

CHISAGO COUNTY

RESOLUTION NO. 001018-5

**COMMENTING ON THE PETITION OF NORTHERN STATES POWER CO.
(NSP) FOR APPROVAL OF CITY REQUESTED FACILITIES SURCHARGE
RIDER AND MISCELLANEOUS TARIFF CHANGES; MINNESOTA PUBLIC
UTILITIES COMMISSION DOCKET NO. E002/M-99-799**

WHEREAS, Northern States Power Company (NSP) has filed with the Minnesota Public Utilities Commission (PUC) a petition for approval of city/county requested facilities surcharge rider and miscellaneous tariff changes under Docket No. E002/M-99-799 (the petition).

WHEREAS, the Petition in essence seeks to charge-back to either a city/county or the rate-payers in said community the increased cost of non-standard installation of electric lines and facilities if such non-standard electric lines or facilities are requested or required by the city/county in which such line or facilities are located.

WHEREAS, NSP's Petition, if approved, will have significant planning and fiscal ramifications for every city/county within NSP's service territory.

WHEREAS, the Petition raises the following substantive issues:

What should be considered as "non-standard" installation.

Whether buried electric lines are to be considered standard or non-standard.

Whether the increased costs of non-standard installation should be borne by the multiple communities that benefit from the electric line (whether or not the line is located in those communities) or should be borne only by the communities that have required burying or should be borne by rate-payers throughout the NSP service territory.

Whether the imposed costs should be related to the service benefits received from the electric line rather than the land-use benefits received from the burying of the line.

What the appropriate pay-back period should be.

Whether there should be a differentiation between rate-payers based on the type of service or based on the amount of energy consumed.

Whether the methodology for pay-back should be different for the types of lines, e.g., lines that serve a neighborhood or subdivision as opposed to lines that connect substations as opposed to lines that connect the generation facility to a substation.

Whether the environmental policies of the State of Minnesota dictate that burying of lines is preferred to above-ground installation and thus burying should then be considered as standard as opposed to non-standard.

Whether basic fairness indicates that the cost should be allocated among all rate-payers in the service territory when the line is part of an integrated grid that serves all consumers within the service territory.

WHEREAS, the effect of the Petition in the county, if approved, would be severe. The County Planning Commission and special citizen task forces are currently reviewing sensitive corridors and areas within the county which could suffer irreparable aesthetic or environmental damage from ill-considered lines. NSP has recently withdrawn an application for a major distribution line through portions of the county, but seeks to upgrade a line which passes through the communities of Lindstrom, Center City and Shafer...each of whom will seek the line to be installed underground.

NOW, THEREFORE, BE IT RESOLVED BY THE CHISAGO COUNTY BOARD OF COMMISSIONERS:

The following comments are made with respect to the NSP tariff petition:

Increased costs of non-standard installation should be borne by the rate-payers within the service territory that receive service from the lines.

When the design and function of a line is to primarily serve a particular subdivision or development project, the increased costs for burying the distribution line to the subdivision or project should be paid by the developer or the rate-payers within the subdivision or within the specific project area.

Transmission lines, on the other hand, are part of an integrated network of lines that transmit electrical power between and among all the substations within the NSP territory. The integrated nature of the transmission grid enhances the stable supply of power to all consumers within the NSP territory. All rate-payers in the NSP territory should pay for undergrounding transmission lines because the transmission grid serves all rate-payers, not just those in the community where the transmission line is placed underground. As a result, the cost should be incorporated within the rate-base for all customers.

The County Board does not know whether it is practical, feasible and beneficial to bury the lines that transmit power from major generation facilities to the substations. The County Board has no comment on these types of lines.

The burying of lines between substations should not be considered non-standard. It is consistent with the environmental policies of the State of Minnesota to treat under grounding as a standard application.

Above-ground lines have their place in the distribution of power. To the extent possible Chisago County is working to mitigate any disturbances to the natural environment caused by these lines and would prefer, when practical and affordable, to avoid above-ground lines that degrade the natural beauty of our county.

There is a continuing debate over possible health hazards from electromagnetic fields. The issue may never be satisfactorily settled due to the questions that have been raised with respect to the methodologies used the epidemiological studies. It may be that the average readings used in most studies with the resultant low levels of health risk are not meaningful data when attempting to determine whether high levels of electromagnetic fields or intense brief exposures to electromagnetic fields pose and unreasonable health risk. Testing these hypotheses may require a whole new generation of epidemiological studies. Thus, as long as the debate continues, the Public Utilities Commission should consider whether it is prudent to shield transmission lines by requiring that they be placed underground in residential areas.

That 15 copies of this resolution be filed with the Minnesota Public Utilities Commissioner and 15 copies be filed with the Minnesota Department of Public Service.

Commissioner Thorn seconded the resolution and, upon being put to vote, was unanimously adopted.

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