

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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Phyllis Reha
David Boyd
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Chair
Commissioner
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Commissioner

Joseph G. Sedarski
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SERVICE DATE: August 25, 2011

DOCKET NO. E-002/TL-11-152

Marsha Parlow
Great River Energy
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In the Matter of the Route Permit Application for the Hollydale 115 kV Transmission Line Project in the Cities of Plymouth and Medina, Hennepin County

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

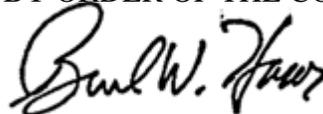
Accepted the Xcel Energy and Great River Energy route permit application for the Hollydale 115 kV transmission line project as complete, and authorized EFP staff to process the application under the alternative permitting process pursuant to Minnesota Rules 7850.2800 to 7850.3900;

Authorized EFP staff to name a public advisor in this case;

Authorized EFP staff to establish an advisory task force with the proposed structure and charge for the task force.

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
DEPARTMENT OF COMMERCE
ENERGY FACILITY PERMITTING STAFF**

DOCKET NO. E002/TL-11-152

Meeting Date: August 24, 2011 Agenda Item # 5

Company: Xcel Energy and Great River Energy

Docket No: **E002/TL-11-152**

**In the Matter of the Route Permit Application for the Hollydale 115 kV
Transmission Line Project in the Cities of Plymouth and Medina, Hennepin
County.**

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

EFP Staff: Scott E. Ek(651) 296-8813

Relevant Documents

Notice of Intent Letter..... February 14, 2011
Route Permit Application June 30, 2011

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

Documents Attached

Figure 1 – Proposed Project
Proposed Advisory Task Force Structure and Charge

Note: Relevant documents and additional information can be found on eDockets (Docket Number 11-152) or the Commission’s Energy Facilities Permitting website at: <http://energyfacilities.puc.state.mn.us/Docket.html?Id=32121>.

Statement of the Issues

Should the Minnesota Public Utilities Commission accept the application as substantially complete? If accepted, should the Minnesota Public Utilities Commission authorize the Department of Commerce to appoint a public advisor and an advisory task force?

Introduction and Background

On June 30, 2011, Xcel Energy and Great River Energy (applicants) filed a joint route permit application under the alternative permitting process for the rebuilding of approximately 8 miles of 69 kV transmission line to 115 kV, constructing approximately 0.8 miles of new 115 kV transmission line, constructing a new 115 kV substation (Pomerleau Lake Substation), and modifying associated transmission facilities located in the cities of Medina and Plymouth in Hennepin County, Minnesota.

Project Purpose

The applicants indicate in the route permit application that the proposed project will provide increased distribution capacity and avoid feeder circuit overloads in the Plymouth area distribution delivery system. This includes increased distribution capacity in the Plymouth and Medina areas to better serve current customers and expected load growth. In addition, the applicants explain that system reliability would be enhanced by supplying the existing Hollydale Substation with a redundant 115 kV connection.

Project Description

The proposed project would be located in the southern portion of the city of Medina and the northwest portion of the city of Plymouth in central Hennepin County.

As described in the route permit application, the applicants propose to remove approximately 8 miles of the existing GRE 69 kV “BD” transmission line and rebuild to a 115 kV transmission line.

The applicants are requesting a 200 foot route width where the transmission line is to be rebuilt along the existing 69 kV route which extends from the existing Medina Substation located southwest of the intersection of Willow Drive and County Highway 24 to the intersection of Great River Energy's existing 115 kV "WH-PB" transmission line just north of Fernbrook Lane in the city of Plymouth. A 400 foot route width is requested for the 0.8 miles of new 115 kV transmission that would run from the intersection of the existing "WH-PB" line and follow along the north side of the Canadian Pacific Railway east to Cheshire Lane, south along Cheshire Lane and east along Schmidt Lake Road to the proposed site of the Pomerleau Lake Substation.

The proposed transmission line will require a right-of-way of 75 feet (37.5 feet on either side of centerline). The proposed project includes a rebuild of approximately 8 miles of existing 69 kV line that has a current right-of-way between 70-100 feet depending upon the location. The applicants indicate that the project can be designed to fit within these existing easements, thereby requiring little to no new right-of-way while still satisfying the needs of the project for this segment of the project.

