



BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS AND RECOMMENDATIONS OF THE
MINNESOTA OFFICE OF ENERGY SECURITY
ENERGY FACILITY PERMITTING STAFF

DOCKET NO. ET-2, E015/TL-11-318

Meeting Date: March 22, 2012.....Agenda Item #

Company: Great River Energy, Minnesota Power

Docket No. PUC Docket Number: ET-2, E015/TL-11-318
In the Matter of the Application for a HVTL Route Permit for the Little Falls 115 kV Transmission Project.

Issue(s): Should the Commission find that the environmental assessment and the record adequately address the issues identified in the scoping decision?
Should the Commission issue a route permit identifying a specific route and permit conditions for the Little Falls 115 kV Transmission Project?

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Relevant Documents

Route Permit Application June 16, 2011
Commission Application Acceptance Order August 8, 2011
Environmental Assessment Scoping Decision.....October 7, 2011
Environmental Assessment..... January 5, 2012
Administrative Law Judge's Public Hearing Summary February 24, 2012

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 study area in which the route will be located.
2. Proposed Findings of Fact, Conclusions, Order.
3. Proposed HVTL Route Permit.

(Note: Relevant documents and additional information can be found on eDockets (ET-2, E015/TL-11-318) or the PUC Energy Facilities Permitting website

<http://energyfacilities.puc.state.mn.us/Docket.html?Id=32098>

Statement of the Issue

Should the Commission find that the Environmental Assessment (EA) and the record adequately address the issues identified in the Scoping Decision? Should the Commission issue a high voltage transmission line (HVTL) route permit identifying specific routes and other permit conditions for the proposed Little Falls 115 kV Transmission Project?

Introduction

Great River Energy (GRE) is a not-for-profit generation and transmission cooperative based in Maple Grove, Minnesota. GRE provides wholesale electrical energy and related services to 28 member cooperatives, including Crow Wing Power (CWP). Minnesota Power an investor-owned public utility with its headquarters in Duluth, Minnesota. CWP distributes electricity and related services to customers in the Little Falls area.

On June 16, 2011, GRE and Minnesota Power (collectively, the Applicants) applied for a high-voltage transmission line route permit to construct a new 115 kV transmission line and modifications to the existing Minnesota Power Little Falls Substation and CWP Little Falls Substation in Little Falls Township in Morrison County, Minnesota.

Project Description

The Project, as proposed by the Applicants, would provide an additional power delivery source to rural areas east of Little Falls. As proposed by Applicants the Project totals approximately 3.8 miles of transmission line and includes the following components:

- Construction of approximately 3.8 miles of new 115 kV transmission between the Minnesota Power Little Falls Substation and the CWP Little Falls Substation;
- Relocation of existing overhead and underground distribution lines along 133rd Street/County Road 256 and north 195th Avenue to the new 115 kV transmission structures;
- Modifications to the Minnesota Power Substation to accommodate the new 115 kV transmission line. Transmission facilities at this substation will consist of a new 115 kV

breaker, disconnect switches, and station class surge arresters. All modifications to this substation will be performed within the existing fenced area; and

- Modifications to and expansion of the CWP Little Falls Substation to accommodate the new 115 kV transmission line. New transmission facilities at this substation will consist of one 115 to 12.5 kV transformer, a two-way 115 kV transmission line switch with an interrupting device, a 115 kV high side terminal structure, and a circuit switch protective device to accommodate the new 115 kV transmission line termination. The substation would be expanded by approximately 0.1 acres to accommodate the modifications.

The Project is located east of the city of Little Falls in Little Falls Township of Morrison County. The Applicants request a route width of 300 feet, within which a right-of-way of 100 to 120 feet would be located. GRE proposes using single pole structures with a height of approximately 60 to 85 feet and spans of approximately 300 to 400 feet between poles for the majority of the route length. For the first 0.8 miles of the Project, between the Minnesota Power Little Falls Substation and 180th Avenue, GRE proposes to use either H-frame structures with heights of 60 to 80 feet and spans of approximately 300 to 400 feet or Single Pole Braced Post structures with heights of approximately 60 to 85 feet and spans of approximately 400 to 600 feet.

The Applicants anticipate beginning construction in mid-2012, with an in-service date of November 2012. The Project is expected to cost approximately \$2.6 million dollars.

State Regulatory Process and Procedures

Minnesota Statutes § 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 § 216E.01, subd. 4.

