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June 3, 2011

TO: William Grant, Deputy Commissioner

THROUGH: Deborah Pile, Supervisor, Energy Facility Permitting

FROM: Scott Ek, State Permit Manager, Energy Facility Permitting

RE: Recommendation on Scope of the Environmental Assessment
St. Cloud Loop 115 kV Transmission Line Project in Sauk Rapids, Minnesota.
PUC Docket E002/TL-10-1026

ACTION REQUIRED

The signature of the Deputy Commissioner is requested on the attached Environmental Assessment Scoping Decision. Once signed, Division of Energy Resources Energy Facility Permitting (EFP) staff will mail the scoping decision to interested persons on the project mailing list.

BACKGROUND

Xcel Energy is proposing to construct a new 4.7-mile long 115 kV single-circuit overhead transmission line. The project is located in the northern part of the city of Sauk Rapids and the townships of Minden and Sauk Rapids in Benton County, Minnesota. A route permit application for the project was filed by Xcel Energy on March 11, 2011, and accepted by the Minnesota Public Utilities Commission (Commission) on April 11, 2011.

Xcel Energy indicates in its route permit application that the proposed project will improve the reliability of service to customers served from the Mayhew Lake Substation in and near the cities of St. Cloud, Sartell, Sauk Rapids, and the surrounding townships by providing a second power source to the Mayhew Lake Substation.

ENVIRONMENTAL REVIEW

Environmental review and public hearings will follow the procedures defined in Minnesota Rule 7849.5500 (Alternative Routing Process of the Power Plant Siting Act); a public information and scoping meeting is conducted by the EFP staff, a scoping decision recommendation for the Environmental Assessment is developed, the Environmental Assessment is prepared, and a public hearing is held.

Under the Alternative Routing Process the Commission has six months to reach a decision starting on the date the route permit application is deemed complete. In addition, applicants are not required to propose alternative routes.

EFP staff held a public information and environmental assessment scoping meeting on May 11, 2011, at the Sauk Rapids - Rice Middle School in Sauk Rapids, Minnesota, to discuss the project with the public and solicit public input on the scope of the environmental assessment to be prepared. The attendance sign-in sheet indicated approximately six people attended the meeting. The public was given until May 25, 2011, to submit written and/or email comments. Three written comments were received on the scope of the environmental assessment during the comment period.

EFP is recommending the Deputy Commissioner include in the scope one alternative route to the applicants Proposed Route as recommended by the Minnesota Department of Natural Resources and one alignment alternative recommended by a citizen. Both alternatives are described in the scoping document.

SCHEDULE

The Scoping Decision is due in a timely manner following the close of the public comment period on June 6, 2011. Please review and provide a signature by Monday, June 6, 2011. If you require any changes or have any questions, please contact staff as soon as possible. The Environmental Assessment is scheduled to be completed by July 2011.

In the Matter of the Route Permit Application for the St. Cloud Loop 115 kV Transmission Line Project in Sauk Rapids, Minnesota.

ENVIRONMENTAL ASSESSMENT SCOPING DECISION DOCUMENT PUC DOCKET NO. E002/TL-10-1026

INTRODUCTION

The above matter has come before the Deputy Commissioner of the Division of Energy Resources for a decision on the scope of the environmental assessment (EA) to be prepared on the St. Cloud Loop 115 kV transmission line project proposed by Xcel Energy.

PROJECT DESCRIPTION

The proposed project is a new 4.7-mile long 115 kV single-circuit overhead transmission line. The project is located in the northern part of the city of Sauk Rapids and the townships of Minden and Sauk Rapids in Benton County, Minnesota (Figure 1).

As described in the route permit application, Xcel Energy proposes to construct a new 115 kV transmission line that would exit the existing Mayhew Lake Substation, head west along County Road 29 for one-half mile and south-southwest for three-tenths of a mile across open field and scattered forest land to U.S. Highway 10. The route would proceed south along the east side of U.S. Highway 10 for two and nine-tenths miles, turn east for three-tenths of a mile following County Ditch 3 to the existing Granite City Substation. Specifically, the project as described in Xcel Energy's route permit application would consist of the following:

- constructing approximately 4 miles of new 115 kV transmission line (Line 5520) between the Mayhew Lake Substation and the Granite City Substation;

- removing a 1,700 foot segment of existing single-circuit 115 kV transmission line (Line 5509) between the Granite City Substation and its intersection with Lines 0887 and 0899;

