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October 21, 2011

Dr. Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
127 7th Place East, Suite 350
St. Paul, MN 55101-2147

RE: **Comments and Recommendations of the Department of Commerce Energy Facility Permitting Staff**
Docket No. ET2/TL-11-915

Dear Dr. Haar:

Attached please find the comments and recommendations of the Department of Commerce Energy Facility Permitting in the following matter:

Route Permit Application for the Enterprise Park to Crooked Lake 115 kV Transmission Line Project in Anoka County.

The route permit application was filed on October 4, 2011, by:

Mark Strohfus
Great River Energy
12300 Elm Creek Blvd.
Maple Grove, MN 55369

Energy Facility Permitting staff is available to answer any questions the Commission may have.

Sincerely,

Matthew A. Langan
Energy Facility Permitting

Attachments

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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

DOCKET NO. ET2/TL-11-915

Meeting Date: November 3, 2011.....Agenda Item # __

Company: Great River Energy

Docket No: **ET2/TL-11-915**

In the Matter of the Route Permit Application for the Enterprise Park to Crooked Lake 115 kV Transmission Line Project in Anoka County.

Issue(s): Should the Minnesota Public Utilities Commission accept the application as 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: Matthew A. Langan .....(651) 296-2096

Relevant Documents

Notice of Intent Letter..... September 7, 2011
Route Permit Application .....October 4, 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.

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.

Documents Attached

Figure 1 – Proposed Project

Note: Relevant documents and additional information can be found on eDockets (Docket Number 11-915) or the Commission's Energy Facilities Permitting website at: http://energyfacilities.puc.state.mn.us/Docket.html?Id=32289.

Statement of the Issues

Should the Minnesota Public Utilities Commission accept the application as 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 October 4, 2011, Great River Energy (Applicant) filed a route permit application under the alternative permitting process for the construction of 5.8 miles of 115 kV transmission line between the existing Crooked Lake Substation in Coon Rapids, Minn., and the existing Enterprise Park Substation in Anoka, Minn., in Anoka County. The project would also include modifications to the two substations. Great River Energy has submitted this application on behalf of itself and other anticipated co-owners of the project, including Connexus Energy, Anoka Municipal Utility, Xcel Energy and Minnesota Municipal Power Agency.

Project Purpose

The Applicant states the purpose of the proposed project is to meet future electric load requirements in the area, to provide relief on the existing transmission system, and to provide backup service to an existing 69 kV transmission line.

Project Description

The proposed project involves constructing approximately 5.8 miles of new, overhead 115 kV transmission line between Xcel Energy's existing Crooked Lake Substation in Coon Rapids, Minn., and Anoka Municipal Utility's existing Enterprise Park Substation in Anoka, Minn., in Anoka County. The project will remove, rebuild, and attach Anoka Municipal Utility's existing overhead (12.5 kV) distribution lines to the new 115 kV transmission line where the new line overtakes the existing distribution lines. The project would also include modifications to the Crooked Lake and Enterprise Park substations to accommodate the new transmission line, including a new ring bus, breaker additions, step down transformers, and associated switch gear.

The Applicant is requesting a route width as narrow as 100 feet in some locations, and as wide as 400 feet in others, except for the area near Anoka High School where the requested route width is 800 feet. The variation in route width is due to the developed nature of the project area. The typical right-of-way for the 115 kV line is 50-75 feet, depending on the structure used. The typical span between poles without underbuild is 300 to 400 feet, and 250 to 300 where 12.5 kV

distribution lines are attached. Poles range in height from 60 to 85 feet. Poles will be constructed as single-pole, wood structures with horizontal post insulators.

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 5.8 miles of new 115 kV transmission line and would, therefore, require a route permit from the Commission.

Because the proposed transmission line is less than 200 kV in capacity, and less than 10 miles in length, 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 September 7, 2011, the Applicant filed a letter with the Commission indicating its intent to submit a route permit application for the project under the alternative permitting process.

