

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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J. Dennis O'Brien
Phyllis Reha
David Boyd
Betsy Wergin

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Commissioner
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SERVICE DATE: June 30, 2011

DOCKET NO. E- 002/TL-11-223

In the Matter of the Application for a HVTL Route Permit for the Orono Substation Expansion and New 115 kV Transmission Line Project

The above entitled matter has been considered by the Commission and the following disposition made:

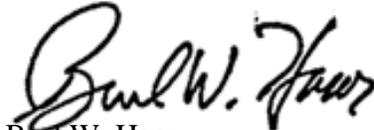
Accepted the HVTL Route permit application submitted by Xcel Energy for the Orono Substation Replacement and 115 kV Transmission Line Project as complete and authorized Department of Commerce Energy Facilities Permitting (EFP) staff to process the application under the alternative review process pursuant to Minnesota Rules 7850.2800 to 7850.3900.

Authorized the EFP staff to name a public advisor in this case.

Determined that based on the available information an advisory task force is not necessary at this time.

The Commission agrees with and adopts the recommendations of the Department of Commerce which are attached and hereby incorporated in the Order.

BY ORDER OF THE COMMISSION



Burl W. Haar
Executive Secretary



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BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

**COMMENTS AND RECOMMENDATIONS OF THE
MINNESOTA DEPARTMENT OF COMMERCE
ENERGY FACILITY PERMITTING STAFF**

DOCKET No. E002/TL-11-223

Meeting Date: June 30, 2011.....Agenda Item #

Company: Xcel Energy

Docket No. PUC Docket Number: E002/TL-11-223
In the Matter of the Application for a HVTL Route Permit for the Orono Substation Expansion and New 115 kV Transmission Line Project.

Issue(s): Should the Commission accept or reject the application as substantially complete? If accepted, should the Commission authorize the Department to appoint a public advisor and an advisory task force?

DOC Staff: Suzanne Lamb Steinhauer.....651-296-2888

Relevant Documents

Xcel Energy’s HVTL Route Permit Application.....June 7, 2011

The enclosed materials are work papers of the Department of Commerce (Department) Energy Facility Permitting (EFP) staff. They are intended for use by the Public Utilities Commission (Commission) and are based on information already in the record unless otherwise noted.

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Documents Attached.

1. Site map illustrating the project area/location.

Note: Relevant documents and additional information can be found on eDockets (E002/TL-11-223) or the Commission's Energy Facilities Permitting website at:

<http://energyfacilities.puc.state.mn.us/Docket.html?Id=32082>

Statement of the Issue

Should the Commission accept or reject the application as substantially complete under the Alternative Review Process of the Power Plant Siting Act (Minnesota Statutes 216E.001 to 216E.18)? If accepted, should the Commission authorize the EFP to appoint a public advisor and an advisory task force?

If the application is rejected, the Commission must advise the applicant of the deficiencies in the application.

Introduction and Background

On June 7, 2011, Northern States Power, a Minnesota Corporation (Xcel Energy or Applicant), submitted a high voltage transmission line (HVTL) Route Permit application to the Commission for the proposed Orono Substation Replacement and 115 kV Transmission Line Project (Project).

Minnesota Statutes Section 216E.03, subd. 2, provides that no person may construct a high voltage transmission line without a route permit from the Commission. An HVTL is defined as a transmission line of 100 kV or more and greater than 1,500 feet in length in Minnesota Statutes Section 216E.01, subd. 4. The proposed transmission lines are HVTLs and therefore a route permit is required prior to construction. The application was submitted pursuant to the provisions of the Alternative Permitting Process outlined in Minnesota Rules 7850.2800, subpart 2 and 7850.2900.

The Project does not meet the criteria for a "large energy facility" as defined in Minnesota Statute 216B.2421, because, although it has a capacity in excess of 100 kV, it is less than 10 miles long.

