Appendix B:
Scoping Decision

STATE OF MINNESOTA
Energy Facility Permitting

Issued: December 28, 2011

NOTICE OF SCOPING DECISION AND INTENT TO PREPARE AN ENVIRONMENTAL ASSESSMENT

In the Matter of the Route Permit Application for the North Rochester to Chester 161 kV Transmission Line Project in the Goodhue, Wabasha and Olmsted Counties

PUC Docket No. E002/TL-11-800

PLEASE TAKE NOTICE that the Minnesota Department of Commerce, Energy Facility Permitting (EFP) announces the release of the scoping decision and notice of intent to prepare an environmental assessment (EA) for CapX 2020's proposed North Rochester to Chester 161 kV transmission line project.

Electronic versions of the EA scoping decision, route permit application and other documents relevant to this matter are available on the Public Utilities Commission's EFP website: http://energyfacilities.puc.state.mn.us/Docket.html?Id=32260, and on the Department of Commerce eDockets website: https://www.edockets.state.mn.us/EFiling/search.jsp (enter the Docket Number Year "11" and Number "800").

The scoping decision identifies the issues and alternative route segment (see attached maps) the deputy commissioner of the Department of Commerce has determined are appropriate for inclusion in the EA. The scoping decision also identifies certain issues that will not be included in the EA. The EA is anticipated to be complete and available in March 2012.

If you have any questions about this project or would like more information, please contact the EFP state permit manager: Matthew Langan, 85 7th Place East, Suite 500, St. Paul, MN 55101; Tel: 651.296.2096, e-mail: matthew.langan@state.mn.us.

In the Matter of the Route Permit Application for the North Rochester to Chester 161 kV Transmission Line Project in Goodhue, Wabasha, and Olmsted Counties, Minnesota

Environmental Assessment Scoping Decision Document
PUC Docket No. E002/TL-11-800

Introduction

The above matter has come before the deputy commissioner of the Department of Commerce for a decision on the scope of the environmental assessment (EA) to be prepared on the CapX 2020 North Rochester to Chester 161 kV transmission line project proposed by Xcel Energy (applicant). Xcel Energy has submitted this application on behalf of itself and other anticipated co-owners of the project, including Dairyland Power Cooperative, Rochester Public Utilities, Southern Minnesota Municipal Power Agency, and WPPI Energy.

Project Description

As described in the route permit application (RPA), the proposed 161 kV transmission line project would be located along a 29- to 30-mile route in Goodhue, Wabasha, and Olmsted counties. The route would originate at the proposed North Rochester Substation between Pine Island and Zumbrota, Minn., in Goodhue County, and terminate at the existing Chester Substation, east of Rochester, Minn., in Olmsted County. (Figure 1) The project consists of two segments: 1) An East-West segment, in which the applicant proposes to place the Chester 161kV line on the same poles as the Hampton-Rochester-La Crosse 345kV line for a distance of 13 to 19 miles; and 2) A North-South segment that leaves the 345kV transmission right-of-way east of the Zumbro River and travels south for 11 to 16 miles to the Chester Substation. The North-South segment would consist of portions of single-circuit 161 kV line and portions of double-circuited 161/69 kV transmission line.

The applicants are requesting a 600-foot route width for the North-South segment. The typical right-of-way for a 161 kV line is 80 feet; the typical span between poles is 400 to 700 feet, and poles range in height from 70 to 120 feet. For the east-west segment, the applicants are requesting the same route width (1000 feet) described in the route permit application for the Hampton-Rochester-La Crosse 345kV project. The 345kV poles range from 130 to 175 feet in height, with spans of 600 to 1000 feet between the poles. The typical right-of-way for 345kV lines is 150 feet.

Modifications to the Chester Substation will consist of addition of a 161 kV circuit-breaker, switches, line termination and expanded box structure, electrical bus and associated equipment. The substation yard would be expanded by approximately one acre to accommodate the added equipment.

This document can be made available in alternative formats (i.e. large print or audio) by calling 651-296-0391 (voice). Persons with hearing or speech disabilities may call us through Minnesota Relay at 1-800-627-3529 or by dialing 711.