The proposed transmission line in the route permit application is an HVTL and therefore a route permit is required prior to construction.

The route application was reviewed under the Alternative Permitting Process (Minn. R.7850.2800 to 7850.3900) of the Power Plant Siting Act (Minnesota Statutes § 216E). The Alternative Permitting Process is shorter than the full permitting procedures and does not require the Applicant to propose alternative routes to the preferred route, but does require the Applicant to disclose rejected route alternatives and an explanation of why they were rejected.

Route Permit Application and Acceptance

On June 16, 2011, GRE and Minnesota Power (collectively, the Applicants) applied for a high-voltage transmission line route permit to construct a new 115 kV transmission line and modifications to the existing Minnesota Power Little Falls Substation and CWP Little Falls Substation in Little Falls Township in Morrison County, Minnesota.

The Commission released an order on August 8, 2011, finding the route permit application to be complete and initiating the alternative review process. There was no Advisory Task Force established for this routing docket.

Public Information and Environmental Assessment Scoping Meeting

The Department's EFP staff is responsible for conducting the environmental review for route permit applications to the Commission (Minn. Rules 7850.3700). Environmental review for a project of this size requires a public information/scoping meeting, development of a *Scoping Decision* and the preparation of an environmental assessment (EA). An EA examines the potential human and environmental impacts of a proposed project, alternative routes for the project, and potential mitigative measures.

On August 18, 2011, EFP staff sent notice of the place, date and times of the public information and scoping meeting to those persons on the General List maintained by the PUC, the agency technical representatives list and the project contact list. Notice of the public meeting was also published in the local newspaper.

On Wednesday, September 7, 2011, EFP staff held a public information and scoping meeting at the Little Falls Township Hall near the city of Little Falls, Minnesota. The meeting fulfilled the Routing procedural requirements. The purpose of the meeting was to provide information to the public about the proposed project, to answer questions, and to allow the public an opportunity to suggest alternatives and impacts that should be considered during preparation of the environmental assessment.

Approximately seven people attended the public information and scoping meeting; two individuals took the opportunity to speak on the record. A court reporter was present to document oral statements. Topics and issues raised by the public at the meeting included: the selection of the proposed route, number of poles and spans between poles, and the start and duration of Project construction. Written comments were due no later than Friday, September 23, 2011. Four written comments were received.

Issues raised during the scoping period included: selection of the proposed route, number of poles and spans between poles, start and duration of construction of the Project, impacts to Blanding's Turtles, avian impacts, wetland impacts and mitigation, impacts to water quality, impacts to transportation rights-of-way. GRE also clarified that they were pursuing modifications to the CWP Little Falls Substation as part of the HVTL permitting process, and not through local permitting.

These items and issues, along with the typical HVTL routing impacts, have been incorporated into the proposed Order on the Environmental Assessment Scoping Decision.

No alternative routes or route segments were proposed during the scoping period.

Scoping Decision

The items, issues and alternatives raised during the scoping meeting and comment period were reviewed in preparation of the proposed Order on the Environmental Assessment Scoping Decision.

No alternative routes or route segments were proposed during the scoping period and the EA Scoping Decision did not identify any Route Alternatives or Alternative Segments.

The Department released its EA Scoping Decision on October 5, 2011. EFP staff provided a Notice of Scoping Decision to all parties on the project contact list.

Environmental Assessment

An EA must be prepared for all high-voltage transmission projects being reviewed under the alternative permitting process. The procedures EFP staff must follow in preparing the EA are described in Minnesota Rule 7850.3700. The EA contained information on the human and environmental impacts of the proposed project as identified in the scoping decision document. It also addressed required methods to avoid, minimize, and mitigate such impacts for all routes considered. The EA is the only state environmental review document required to be prepared for this project. EFP staff released the EA on January 5, 2012. EFP staff noticed the availability of the EA in mailings to interested persons and local government officials on January 5, 2012. Notice of the availability of the EA was published in the EQB Monitor on January 9, 2012.

Public Hearing

EFP staff made request to the Minnesota Office of Administrative Hearings for an administrative law judge (ALJ) to preside over the public hearing and provide a summary of testimony. EFP staff issued a Notice of Public Hearing on December 22, 2012, and provided the Notice to all individuals on the project contact list and to local officials. The notice of the public hearing was published on December 25, 2011, in the *Morrison County Record*.