Project Description

The Project, as proposed by the Applicant, would replace the existing 69 kV Orono Substation with a new 115 kV Substation at the same location, but with a larger footprint. The Project would connect the new substation to the existing Xcel Energy 115 kV transmission line 0831 through a new double circuit 115 kV transmission lines of approximately 2,040 feet. The Project, as proposed, would also remove approximately 1,030 feet of 115 kV transmission line

and replace it with approximately 1,100 feet of new single circuit 115 kV transmission line. While not part of the Route Permit requested by Xcel Energy, approximately 400 feet of the existing Great River Energy 69 kV transmission line BD would be rerouted around the new Orono Substation.

Xcel Energy proposes to use steel single-pole structures with spans of approximately 300 to 500 feet between poles; structure heights are anticipated to range from 70 to 90 feet for the single-circuit structures to 75 to 115 feet for the double-circuit structures. Xcel Energy is requesting a route width of approximately 400 feet, or 200 feet either side of the proposed alignment shown in the Application maps. The anticipated right-of-way for the new transmission line would be 75 feet.

The Project is located entirely within the city of Orono in Hennepin County. The Project will cost approximately \$5.3 million dollars.

State Regulatory Process and Procedures

The proposed Orono Substation Expansion and New 115 kV Transmission Line Project qualifies for review under the Alternative Permitting Process authorized by Minnesota Statutes Section 216E.04, subd. 2(3), and Minnesota Rules 7850.2800, Subp. 1(C), for HVTLs between 100 and 200 kV.

Route permit applications must provide specific information about the proposed project including, but not limited to, applicant information, route description, environmental impacts, alternatives, and mitigation measures (Minn. R. 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 (Minn. R. 7850.3200).

The review process begins with the determination by the Commission that the application is complete. The Commission has six months to reach a final decision on the route permit application from the date the application is determined to be complete. The Commission may extend this limit for up to three months for just cause or upon agreement of the applicant (Minn. R. 7850.3900).

Environmental Review

Applications for high voltage transmission line route permits are subject to environmental review, which is conducted by EFP staff under Minn. R. 7850.3700. The staff will provide notice and conduct public information and scoping meetings to solicit public comments on the scope of the environmental assessment (EA). The Department of Commerce will determine the scope of the EA. An EA is a written document that describes the human and environmental impacts of a proposed project (and selected alternative routes) and methods to mitigate such impacts. The EA will be completed and made available prior to the public hearing.

Hearing Process

Applications for high voltage transmission line route permits under the alternative permitting process require a public hearing upon completion of the EA pursuant to Minn. R. 7850.3800. A portion of the hearing must be held in a county where the proposed project would be located.

The hearing must be conducted in the following manner, although the hearing examiner may vary the order in which the hearing proceeds:

- the staff shall make a brief presentation to describe the project, explain the process to be followed, and introduce documents to be included in the record, including the application, the environmental assessment, and various procedural documents;
- the applicant shall introduce its evidence by way of testimony and exhibits;
- the public must be afforded an opportunity to make an oral presentation, present documentary evidence, and ask questions of the applicant and staff;
- the hearing examiner shall provide a period of not less than 10 days for the submission of written comments into the record after the close of the hearing; and
- the hearing examiner shall transmit the complete record created at the hearing, including all written comments, within five days of the close of the record, unless the hearing examiner has been requested by the Commission to prepare a report.

Public Advisor

Upon acceptance of an application for a site or 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 EFP to name a staff member from the EFP staff as the public advisor or assign a Commission staff member.

Advisory Task Force

The Commission may appoint an advisory task force (Minnesota Statute 216E.08). An advisory task force must, at a minimum, include representatives of local governmental units in the affected area. A task force can be charged with identifying additional routes or specific impacts to be evaluated in the EA and terminates when the Department issues an EA scoping decision.

The Commission is not required to assign an advisory task force for every project. In the event that the Commission does not name a task force, the rules allow a citizen to request appointment of a task force (Minnesota Rule 7850.3600). The Commission would then need to determine at its next meeting if a task force should be appointed or not.