Purpose

The Minnesota Public Utilities Commission (Commission) issued an Order on May 22, 2009, granting a Certificate of Need (CON) for the North Rochester-Chester 161kV project, as one of three components of the Hampton-Rochester-La Crosse 345 kV transmission line project. The other two components granted in the CON (CN-06-115) are the Hampton-Rochester-La Crosse 345kV transmission line and the North Rochester-Northern Hills 161kV transmission line, which were filed in a separate route permit application (TL-09-1448) on January 19, 2010. The CON stated this project was needed to improve regional reliability of the transmission system, to improve community reliability of the transmission system in specified communities, and to increase generator outlet.

Regulatory Background

A high-voltage transmission line RPA for the project was filed by the applicants on September 19, 2011, and accepted by the Minnesota Public Utilities Commission (Commission) on October 24, 2011. The route permit will be reviewed under the alternative review process, pursuant to Minnesota Statues 216E (Power Plant Siting Act) 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. The Commission may extend this time limit up to three months for just cause or upon agreement of the applicant (Minnesota Rule 7850.3900, subpart 1).

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 should be considered for study in the EA, and 2) to help focus the EA on the most important issues surrounding the route permit decision. The 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 scoping meeting on November 29, 2011, at the Oronoco Community Center in Oronoco, 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 applicants' RPA, ask questions, provide comments, and identify potential impacts and route alternatives to be considered for the scope of the environmental assessment. Approximately 30 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 the applicants. Four people provided oral comments and/or asked questions about the proposed project. Topics and issues raised by the public at the meeting included: project effect on property values, right-of-way requirements, land use, and post-construction restoration. One person spoke in favor of the proposed route. No alternate routes were proposed at the meeting.

Public Comments

A public comment period, ending on December 8, 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 for the scope of the EA. EFP staff received 17 comment letters by the close of the comment period.

EFP received letters from the Mazeppa Township Board, the Minnesota Department of Natural Resources, the Minnesota Department of Transportation, and 14 citizens who own land or live in the project area.

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=32260 or on the eDockets website at: https://www.edockets.state.mn.us/EFiling/search.jsp (enter the year "11" and the number "800").

Issues raised

Issues raised by the public for inclusion in the scope of the environmental assessment include transmission line effects on public health and safety, land use, property values, erosion, and historic resources. The public also requested the EA examine potential interference with electronic equipment used in farming operations, the transmission line right-of-way and route width, existing road and utility rights-of-way, and the potential for undergrounding sections of the transmission line. Several commenters questioned the need for the project. Five commenters advocated for the proposed route.

The Mazeppa Township Board sent a comment letter indicating it had voted unanimously in favor of the applicant's preferred route stemming from Tap 3, utilizing the Modified Preferred route from the CapX Hampton-La Crosse 345kV transmission line project.

The Minnesota Department of Natural Resources (DNR) requested that information be provided in the EA on post-construction vegetative restoration activities, construction staging areas, erosion control techniques, wetland and waterbody effects, and the proposed alignment relative to the existing 69kV transmission line right-of-way. The DNR also indicated the occurrence of the Blanding's Turtle (a state-listed Threatened species) in the project area. The DNR supplied EFP and the applicant with a species fact sheet, and recommendations for avoiding or minimizing the potential for impacts to this species. The DNR also advocated for the applicant's proposed route stemming from Tap 3, utilizing the Modified Preferred route from the CapX Hampton-La Crosse 345kV transmission line project.

The Minnesota Department of Transportation requested information for transmission line crossings of Trunk Highways 247, 63, and 52, and stated the need for a utility crossing license for these crossings.

Route Segment Alternatives suggested
Two alternative route segments were identified in comment letters provided by the public during the comment period.

1) Route Segment Alternative A – Three commenters suggested this route segment alternative be included in the scope of the EA. This route segment alternative is in Section 9 of Farmington Township, Olmsted County. As is represented in the attached Figure 2, this alternative would continue east from the point (NW ¼ of the NW ¼) that the CapX Hampton to La Crosse Modified Preferred Route turns north towards 125th Street NE, and Tap 3. The route segment alternate joins the applicant's proposed route at 50th Ave NE.