- installing approximately 0.7 miles of new 115 kV transmission line to extend existing Line 5509 from its intersection with Lines 0887 and 0899 to Structure 39, installing either a new single-circuit pole or a new double-circuit structure near Structure 39 and connect Line 5509 from Structure 39 to existing Line 0899, thus creating newly designated Line 5509 connecting the Mayhew Lake Substation to the Benton County Substation;

- removing existing Line 0887 jumper at Structure 39 so that Line 0887 is no longer connected to Benton County Substation, and keeping Line 0887 connection between the St. Cloud and Granite City substations;

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- disconnecting the existing Line 0899 at Structure 39 to the Benton County Substation and connecting to removed Line 0887 segment from Structure 39 to Benton County Substation, and designating this revised line from Granite City to Benton County substations as Line 0899;

- installing fiber optic ground wire with the new 115 kV line and the remaining segment of Line 0899; and

- modifying the Benton County, Crossroads, Granite City, Mayhew Lake, and St. Cloud substations to accommodate the above changes, which include changing and/or adding new line termination equipment and/or a ring bus, adding transfer trip and pilot relaying, installing fiber optic lines for relaying and transfer trip, installing breakers, reconfiguring line protection, replacing shield wire with fiber optic shield wire, and related modifications.

Xcel Energy is requesting a 400 foot route width for the entire length of the proposed route. The proposed transmission line would require a right-of-way of 75 feet. There are areas along the proposed route where the new transmission line would be located at or very near existing electric distribution or transmission easements. In its application, Xcel Energy indicates that the project may be designed to fit within these existing easements, thereby requiring less right-of-way while still satisfying the needs of the project.

In its application, Xcel Energy included a description of one alternative route and two alternative route segments that were considered, but ultimately rejected. Xcel Energy indicates that when compared to the Proposed Route the alternatives do not maximize the use of existing right-of-way or minimize the use of new right-of-way, and would potentially impact the same or more deciduous forest land and wetland. Route Segment A would also not accommodate preferences expressed by private property owners and in resolutions passed by the city of Sauk Rapids and Benton County to route the transmission line away from the intersection of 35th Street NE/County Road 29 and U.S. Highway 10.[1]

PURPOSE

Xcel Energy indicates in its route permit application that the proposed project will improve the reliability of service to customers served from the Mayhew Lake Substation in and near the cities of St. Cloud, Sartell and Sauk Rapids, and the surrounding townships. The proposed project will provide a second power source to the Mayhew Lake Substation, thereby eliminating the incidents where the load cannot be served during an outage of Line 5509 between the Granite City and Mayhew Lake substations.

[1] Xcel Energy, *Northern States Power Company Application to the Minnesota Public Utilities Commission for a Route Permit – St. Cloud Loop Project New 115 kV Transmission Line*, Appendix C and D (RPA), March 11, 2011.

Xcel Energy also explains that with the proposed reconfiguration of 115 kV lines around transmission Structure 39 in this project, the loss of any double-circuit transmission lines between the Granite City, Benton County, Mayhew Lake, and St. Cloud substations will not result in dropping the load at Mayhew Lake Substation or the large industrial customer facility (Verso Paper Corporation) served by these lines.

REGULATORY BACKGROUND

A high-voltage transmission line route permit application for the project was filed by Xcel Energy on March 11, 2011, and accepted by the Minnesota Public Utilities Commission (Commission) on April 11, 2011. The route permit will be reviewed under the alternative review process, pursuant to the Power Plant Siting Act (Minnesota Statues 216E) and Minnesota Rules 7850.2800 to 7850.3900. Under the alternative permitting process the Commission has six months from the date the application was accepted as complete to make a decision on the route permit (October 2011).

SCOPING PROCESS

Scoping is the first step in the process after application acceptance. The scoping process has two primary purposes: 1) to ensure that the public has a chance to participate in determining what routes and issues are studied in the EA, and 2) to help focus the EA on the most important issues surrounding the route permit decision. This scope identifies potential human and environmental issues that will be addressed in the EA. The scope also presents an anticipated schedule of the environmental review process.

Public Scoping Meeting

EFP staff held a public information and environmental assessment scoping meeting on May 11, 2011, at the Sauk Rapids - Rice Middle School in Sauk Rapids, Minnesota. The meeting provided members of the public an opportunity to learn about the proposed project and the state's high-voltage transmission line route permitting process, review the applicant's route permit application, ask questions, provide comments, and identify potential impacts and route alternatives to be considered in the scope of the environmental assessment. The attendance sign-in sheet indicated approximately six people attended the meeting.