The decision whether to appoint an advisory task force does not need to be made at the time of accepting the application; however, it should be made as soon as practicable to ensure its charge can be completed prior to the EA scoping decision by the Department.

EFP Staff Analysis and Comments

EFP staff conducted a completeness review of Xcel Energy's Orono Substation Expansion and New 115 kV Transmission Line Project HVTL route permit application and concludes that the Application meets the content requirements of Minnesota Rule 7850.3100 and is complete. Application acceptance allows staff to initiate and conduct the public participation and environmental review process.

Advisory Task Force

In analyzing the merits of establishing an Advisory Task Force for the project, EFP staff considered four project characteristics: size, complexity, known or anticipated controversy and sensitive resources. The proposed design information and preliminary environmental data contained in the HVTL route permit application were used to complete the following evaluation:

Project Size. At approximately 3,100 feet, or 0.6 mile, this 115 kV transmission line is one of the smaller HVTL projects that have come before the Commission.

Complexity. The Project is simple and straightforward. Consistent with its short length, the Project is located entirely within the city of Orono. The substation and approximately 870 feet of the proposed transmission line, as well as the re-route of GRE's 69 kV line, are located entirely on a 16-acre parcel owned by Xcel Energy. No homes are within 200 feet of the proposed centerline.

Known/Anticipated Controversy. EFP staff anticipates a moderate level of public interest with this project, based on a review of the comments received during Xcel Energy's application for a conditional use permit from the city of Orono¹ and the agency comments included in the application.² Concerns related to land values, aesthetics, and health the Project were raised during the conditional use permit process. These issues are typical of issues raised with other transmission line projects. Following the comments received during the Orono conditional use permit process, Xcel Energy modified the Project to move the route closer to the railroad and relocate a portion of its existing 115 kV transmission line further from homes.

Comments received from the Three Rivers Park District and Metropolitan Council identify a number of issues to be evaluated in an Environmental Assessment.

Sensitive Resources. No federally listed species or critical habitats are documented within the proposed route. No State Forest, Wildlife Management Areas or Scientific and Natural Areas are crossed by the proposed HVTL. Based on the information in the Natural Heritage Information system and comments from the DNR included in the application, the primary concern is the potential for collisions with the Project. This type of issue would be addressed in the Environmental Assessment. The environmental

¹ Northern States Power Company *Application to the Minnesota Public Utilities Commission for a Route Permit: Orono Substation Replacement and New 115 kV Transmission Line Project*, Appendix D. See eDockets [20116-63311-05](#)

² *Ibid.*, Appendix C. See eDockets [20116-63311-04](#)

setting along the proposed route, as well as the larger surrounding area includes large wetland complexes and smaller isolated wetlands, as identified in the Wetland Delineation Report included in Appendix F.

The State Historic Preservation Office concurred with Xcel Energy's consultant's recommendation that a field survey be performed.

Based on the analysis above, as well as the public, governmental, and agency comments documented in the application, EFP staff concludes that an advisory task force is not warranted in this case and that the alternative permitting process provides adequate opportunities for citizens to identify issues and route alternatives to be addressed in the environmental assessment. Staff can also assist citizens and governmental units in understanding the routing process and identifying opportunities for participating in further development of alternative routes and permit conditions. Therefore, staff recommendation is to take no action on a task force at this time.

Commission Decision Options

A. Application Acceptance

1. Accept the HVTL Route permit application submitted by Xcel Energy for the Orono Substation Replacement and 115 kV Transmission Line Project as complete and authorize EFP staff to process the application under the alternative review process pursuant to Minnesota Rules 7850.2800 to 7850.3900.
2. Reject the HVTL 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 Application complete upon the submission of supplementary information.
4. Make another decision deemed more appropriate.

B. Public Advisor

1. Authorize the 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 EFP staff to establish an advisory task force with a proposed structure and charge for the task force.
2. Determine that based on the available information an advisory task force is not necessary at this time.
3. Make another decision deemed more appropriate.