A public hearing was held on January 12, 2012, at the Little Falls Township Hall near the city of Little Falls, Minnesota. ALJ Bruce Johnson presided over the hearing; the comment period was open for written comments through January 27, 2012.

Approximately seven members of the public attended the public hearing; two persons took the opportunity to speak on the record. One comment letter was submitted to the ALJ during the comment period for the public hearing. The ALJ released a Summary of Testimony and Written Comments on February 24, 2012.

Public Hearing Comments

Comments and questions received during the public hearing related to the location of the line relative to existing transmission and distribution lines, the anticipated spans between structures, and mitigation measures to minimize impacts to birds and reptiles.

George Sandy, a Little Falls Township Supervisor, asked whether it would be possible for the proposed project to double circuit the existing Minnesota Power transmission line. GRE staff responded that the Applicants had some reliability concerns about double circuiting the two lines. Mr. Sandy stated that he did not see any issue arising from construction of the proposed 115 kV line along existing roadway rights-of-way.

Duane Yorek, a landowner along the western portion of the project expressed concern about how much additional right-of-way would be required for the new line in the portion paralleling the existing Minnesota Power 46 line and expressed a preference for spanning his agricultural field located west of 180th Avenue. GRE staff responded that it was the Applicants' belief that in order to establish a centerline for the new 115 kV transmission line approximately 60 feet north

of the existing line, the existing ROW would need to be widened by 10 to 20 feet. GRE staff also acknowledged that they were aware of Mr. Yorek's desire to span the field using single pole structures if possible but that, depending upon the survey, H-frame structures may be required to achieve the span.

During the course of the oral portion of the hearing GRE clarified the centerline of their requested route; for the portion of the route between the Minnesota Power Little Falls Substation and 180th Avenue the centerline of the route is the proposed alignment and for the remainder of the route along road rights-of-way the centerline of the route is the centerline of the roads. GRE also clarified that it was their intention to underbuild existing distribution lines along 133rd Street/CR 256 and 195th Avenue on the new 115 kV structures for the proposed project.

The Minnesota Department of Natural Resources (DNR) filed the only written comment received during the comment period. The DNR commented that the EA prepared for the project included necessary additional information in response to the comments that DNR has previously made. The DNR recommended measures it had described in an earlier comment letter to minimize potential adverse impacts to Blanding's turtle, a state-listed threatened species. The DNR agreed with the placement of bird diverters as shown in the EA and also recommended use of bird diverters along 180th Avenue, west of a public water wetland. The DNR also recommended the use of wildlife friendly erosion mesh if soil stabilization is necessary.

Standards for Permit Issuance

The Power Plant Siting Act sets standards and criteria and outlines the factors to be considered in determining whether to issue a permit for a high voltage transmission line (Minn. Stat. § 216E and Minn. R. 7850.4000). The law also allows the Commission to place conditions on high voltage transmission line permits (Minn. Stat. § 216E.03 and Minn. R. 7850.4600).

EFP Staff Analysis and Comments

EFP staff has prepared the attached proposed Findings of Fact, Conclusions of Law, and Order and proposed Route Permit. The Findings show that the alternative permitting process has been conducted in accordance with Minn. R. 7850.2800 to 7850.3900, identify route impacts and mitigation measures, and make conclusions of law and order. The proposed route permit includes measures to ensure the line is constructed in a safe, reliable manner and that impacts are minimized or mitigated.

EFP staff reached its conclusions and recommendations based on the analysis in the EA and the comments received in this record.

The record supports several specific items that merit consideration relative to special conditions in the HVTL Route Permit for the Little Falls 115 kV Transmission Project. These items include:

Yorek Property. As discussed under the Public Hearing Comments heading above, Mr. Yorek, expressed concern about how much additional right-of-way would be required for the new line in the portion paralleling the existing Minnesota Power 46 line and expressed a preference for spanning his agricultural field located west of 180th Avenue.

EFP Staff Analysis: In response to Mr. Yorek's questions at the hearing, GRE staff acknowledged Mr. Yorek's concerns about minimizing the amount of clearing in wooded areas of his parcel and his preference for spanning the agricultural field between the wooded area and 180th Avenue. EFP Staff proposes a special condition, Permit at 5.1, memorializing this understanding and Applicants' commitment to work with Mr. Yorek to reach an agreement on the route design in this area.