A court reporter was present at the public meeting and transcribed questions asked and comments made by the public, as well as responses from EFP staff and Xcel Energy. In total, three people provided oral comments and/or asked questions about the proposed project. Topics and issues raised by the public at the meeting included: construction schedule, easements and right-of-ways, interference (satellite television and wireless internet), vegetation and tree removal practices in the right-of-way, and right-of-way sharing along roads.[2]

[2] Public Information and Environmental Scoping Meeting Comments, eDocket Id. 20116-63199.

One member of the public also suggested an alignment alternative that would shift the proposed right-of-way so that it would follow a tree line to potentially reduce the amount vegetation and tree clearing that could be required in that area.[3]

Public Comments

A public comment period, ending on May 25, 2011, provided the public an opportunity to submit comments to EFP staff via e-mail, fax, U.S. Mail or online on issues and alternative routes and alignments for consideration in the scope of the EA. Three comment letters were received by the close of the comment period.

A letter from the Minnesota Department of Natural Resources (DNR) raised issues such as the timing of vegetation clearing (perform outside of the migratory bird nesting season), installation and locations of bird diverters, avoiding tree/shrub removal in wooded wetland swales, and avoidance of a fen near the Proposed Route. The DNR also indicates a preference for the Proposed Route or the Proposed Route with Route Segment A, as the routes primarily utilize existing rights-of-way and that both these routes impact less forested land and water features. Ultimately the DNR recommends avoiding as much tree and vegetation clearing as possible in the areas identified in its letter.[4]

The Minnesota Department of Transportation (Mn/DOT) submitted a letter referencing its formal policy and procedures for accommodation of utilities on the highway rights-of-way (Utility Accommodation Policy) specifically as it relates to Benton County and the city of Sauk Rapids' plan to revise the interchanges at U.S. Highway 10 and Benton CSAH 3 (Golden Spike Road) and U.S. Highway 10 and County Road 29 (35th Street NW). Mn/DOT also recommends contacting Benton County for the new right-of-way limits and base the transmission line pole placement on that information.[5]

A letter received from the U.S. Fish and Wildlife Service (USFWS) indicates that there are no federally listed or proposed species and/or designated or proposed critical habitat within the action area of the proposed project. The USFWS also recommends avoiding or minimizing the potential for wetland impacts in the NW 1/4 of the NE 1/4 of Section 14 and the NE 1/4 of SW 1/4 of Section 25.[6]

The scoping meeting comment report and each comment letter are available for viewing and downloading on the project website maintained by the Commission at: http://energyfacilities.puc.state.mn.us/Docket.html?Id=31941 or on the eDockets website at: https://edockets.state.mn.us/EFiling/search.jsp, select “10” for Year and “1026” for Number.

[3] Environmental Assessment Scoping Comments, eDocket Id. 20116-63199-02.
[4] Environmental Assessment Scoping Comments, eDocket Id. 20116-63199-02.
[5] Environmental Assessment Scoping Comments, eDocket Id. 20116-63199-02 or 20115-62890-01.
[6] Environmental Assessment Scoping Comments, eDocket Id. 20116-63199-02.

MATTERS TO BE ADDRESSED

Having reviewed the matter, consulted with EFP staff, and in accordance with Minnesota Rule 7850.3700, I hereby make the following scoping decision:

The issues outlined below will be identified and described in the environmental assessment for the proposed St. Cloud Loop 115 kV project. The assessment will describe the project and current setting of the proposed project area. It will also provide information on the potential impacts the proposed project could have as they relate to the topics outlined in this scoping decision document, including possible mitigation for identified impacts, identification of irretrievable commitment of resources and permits from other government entities that may be required.

I. GENERAL DESCRIPTION OF THE PROPOSAL

A. Project Description
B. Purpose of the Transmission Line
C. Project Location
D. Route Description
   1. Route Width
   2. Right-of-Way
E. Project Cost

II. REGULATORY FRAMEWORK

A. Certificate of Need
B. High-Voltage Transmission Line Route Permits
C. Environmental Review Process

III. ENGINEERING AND OPERATION DESIGN

A. Transmission Line Conductors
B. Transmission Line Structures
C. Substations

IV. CONSTRUCTION

A. Transmission Line and Structures
B. Substations
C. Restoration and Cleanup
D. Operation and Maintenance
E. Property/Right-of-Way Acquisition and Displacement