Regulatory Process and Procedures

In Minnesota, no person may construct a high-voltage transmission line without a route permit from the Commission (Minnesota Statute 216E.03, subdivision 2). A high-voltage transmission line is defined as a conductor of electric energy designed for and capable of operation at a voltage of 100 kV or more and is greater than 1,500 feet in length (Minnesota Statute 216E.01, subdivision 4). The project as proposed would consist of approximately 8.8 miles of new 115 kV transmission line and would therefore require a route permit from the Commission.

Because the proposed project transmission line capacity is under 200 kV, is less than 10 miles in length and does not cross a state border, a certificate of need is not required (Minnesota Statute 216B.2421, subdivision 2).

Route Permit Application and Acceptance

In accordance with Minnesota Rule 7850.2800, subpart 2, applicants are required to provide a 10-day advance notice of intent to the Commission before submitting a route permit application. On February 14, 2011, the applicants filed a letter with the Commission indicating their intent to submit a route permit application for the project under the alternative permitting process.

On June 30, 2011, the applicants filed a route permit application under the alternative permitting process for the rebuilding of approximately 8 miles of 69 kV transmission line to 115 kV, constructing approximately 0.8 miles of new 115 kV transmission line, constructing a new 115 kV substation, and modifying associated transmission facilities. The project is eligible for consideration under the alternative permitting process as the transmission line voltage would be between 100 and 200 kilovolts (Minnesota Rule 7850.2800, subpart 2B).

Route permit applications for high-voltage transmission lines reviewed under the alternative permitting process must provide specific information about the proposed project including, but not limited to, applicant information, route description, environmental impacts and mitigation measures as defined in Minnesota Rule 7850.3100. Review under the alternative permitting process does not require the applicant to propose any alternative sites or routes in the permit application. However, if the applicant has rejected alternative sites or routes they must include the rejected routes and reasons for rejecting them in the route permit application (Minnesota Rule 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. The environmental review process begins on the date the Commission determines that a route permit application is complete (Minnesota Rule 7850.3200) and the Commission has six months to reach a final route permit decision from the date an application is accepted (Minnesota Rule 7850.3900).

Public Advisor

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

Advisory Task Force

The Commission has the authority to appoint an advisory task force (ATF) pursuant to Minnesota Statute 216E.08, subdivision 1 and Minnesota Rule 7850.3600. An ATF may include interested local persons, but requires at least one representative from each of the following local governmental units: regional development commissions, counties and municipal corporations, and one town board member from each county in which a route is proposed to be located (Minnesota Statute 216E.08, subdivision 1). An ATF can be charged with identifying additional routes or specific impacts that could be included in the scoping decision document and evaluated in the environmental assessment. The ATF terminates upon completion of its charge, upon designation by the Department of Commerce of alternative sites or routes to be included in the environmental assessment, or upon the specific date identified by the Commission in the charge, whichever occurs first.

The Commission is not required to assign an ATF for every project. If the Commission does not name an ATF, the rules allow members of the public to request appointment of an ATF (Minnesota Rule 7850.3600). The Commission would then need to determine if an ATF should be appointed or not.

Environmental Review

An application for a high-voltage transmission line route permit is subject to environmental review conducted by EFP staff. The staff will provide notice and conduct a public information and environmental assessment scoping meeting to solicit public comments on the scope of the environmental assessment. The Department of Commerce may include a suggested alternative site or route in the scope of the environmental assessment only if it is determined that evaluation of the proposed site or route will assist in the Commission's ultimate decision on the route permit. Any person may also suggest specific human or environmental impacts that should be addressed in the environmental assessment. The environmental assessment will be completed and made available prior to the public hearing (Minnesota Rule 7850.3700).

Public Hearing

Applications for high-voltage transmission line route permits under the alternative permitting process require a public hearing upon completion of the environmental assessment. The hearing is held in the area where the proposed project would be located and is conducted in accordance with Minnesota Rule 7850.3800.

Staff Analysis and Comments

EFP staff conducted a completeness review of the route permit application. Staff concludes that the applicants have met the procedural requirement of Minnesota Rule 7850.2800, subpart 2, by providing the Commission written notice of their intent to submit a route permit application under the alternative permitting process at least 10 days prior to submitting the application. Staff also concludes that the proposed project is eligible for the alternative permitting process and that the application meets the content requirements of Minnesota Rule 7850.3100. The Commission's acceptance of the application will allow EFP staff to commence and conduct the public participation and environmental review processes. The applicants have indicated that any additional information deemed necessary for processing the application can and will be provided in a prompt manner.