Swan Flight Diverters. In scoping comments both the DNR and United States Fish and Wildlife Service expressed a desire that the Applicants install bird flight diverters to minimize potential collisions with birds. The EA identified segments along 133rd Street and the southern portion of 195th Avenue where the Applicants proposed installation of bird flight diverters. The DNR comment letter of January 27, 2012, identified an additional area along 180th Avenue where diverters should be located.

EFP Staff Analysis: After consultation with the DNR, Applicants will install Swan Flight Diverters, pre-formed spiral shaped devices made of polyvinyl chloride that are wrapped around the shield wire, every 25 feet along 180th Avenue and portions of 133rd Street/County Road 256 and 195th Avenue. EFP Staff proposes a special condition, Permit at 5.2, requiring installation of Swan Flight Diverters at locations shown in maps attached to the route permit.

Soil Erosion and Sediment Control Plan. In scoping comments the Minnesota Pollution Control Agency (MPCA) identified concerns with the potential impacts to the already impaired Platte River, located southeast of the project.

EFP Staff Analysis: Use of Best Management Practices, as identified by the MPCA, during construction would essentially eliminate this potential and Applicants have indicated that they plan to follow MPCA Best Management Practices. The threshold for a National Pollutant Discharge Elimination System (NPDES) permit is a disturbance of one acre. As part of that permitting process, a Stormwater Pollution Prevention Plan (SWPPP) would be prepared for the project. As the anticipated disturbance area required for the CWP Little Falls Substation is less than one acre, it is unclear whether a SWPP would be required. EFP staff has proposed a special condition, Permit at 5.3, requiring Permittees to develop a Soil Erosion and Sediment Control Plan prior to construction. If Applicants do apply for a NPDES permit, the SWPPP prepared for the NPDES application could be used to fulfill this condition. This condition also incorporates DNR's recommendation to use wildlife friendly erosion mesh if soil stabilization is necessary.

Blanding's Turtles. The DNR comment letter of January 27, 2012, re-iterated the importance of following mitigation measures to minimize the potential impacts to Blanding's Turtles during construction of the project.

EFP Staff Analysis: EFP staff proposes a special condition, Permit at 5.4, requiring Permittees to follow measures and recommendation for avoiding and minimizing impacts to Blanding's Turtle populations as described in DNR guidance. This has been a special

condition in other transmission projects located in areas with known Blanding's Turtle populations.

In addition to the special conditions noted above, EFP staff has made some minor structural changes to the permit from recently issued permits.

Archaeological and Historical Resources. Recent HVTL permits have included a special condition related to the need for a literature search and evaluation of potential for impacts to archaeological and historic resources and how unanticipated discoveries that may occur during the construction of a Project would be handled. In this case, Applicants have already completed their literature review and the Minnesota State Historic Preservation Office has concurred, at Finding 140, that no known or suspected archaeological properties in the area will be affected by the project. The prospect of discovery of previously unrecorded archaeological sites during construction remains for the project, as well any type of construction that involves excavation. Because this prospect is not unique to the Project, language related to unanticipated discovery has been moved to Section 4.9 of the permit.

Avian Impacts. Recent HVTL permits have included a special condition requiring Permittees transmission design to incorporate conductor spacing in accordance with Avian Power Line Interaction Committee standards to prevent raptor electrocution. Because utilities incorporate these design standards as electric transmission industry practice, EFP staff proposes to move this condition to the body of the permit, at Section 4.9.

Based on the analysis above, EFP staff makes the following recommendation.