2) Route Segment Alternative B – One commenter suggested this route segment alternative be included in the scope of the EA. This route segment alternative is in Section 30 of Hyde Park Township, Wabasha County, near Tap 1 (See Figure 1). This alternative follows a route alternative under consideration in the CapX Hampton to La Crosse docket (Route 3A-004), from the Alternative North Route, to the Zumbro Dam Route Option, to Tap 1.

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

Matters to be Addressed

The issues outlined below will be identified and described in the EA for the proposed North Rochester to Chester 161 kV project. The EA 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
E. Route Width
F. Right-of-Way
    1. General use of right-of-way
    2. Existing easements
    3. Restoration and maintenance
G. Project Cost

II. Regulatory Framework

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

III. Engineering, Design, and Operation

A. Transmission Line Conductors
B. Transmission Line Structures
    1. Design and structure material
    2. Structure strength and stability (i.e. Structural failure)
C. Substations
D. Undergrounding Transmission Line Facility

IV. Construction

A. Transmission Line and Structures
B. Substations
C. Restoration and Cleanup
D. Property Destruction and Compensation
E. Operation and Maintenance

V. Affected Environment, Potential Impacts, and Mitigation Measures

A. Environmental Setting
B. Socioeconomic and Cultural Setting
C. Human Settlement
    1. Noise
    2. Aesthetics
    3. Proximity to homes
    4. Existing utilities
    5. Property values
    6. Property/right-of-way acquisition and displacement
D. Public Health and Safety
    1. Construction and operation/maintenance
    2. Electric and magnetic fields
    3. Implantable medical devices
    4. Stray voltage
    5. Induced voltage
    6. Air quality associated with the transmission facility
E. Recreation
F. Transportation and Public Services
    1. Emergency services
    2. Airports

3. Railroads
4. Schools

G. Interference
1. Radio (AM/FM and short-wave)
2. Television (satellite and digital)
3. Cellular phone
4. Broadband and wireless internet
5. Farming equipment

H. Archaeological and Historic Resources

I. Land Use (land-based economies)
1. Mining
2. Industrial/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. Transportation
6. Shoreland

K. Water Resources
1. Rivers, lakes, wetlands, and other surface waters
2. Floodplains

L. Soil and Groundwater
1. Erosion and steep slopes

M. Flora (plants)
1. Vegetation removal
2. Mature tree removal

N. Fauna (wildlife)
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 collision and electrocution

O. Threatened/Endangered/Rare and Unique Natural Resources

VI. Alternative Routes to be Evaluated in the Environmental Assessment

In addition to the Proposed Route, the EA shall evaluate the following alternative route segment suggested through public comment:

Route Segment Alternative A

This route segment alternative is in Section 9 of Farmington Township, Olmsted County. As is represented in the attached Figure 2, this alternative would continue east from the point (NW ¼ of the NW ¼ of Farmington Township, Section 9) that the CapX Hampton to La Crosse Modified Preferred Route turns north toward 125th Street NE, and Tap 3. The route segment alternative is approximately one-half mile in length, and joins the applicant's proposed route at 50th Ave NE. The route width is the same as is requested for the applicant's proposed route (600 feet.)

VII. Identification of Permits

The EA 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 North Rochester to Chester 161 kV 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.
    1. Route Segment Alternative B is outside the scope of the EA. Whichever route is permitted north and west of Tap 1 will be double-circuited with the CapX Hampton to La Crosse 345 kV transmission line because it results in fewer impacts than constructing two separate transmission lines in the area. Route Segment Alternative B is the same as a route already under consideration in the CapX Hampton to La Crosse 345 kV docket, which has undergone extensive environmental review. The Minnesota Public Utilities Commission will decide on this route as part of the Hampton to La Crosse docket. Including Route Segment Alternative B in the scope of this EA would ultimately have no bearing on the permitting decision of the 161kV transmission line.
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.

Schedule

The EA will be completed and available in March 2012. A public hearing will be held in the project area after the EA has been issued and notice served.

