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PUBLIC UTILITIES COMMISSION

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October 19, 2000

Burl Harr
Executive Director
Public Utilities Commission
121 - 7th Place East, Suite 350
St. Paul, MN 55101

RE: Power Line Task Force, Inc., Comment for the Record
Docket: E002/M-99-799
City Requested Facilities Surcharge Rider and Miscellaneous Tariff Change

Dear Mr. Harr:

I have been retained by the Power Line Task Force, Inc., to represent them in matters pertaining to the proposed South East Metro powerline. The Power Line Task Force is primarily concerned about EMF effects of the line, and is also secondarily concerned about aesthethic effects , both of which are addressed by undergrounding of transmission lines.

The Power Line Task Force requests that the PUC deny NSP's proposed tarrif change, and in the alternative, to address this tarrif change as a contested case as requested in their Petition, properly submitted to the Commission and which has not been addressed.

NSP's tariff change is expressly proposed as a response to the City of Oakdale's Ordinance, which mandated undergrounding of new transmission lines, including lines on state highways, which has since been deleted. Historically, if a city required undergrounding, the City itself paid the difference in cost between overhead construction and undergrounding. NSP offered instead to amend the City's franchise to allow the additional costs to be paid by the City's ratepayers, which the city refused. After the City excepted lines along state highways from its ordinance, NSP requested the District Court invalidate the remaining ordinance, which the Court instead upheld, as did the Appellate Court. NSP did not get the result it wanted, and now it attempts to get that same result through the Public Utilities Commission despite the Court's ruling.

The proposed tarrif change affects many communities. For example, the Commission is well aware of the Light Rail Transit project debate regarding the need to move the lines

and the allocation of cost. Undergrounding is also an issue in the Chisago project, where NSP has made an agreement with the Cities of Taylors Falls and St. Croix Falls regarding undergrounding and advocacy before the commission in undergrounding tarrif matters. There, other cities are affected by the line, including Schafer, Lindstrom, and Center City, and they were excluded from the negotiations and the agreement, and want undergrounding if the line is to pass through their communities.

The Power Line Task Force, Inc., represents a group of people who have a pressing need for undergrounding. In South St. Paul, the center line is within 25 feet of many houses, and through much of So. St. Paul, the line is on a right of way that is only 40 feet wide! In Sunfish Lake, the powerline passes very close to and over houses. Commonwealth Associates, Inc., a consultant hired by the Cities of So. St. Paul, Sunfish Lake, and Mendota Heights, had a representative measuring the distances from the homes to the line, and was heard to say that they would recommend undergrounding. It seems the consultant was taken aback by the proximity of the homes to the line, even prior to the proposed SE Metro upgrade. Further, these consultants are working for NSP on this project, and have a long history of NSP contracting, so their recommendations of undergrounding have even more credibility than those with a vested interest in undergrounding, and in fact may be against interest.

Who receives the benefit of these lines? The SE Metro line, according to NSP's claims, is to serve expanding present and anticipated future load in Bloomington, and will not benefit any of the communities through which it passes. The Chisago and Arrowhead lines are being built to transport bulk power through Wisconsin, and will not benefit any of the communities through which it passes. Is it reasonable to charge these communities to protect themselves from the effects of the lines where they receive no benefit?

Undergrounding is necessary in many instances to protect the public safety, and requirements to underground fall within a municipality's police powers. Distribution of the cost remains an issue, evidenced by this tarrif, and the purpose of undergrounding, protection of the public safety, dictates that the public at large is the benefactor, not a specific population, nor the specific municipality which mandates undergrounding. Allocating undergrounding costs only to a specific municipality or ratepayers of that municipality has a punitive effect, such as in the case of Sunfish Lake, with a population of just over 400, and for whom such an allocation would be prohibitive.

Rather than charge the City prior to construction, or charge the city's ratepayers after construction, there are more equitable methods to allocate costs of construction. It is more equitable to charge those ratepayers, the end users, who are receiving the benefit of the line. Then, those who receive the benefits would also bear the burden, the full costs, by paying the externalities associated with provision of that service. The Commission has already addressed selected environmental externalities for inclusion into the rates, setting precedent for allocation of undergrounding to a larger rate base.

Another option is to more broadly allocate undergrounding costs among all the utility's ratepayers, who now benefit from the economic generation and transmission of electricity where significant costs are not folded into the rates. For additional guidance, we can look to the liability context, where the costs of proven damages of effects of EMF or stray voltage are not born by the local government or ratepayers in the area where the damage occurred -- responsibility for protection of the public against these effects should be widely dispersed as well. A broad allocation of the costs of preventative protection is in the public interest.

The Power Line Task Force asks that the PUC deny NSP's proposed tarriff. It makes little economic sense, except as a punitive method to allocate the costs in a way that makes undergrounding prohibitive to a community, and where few communities could afford to assert their constitutional rights of self protection, and that is not in the pubic interest The Public Utilities Commission has the mandate to protect the health and safety of the public, and this mandate requires that NSP's punitive tarrif proposal be denied. If this tarrif proposal is not denied by the PUC, the PLTF requests a contested case proceeding, through its previously submitted petition, so that all parties with an interest may be heard.

The PUC's mandate also requires that it affirmatively address the need for undergrounding for protection of the health and safety of the public and equitable allocation of these costs to the base of ratepayers. The Power Line Task Force requests that this matter be addressed by the PUC in a process open to the public as soon as possible.

Very truly yours,

Carol A. Overland
Attorney for Power Line Task Force

cc: Power Line Task Force

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MN PUBLIC UTILITIES COMMISSION

In the Matter of NSP Petition for
Approval of a City Requested
Facilities Surcharge Rider
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In the Matter of NSP Petition for
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Facilities Surcharge Rider
1 Service List

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I certify that the above parties have been served with the Comment of the Power Line Task Force by U.S. Mail, properly addressed and postage paid.

Dated: 10/20/00

Carol A. Overland

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Attorney for Power Line Task Force