Commission Decision Options

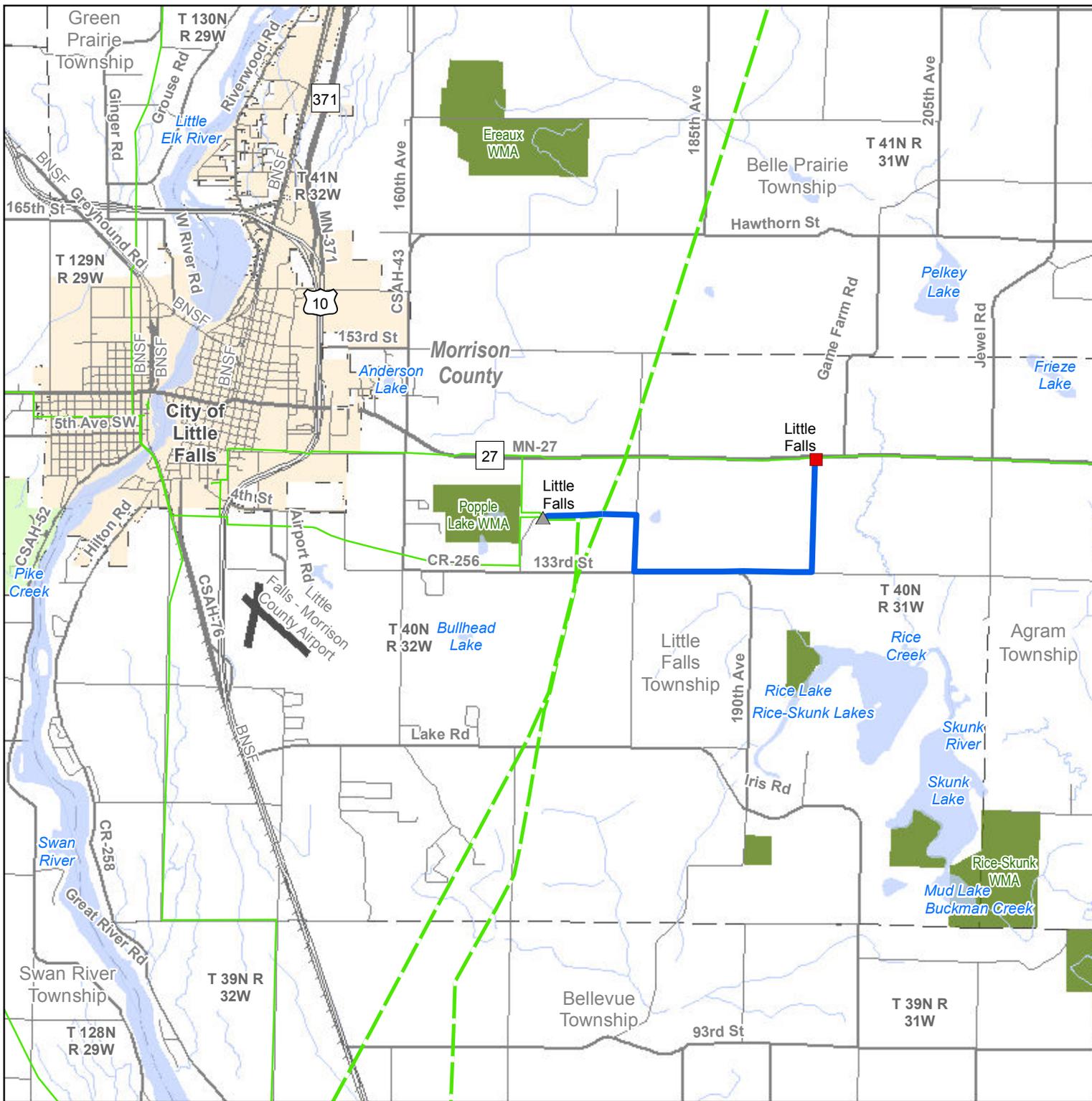
A. Approve and adopt the Findings of Fact, Conclusions of Law and Order for the GRE and Minnesota Power Little Falls 115 kV Transmission Project (PUC Docket No. ET-2, E015/TL-11-318) which:

1. Determines that the environmental assessment and record created at the public hearing address the issues identified in the EA Scoping Decision;
2. Designates the proposed HVTL route and modifications to the Minnesota Power Little Falls Substation and CWP Little Falls Substation as the routes/sites for the construction and implementation of the Little Falls 115 kV Transmission Project and associated facilities; and
3. Issues a HVTL Route Permit, with appropriate conditions, to GRE and Minnesota Power.

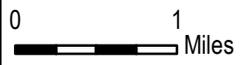
B. Amend the Findings of Fact, Conclusions and Order and Route Permit as deemed appropriate.

C. Make some other decision deemed more appropriate.

EFP Staff Recommendation: Option A.



- Anticipated Alignment new
- 115 kV Transmission Line
- Existing Great River Energy
- 34.5 kV Transmission Line
- Existing Crow Wing Power
- Distribution Substation
- Existing Minnesota Power
- ▲ Transmission Substation
- 34.5 kV Transmission Line
- - - 115 kV Transmission Line



Data Sources Vary Between MNDOT, MNDNR, MNGEO and Great River Energy.

Map Projection:
 UTM, NAD83, Zone 15, Meters
 Map Prepared by Great River Energy: 3/8/2012



**Little Falls
 115 kV
 Transmission Project
 Study Area**