
Encls.

cc: Valerie Herring
Bill Storm
Michael J. Kaluzniak

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CERTIFICATE OF SERVICE

Case Title: ***In the Matter of Applications for Certificate of Need by Northern States Power Company and City of Glencoe and Application for a Route Permit by Northern States Power Company for 115kV Transmission Line Upgrades on the 69kV System from Glencoe to Waconia***	**OAH Docket No. 7-2500-22077-2** **MPUC Docket No. E002/TL-10-249, E002/CN-09-1390**

Mary Osborn certifies that on the 27th day of September, 2011, she served a true and correct copy of the **Summary of Testimony at Public Hearing and Summary of Written Comments**; by electronic mail (or as indicated on the Service List) to the following individuals:

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