EFP Staff Recommendation

Staff recommends Options A1, B1 and C2.

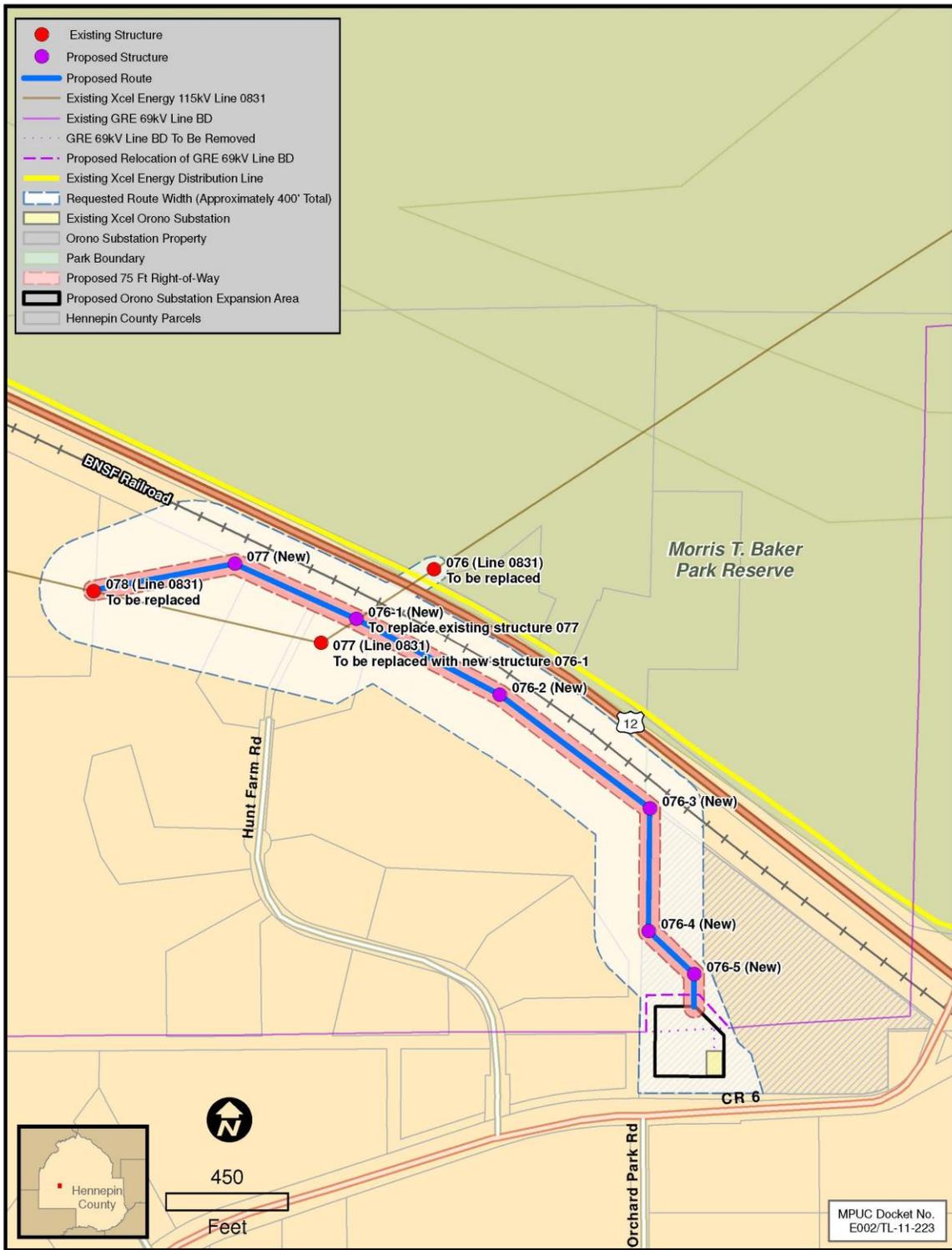


FIGURE 1