V. AFFECTED ENVIRONMENT, POTENTIAL IMPACTS, AND MITIGATIVE MEASURES

A. Environmental Setting

B. Socioeconomic and Cultural Setting
C. Human Settlement
    1. Noise
    2. Aesthetics (including existing trees and right-of-way clearing)
    3. Existing Utilities (pipelines, propane tanks, septic systems)
    4. Property Values
D. Public Health and Safety
    1. Electric and Magnetic Fields
    2. Implantable Medical Devices
    3. Stray Voltage
    4. Air Quality Associated with the Transmission Facility
E. Recreation
    1. Parks (city, county, state, and federal)
    2. Trails
F. Transportation and Public Services
    1. Emergency Services
    2. Airports
G. Interference
    1. Radio (AM/FM and Short-wave)
    2. Television (satellite and digital)
    3. Global Positioning Devices
    4. Cellular Phone
    5. Wireless Internet
H. Archaeological and Historic Resources
I. Land Use (land-based economies)
    1. Mining
    2. Commercial
    3. Tourism
    4. Agriculture
    5. Forestry
J. Zoning and Compatibility/Federal, State and Local Government Planning
    1. Residential
    2. Commercial
    3. Rural/Agricultural
    4. Industrial
    5. Roads and Highways
    6. Shoreland

K. Water Resources
   1. Creeks, Streams, Rivers, and Other Waterways
   2. Lakes
   3. Wetlands (including description and function)
   4. Riparian Areas
   5. Floodplains
L. Soil and Groundwater
M. Flora and Fauna
   1. Wildlife Management Areas
   2. Scientific and Natural Areas
   3. State and Federal Parks and Forests
   4. National Wildlife Refuge/Waterfowl Production Areas
   5. Avian Line Markers/Diverters
   6. Vegetation Removal
N. Threatened/Endangered/Rare and Unique Natural Resources

VI. ALTERNATIVE ROUTES TO BE EVALUATED IN THE ENVIRONMENTAL ASSESSMENT

In addition to the Proposed Routes proposed by Xcel Energy in its route permit application, the environmental assessment shall address the following alternative route segments and alignment alternatives:

Proposed Route with Route Segment A

The route would use the Proposed Route and incorporate Route Segment A as described in Xcel Energy's route permit application. Route Segment A is approximately five-tenths of a mile long and would connect with the Proposed Route approximately five-tenths of a mile west of the Mayhew Lake Substation and run west along County Road 29 for three-tenths of a mile to U.S. Highway 10. The route then proceeds approximately two-tenths of a mile southeast traversing scattered forest land along the U.S. Highway 10 interchange road before reconnecting with the Proposed Route. The total length of the Proposed Route with Route Segment A is approximately 5.7 miles (Figure 1).

Douvier Alignment Alternative

The alignment alternative would consist of shifting the alignment and right-of-way of the proposed transmission line at a point approximately one-quarter of a mile west from the intersection of County Road 57 and County Road 29 where the route turns directly south and then southwest to U.S. Highway 10 (Section 14 of Sauk Rapids Township).

The proposed alignment and right-of-way in that area would be shifted north and northwest approximately 300 feet so that it would follow an existing tree line in an attempt to reduce the right-of-way tree clearing that would likely be necessary in that area.

VII. IDENTIFICATION OF PERMITS

The environmental assessment will include a list and description of permits from other government entities that may be required for the proposed project.

ISSUES OUTSIDE THE SCOPE OF THE ENVIRONMENTAL ASSESSMENT

The scope of the St. Cloud Loop EA will not consider the following:

A. No-build alternative.
B. Issues related to project need, size, type, or timing.
C. Any route or substation alternatives not specifically identified in this scoping decision document.
D. Policy issues surrounding whether utilities or local-government should be liable for the cost to relocate utility poles when roadways are widened.
E. The manner in which land owners are paid for transmission rights-of-way easements, as that is outside the jurisdiction of the Commission.

ALTERNATIVE ROUTES NOT CHOSEN FOR FURTHER EVALUATION

The following routes and route segments were not chosen for further evaluation in the EA: Alternate Route and Route Segment B. These routes were described and considered in the route permit application, but were ultimately rejected by the Xcel Energy in favor of the Proposed Route.

The alternative routes are not preferable to the Proposed Route because they do not best maximize the use of existing distribution and transmission line alignments, increase the need for new additional right-of-way, impact more landowners, and cross more wetland and forest lands.[7] Further evaluation of these alternative routes would not assist in the Commission's final decision on the route permit application.