Signed this 21st day of December, 2011

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
DIVISION OF ENERGY RESOURCES

William Grant, Deputy Commissioner

Figure 1: North Rochester to Chester 161 kV Transmission Line Project Map

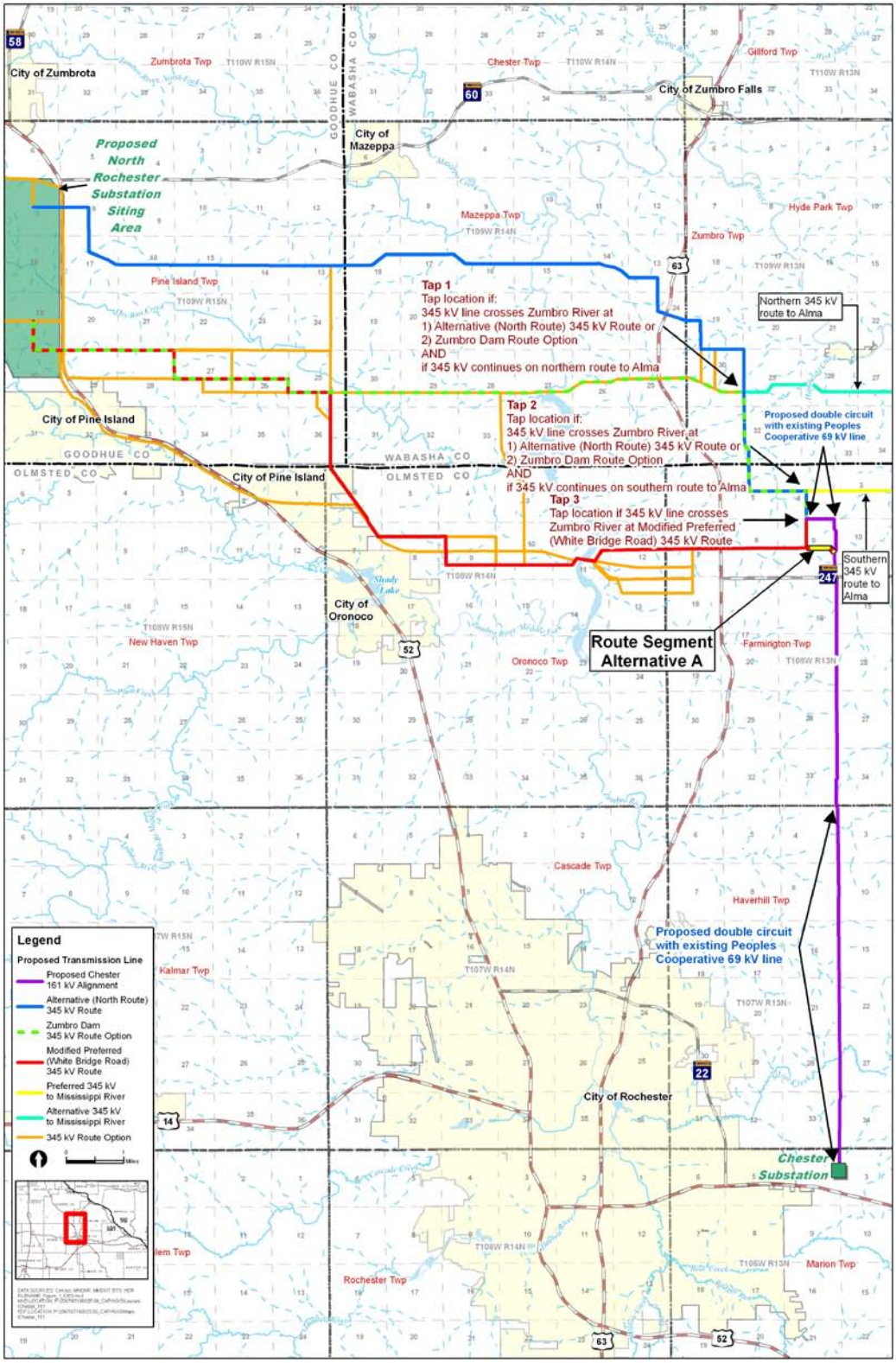
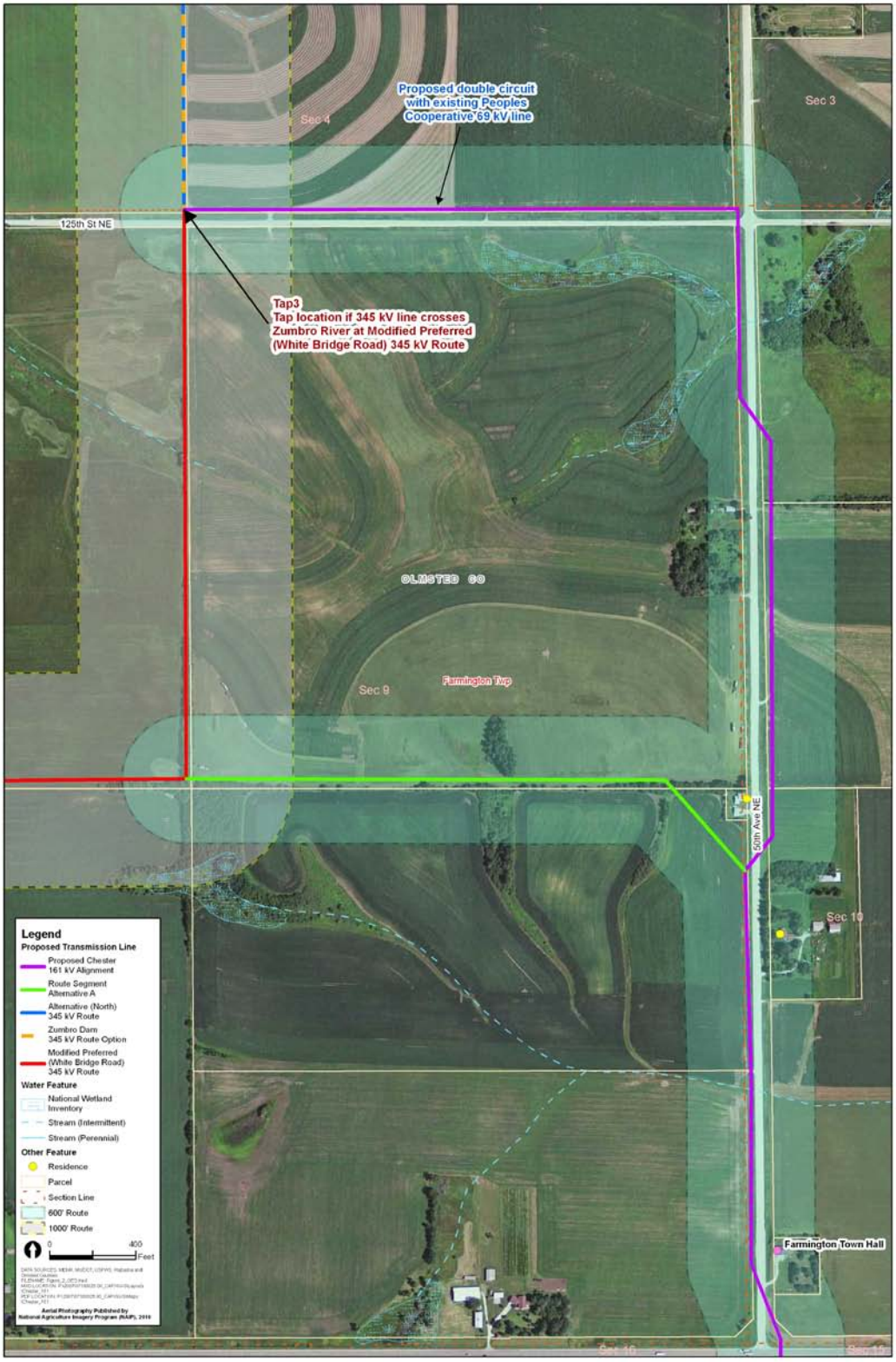
Figure 2: Route Segment Alternative A