Advisory Task Force

In analyzing the merits of establishing an ATF for the project, staff considered four characteristics: project size, complexity, known or anticipated controversy, and sensitive resources.

Project Size. At approximately 8.8 miles, the project is relatively small when compared to the larger of the high-voltage route permit applications that come before the Commission. In addition, approximately 8 miles (91 percent) of the project is proposed as a rebuild of an existing 69 kV transmission line utilizing that lines existing right-of-way. Only 0.8 miles of the line is proposed along new right-of-way.

The requested route width for the project is relatively narrow when compared to other similar projects. A 200 foot route width is being requested for the 8-mile rebuild portion of the project with a slightly expanded route width of 400 feet for the 0.8-mile segment of new of transmission line and the new substation. A 115 kV transmission line typically requires a 75 foot right-of-way; the applicants, however, have stated that the rebuild portion of the line can be designed to utilize the 70 to 100 foot right-of way of the existing 69 kV transmission line.

Complexity. While the proposed project is relatively small and is largely a rebuild of an existing transmission line, the setting for the project is densely populated rural residential and urban areas in the cities of Medina and Plymouth. As indicated in the route permit application, approximately 19 residential and non-residential buildings would be located within 0-35 feet from the proposed centerline, with the closest residential structure located 20 feet from the proposed centerline. That would place these buildings within the 75-foot right-of-way the applicants require for the project; however, as indicated above, the applicants have stated the rebuild portion of the line can be designed to utilize the existing 69 kV transmission line's 70 to 100 foot right-of way.

Known or Anticipated Controversy. EFP staff anticipates a moderate to high level of public interest with this project, based on a review of attendance and comments received during the applicants September 15, 2010, and November 23, 2010, public open house meetings. General public interest and comments focused on topics common to other high-voltage transmission line projects such as potential health concerns, future land use, property values, structure placement, and visual impacts. The applicants have provided documentation of the comments received from government agency consultation and the public/landowners in Appendix D and E of the route permit application.

EFP staff has also received a number of phone calls and comment letters regarding the proposed project both prior to and since the application was officially submitted by the applicants and notice was sent out. A number of comments from citizens have expressed concern about the location of the existing 69 kV line and preference for routes that were rejected in the route permit application. In addition, EFP staff understands that there are at least 15 different homeowners associations and potentially more located within the project area that may be impacted by the proposed project.

Sensitive Resources. As indicated above, approximately 91 percent of the proposed route is a rebuild of an existing 69 kV transmission line. Because the great majority of the project consists of rebuilding an existing transmission line within an existing right-of-way, impacts to sensitive resources in the area would be minimal, as these areas have been subject to the existing 69 kV transmission line and its right-of-way.

As provided in the route permit application, there are no known critical habitats, wildlife management areas, waterfowl production areas, state forests, scientific natural areas crossed by the proposed transmission line route. There are also no known federally-listed species known to occur within one mile of the proposed project.

The applicants indicate in the permit application that the Department of Natural Resources provided comments on the project stating they generally agree that impacts to state-listed species in the general area are unlikely from the proposed project.

A Phase Ia background research literature review was conducted for the proposed project. Information collected from the Minnesota State Historic Preservation Office revealed that no archaeological site or inventoried historic structures are present within the immediate project area.

Based on the analysis above, staff concludes that an ATF may be warranted in this case. EFP staff has attached a proposed charge and structure for the ATF.

EFP will also assist local landowners and governmental units in understanding the siting and routing process and identifying opportunities for participating in further development of alternative routes and/or permit conditions.

Commission Decision Options

A. Application Acceptance

1. Accept the Xcel Energy and Great River Energy route permit application for the Hollydale 115 kV transmission line project as complete, and authorize EFP staff to process the application under the alternative permitting process pursuant to Minnesota Rules 7850.2800 to 7850.3900.
2. Reject the 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 route permit application complete upon the submission of supplementary information.
4. Make another decision deemed more appropriate.