On October 4, 2011, the Applicant filed a route permit application under the alternative permitting process. 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 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 must include 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 route in the scope of the environmental assessment only if it is determined that evaluation of the proposed 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 Applicant has met the procedural requirement of Minnesota Rule 7850.2800, subpart 2, by

providing the Commission written notice of its 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 Applicant has 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 5.8 miles in length, and at 115 kV, the proposed line is relatively small in length and capacity. The requested 100- to 400-foot route width for the project is relatively moderate when compared to other similar projects, in similar suburban areas. A 115 kV transmission line typically requires a 50- to 75-foot right-of-way.
>
> **Complexity.** The proposed route is moderately complex due to the heavily developed suburban area within which it is proposed. The Applicant has demonstrated pre-application involvement through open public meetings and various forms of correspondence with local government units, homeowners associations, businesses, and the public in developing its proposal. The majority of the proposed route parallels road or utility rights-of-way and/or property lines. No residential or business displacements would result from the proposed project.
>
> **Known or Anticipated Controversy.** EFP staff anticipates a moderate level of public interest with this project, based on a review of the information contained in the application and conversations with the Applicant. The Applicants have included in the application information on various route alternatives that were originally considered but, based on work with the public, landowners, and local government units, were rejected, and the reasons for that decision.
>
> **Sensitive Resources.** The Department of Natural Resources (DNR) reports the Blanding's Turtle, a state-listed threatened species, occurs in the project area. The DNR has submitted to the applicant guidelines on reducing the potential for impacts to this species. There is also one recorded historical site within the proposed route. The applicant anticipates the project can avoid impacts to state and federal rare/endangered species and historic and cultural resources within or near the proposed route. The proposed route crosses two public recreation areas: Rudy Johnson Park and River Bend Park. The applicant has been in contact with the park systems, and believes the proposed routes reduce the impacts to the extent possible by routing the line along existing road or utility right-of-way corridors. There are no issues that represent unusual circumstances to be addressed in an application review process or that would not otherwise be addressed in

the environmental review process. No other sensitive resources have been identified at this time.

Based on the analysis above, staff concludes that an advisory task force is not warranted in this case. The permitting process should provide adequate opportunities for the public to identify issues and route alternatives to be addressed in the environmental assessment. Staff can 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 or permit conditions. Therefore, the staff recommendation is to take no action on a task force at time.

Commission Decision Options

A. Application Acceptance

1. Accept the Great River Energy route permit application for the Enterprise Park to Crooked Lake 115 kV transmission line project as complete, and authorize Department of Commerce Energy Facility Permitting (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.