[7] RPA, page 67.

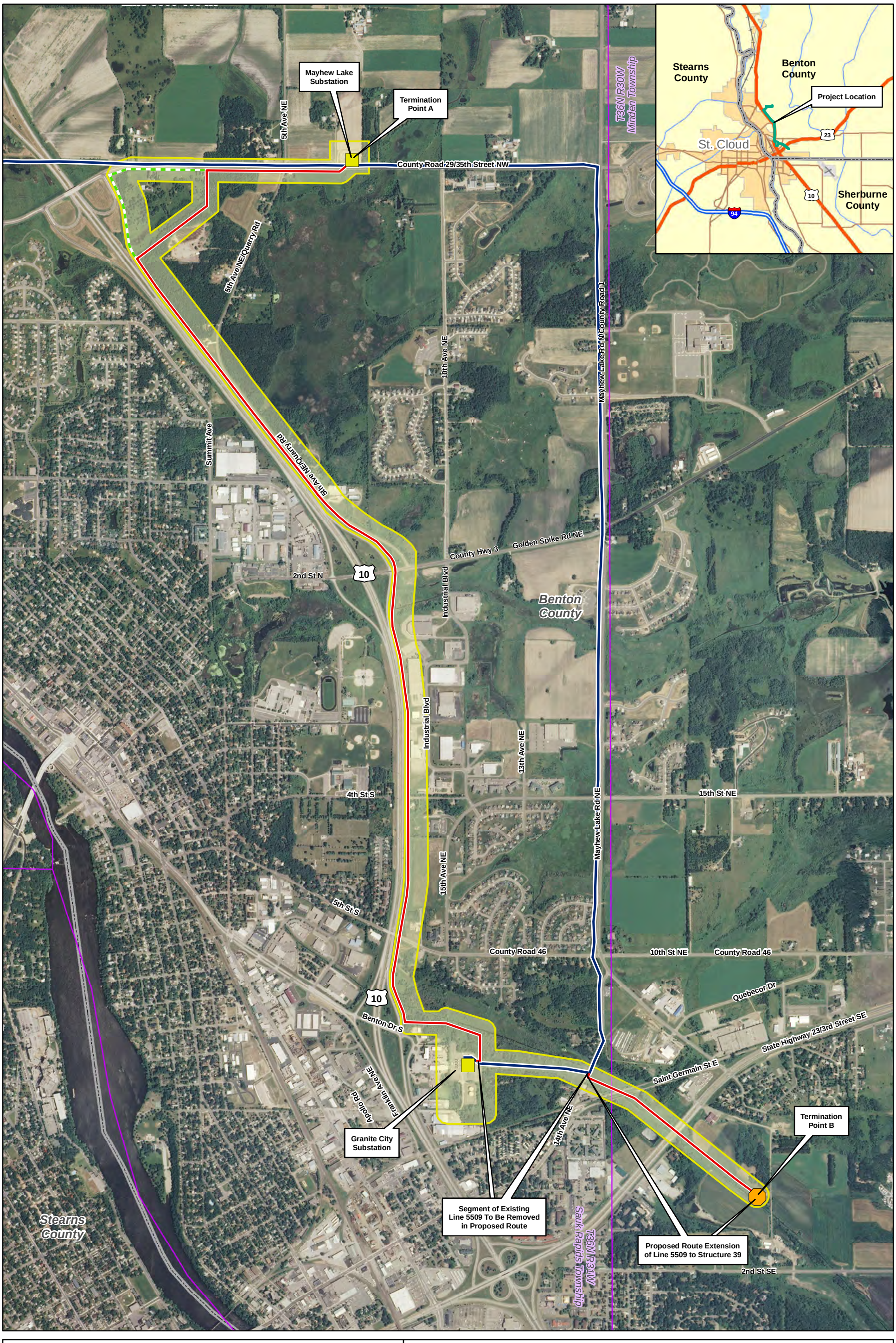
SCHEDULE

The environmental assessment shall be completed and available in July 2010. A public hearing will be held in the Sauk Rapids area after the environmental assessment has been issued and notice served.

Signed this 3rd day of June, 2011

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
DIVISION OF ENERGY RESOURCES

William Grant, Deputy Commissioner



Xcel Substation

Structure 39

Proposed Route

Route Segment A

Line 5509 115 kV

Proposed 400 Foot Route Width

0 1,500 3,000 Feet

Figure 1

Proposed St. Cloud Loop Project