B. Public Advisor

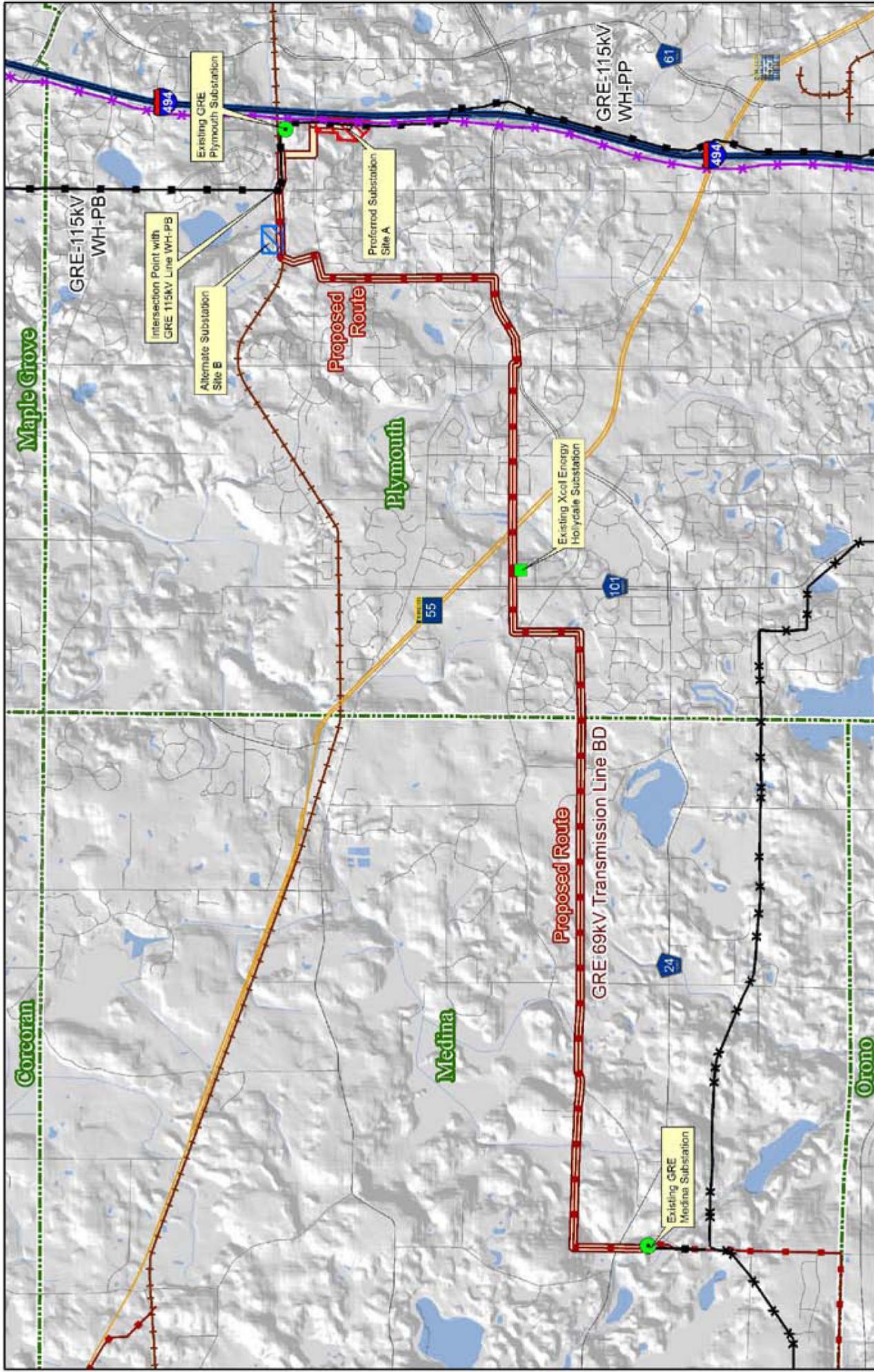
1. Authorize EFP staff to name a public advisor in this case.
2. Appoint a Commission staff person as public advisor.
3. Make another decision deemed more appropriate.

C. Advisory Task Force

1. Authorize EFP staff to establish an advisory task force with the 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: Options A1, B1, and C1.