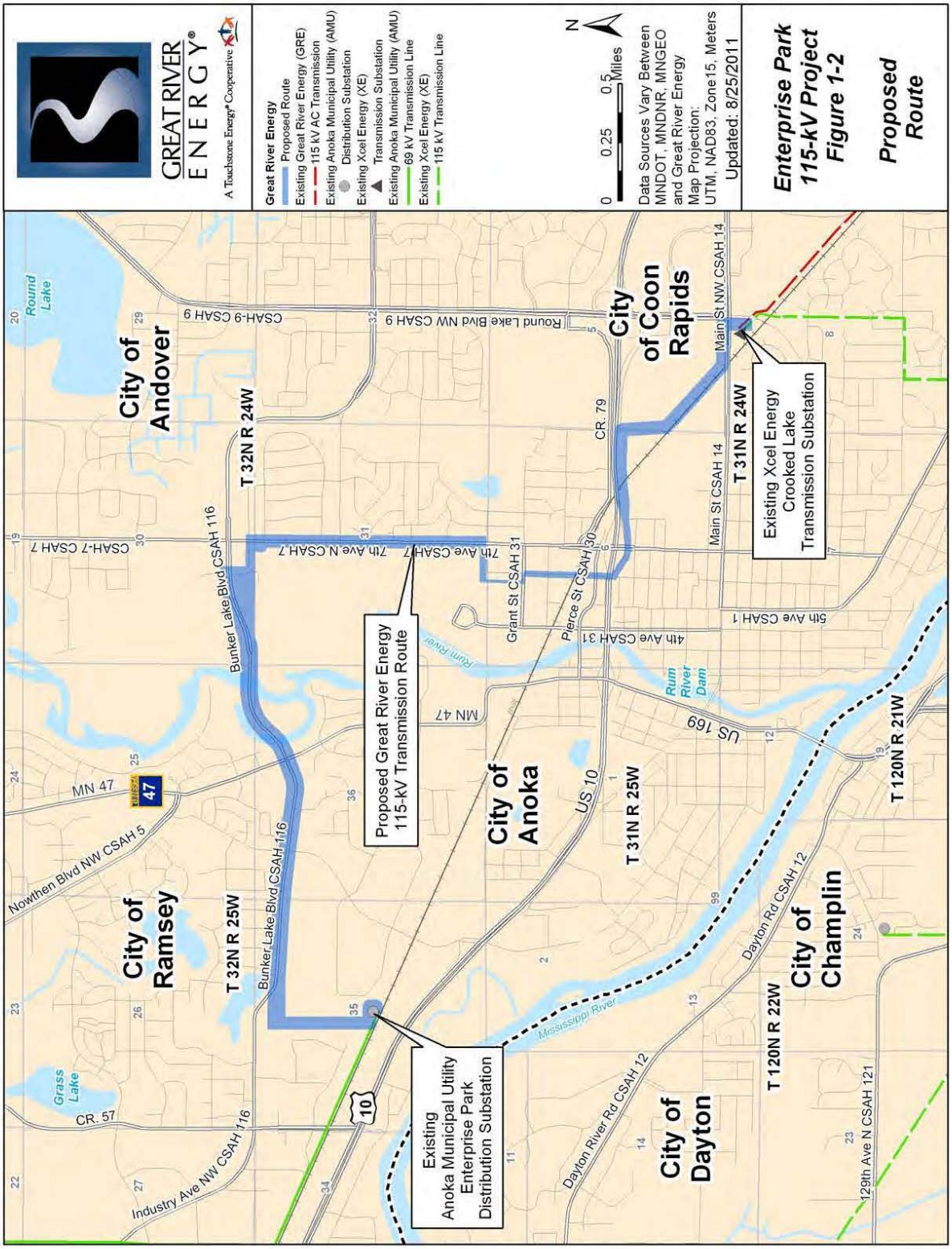
B. Public Advisor

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 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: Options A1, B1, and C2.


GREAT RIVER ENERGY
A Touchstone Energy® Cooperative
Great River Energy
Proposed Route
Existing Great River Energy (GRE)
115 kV AC Transmission
Existing Anoka Municipal Utility (AMU)
Distribution Substation
Existing Xcel Energy (XE)
Transmission Substation
Existing Anoka Municipal Utility (AMU)
69 kV Transmission Line
Existing Xcel Energy (XE)
115 kV Transmission Line
0 0.25 0.5 Miles
N
Data Sources Vary Between MNDOT, MNDNR, MNGEO and Great River Energy
Map Projection: UTM, NAD83, Zone15, Meters
Updated: 8/25/2011
Enterprise Park 115-kV Project Figure 1-2
Proposed Route
City of Andover
City of Ramsey
City of Anoka
City of Coon Rapids
City of Dayton
City of Champlin
T 32N R 24W
T 32N R 25W
T 31N R 24W
T 31N R 25W
T 120N R 21W
T 120N R 22W
Round Lake
Grass Lake
Rum River
Rum River Dam
Mississippi River
Proposed Great River Energy 115-kV Transmission Route
Existing Anoka Municipal Utility Enterprise Park Distribution Substation
Existing Xcel Energy Crooked Lake Transmission Substation
CSAH-9 CSAH 9
Round Lake Blvd NW CSAH 9
CSAH-7 CSAH 7
7th Ave CSAH 7
7th Ave N CSAH 7
Bunker Lake Blvd CSAH 116
Grant St CSAH 31
Pierce St CSAH 30
CR. 79
Main St NW CSAH 14
Main St CSAH 14
5th Ave CSAH 1
4th Ave CSAH 31
MN 47
US 169
US 10
Nowthen Blvd NW CSAH 5
CR. 57
Industry Ave NW CSAH 116
Dayton River Rd CSAH 12
129th Ave N CSAH 121