- Existing Xcel Energy Substation
- Existing GRE Substation
- Municipality
- ▭ Preferred Substation Site A
- ▭ Alternate Substation Site B
- Proposed Route
- Railroad
- Existing GRE Transmission Line
- 69 kV
- 115 kV
- Existing Xcel Energy Transmission Line
- 115 kV
- 345 kV

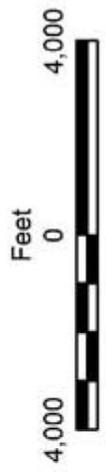


FIGURE 1
PROPOSED ROUTE
 Hollydale Project



In the Matter of the Route Permit
Application for the Hollydale 115 kV
Transmission Line Project in the Cities of
Plymouth and Medina, Hennepin County.

HOLLYDALE 115 kV PROJECT
PROPOSED ADVISORY TASK FORCE
STRUCTURE AND CHARGE
DOCKET NO. E002/TL-11-152

WHEREAS, the applicants submitted a route permit application for the proposed Hollydale 115 kV transmission line project on June 30, 2011.

WHEREAS, the Commission, under Minnesota Statute 216E.08, may establish an advisory task force (ATF) to assist it in carrying out its duties. Under the statute the Commission shall provide guidance to the ATF in the form of a charge.

WHEREAS, an ATF shall be comprised of at least one representative from each of the following: regional development commissions, counties and municipal corporations, and one town board member from each county in which a route is proposed to be located. This statute further stipulates that no officer, agent, or employee of the applicant shall serve on the advisory task force.

WHEREAS, the ATF terminates upon completion of its charge or upon designation by the Department of Commerce of alternative sites or routes to be included in the environmental assessment, whichever occurs first.

WHEREAS, on _____, the Commission authorized Department of Commerce Energy Facility Permitting (EFP) to establish an ATF with the structure and charge herein noted.

THEREFORE, having reviewed this information, the Department of Commerce makes the following determination with regard to the need for and charge to an ATF relating to this matter.

HOLLYDALE ADVISORY TASK FORCE AUTHORIZATION

As authorized by the Commission, the Department of Commerce establishes an ATF to assist in identifying impacts and route alternatives to be evaluated in the environmental assessment to be prepared by EFP staff for the proposed Hollydale 115 kV transmission line project. The Hollydale ATF members will be solicited, as required by Minnesota Statute 216E.08, subdivision 1, from the following governmental units:

- Metropolitan Council
- Hennepin County
- City of Medina
- City of Plymouth

In addition, the ATF will include no more than six designated representatives from homeowners associations with property on or near the proposed project.

The ATF will be comprised of no more than 10 members total.

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The Department of Commerce charges the Hollydale ATF with:

1. Identifying specific impacts and issues of local concern that may be included in the scoping decision document and evaluated in the environmental assessment, particularly regarding potential conflicts with local planning and zoning.
2. Identifying potential alternative transmission line routes or route segments and alignments that may maximize positive impacts and minimize or avoid negative impacts of the project in specific areas of concern and that may be included in the scoping decision document and evaluated in the environmental assessment.

The following issues will not be addressed in the scope of environmental review:

- A no-build alternative.
- Issues related to project need, size, type, or timing.
- Routes segments or alternatives that would be unpractical or unreasonable, or would not meet the stated need of the proposed project.

ATF members are expected to participate with EFP staff in up to two meetings and to assist staff with the development of a summary of the task force's work including their preferences or recommendations, if any. Meetings will be facilitated by EFP staff or a facilitator engaged by EFP staff.

The ATF will expire upon completion of its charge or upon release of the environmental assessment scoping decision by the Department of Commerce, whichever occurs first.

EFP staff is directed to solicit and appoint, as appropriate, members of the ATF and to begin work on the above-noted charge.

Signed this ____ day of _____, 2010

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

William Grant, Deputy Commissioner

CERTIFICATE OF SERVICE

I, Robin Benson, hereby certify that I have this day, served a true and correct copy of the following document to all persons at the addresses indicated below or on the attached list by electronic filing, electronic mail, courier, interoffice mail or by depositing the same enveloped with postage paid in the United States mail at St. Paul, Minnesota.

Minnesota Public Utilities Commission ORDER

Docket Number: **E-002/TL-11-152**

Dated this **25th** day of **August, 2011**

/s/ Robin Benson

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