Energy Facility Permitting
85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198
ph 651.296.4026 | fx 651.297.7891
www.energyfacilities.puc.state.mn.us

November 17, 2011

Dr. Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

RE: **Comments and Recommendations of Department of Commerce Energy Facility Permitting Staff Docket No. ET2/TL-11-867**

Dear Dr. Haar,

Attached are comments and recommendations of Department of Commerce, Energy Facility Permitting (EFP) staff in the following matter:

> In the Matter of the Route Permit Application by Great River Energy for the Parkers Prairie 115 kV Transmission Line Project in Otter Tail County, Minnesota.

The petition was filed on October 24, 2011 by:

> Marsha Parlow
> Great River Energy
> 12300 Elm Creek Blvd.
> Maple Grove, MN 55369

EFP staff recommends acceptance of the route permit application as complete. Staff is available to answer any questions the Commission may have.

Sincerely,

Ray Kirsch
DOC EFP Staff

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BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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

DOCKET NO. ET2/TL-11-867

Meeting Date: November 29, 2011 Agenda Item # _____

Company: Great River Energy

Docket No. ET2/TL-11-867

In the Matter of the Route Permit Application by Great River Energy for the Parkers Prairie 115 kV Transmission Line Project in Otter Tail County, Minnesota

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?

EFP Staff: Ray Kirsch…….…….....651-296-7588

Relevant Document(s)

Notice of Intent Letter…….…..…..August 25, 2011
Route Permit Application…….…….…….…....October 24, 2011

The enclosed materials are work papers of Department of Commerce, Energy Facility Permitting (EFP) staff. They are intended for use by the Public Utilities 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

1. Project Overview Map

Additional documents and information can be found on eDockets: https://www.edockets.state.mn.us/EFiling/search.jsp (11-867) and the Commission's energy facilities permitting website: http://energyfacilities.puc.state.mn.us/Docket.html?Id=32307.

Statement of the Issues

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?

Introduction and Background

On October 24, 2011, Great River Energy (GRE) filed a route permit application under the alternative permitting process to replace approximately 2.1 miles of an existing 41.6 kilovolt (kV) transmission line in Otter Tail County, Minnesota, with a new line at a voltage of 115 kV. Additionally, GRE proposes to update the existing Parkers Prairie substation, and to connect the substation and new line to an existing GRE 115 kV line through a switch structure.

Project Purpose
GRE indicates in its route permit application that the proposed project will address potential low voltage issues in the rural areas immediately west of Parkers Prairie, Minn. These areas are currently served out of the Parkers Prairie substation, which is fed by an older, high impedance 41.6 kV transmission line. This line introduces a substantial voltage drop in the regional electrical system. The voltage drop is such that during non-normal operations electrical appliances and lighting may not perform as expected and could be damaged.

Project Description
GRE proposes to remove approximately 2.1 miles of an existing 41.6 KV transmission line and to replace this line with a new 115 kV line. The existing transmission line runs parallel to and on the south side of Otter Tail County Road 6 (CSAH 6). GRE is requesting a 300 ft. route width for the new line, with a right-of-way of 100 feet. GRE anticipates that the new line will utilize (and expand upon) existing easements for the 41.6 kV line, but has requested a route width that encompasses both side of CSAH 6 to accommodate potential conflicts with agricultural operations along CSAH 6.

The new line will feed an expanded and updated Parkers Prairie substation. The substation's fenced area will be expanded 40 ft. to the south to accommodate a new 115 kV transformer. The substation and new 115 kV line will be connected to GRE's existing Inman – Alexandria 115 kV line (LR-IA) through a switch structure. This switch connection may require adaptation of the existing line (e.g., use of taller poles). GRE is requesting a 300 ft. route width along its existing LR-IA line to accommodate this connection.

Upon construction of the new 115 kV line and connection to the existing LR-IA line, GRE will remove approximately 1650 ft. of 41.6 kV line which will no longer be need for electrical service in the area.[1]

Regulatory Process and Procedures

In Minnesota, no person may construct a high voltage transmission line (HVTL) without a route permit from the Commission (Minnesota Statute 216E.03). 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 greater than 1,500 feet in length (Minnesota Statute 216E.01). The proposed project will consist of approximately 2.1 miles of new 115 kV transmission line and therefore requires a route permit from the Commission.

The voltage of the new transmission line will be less than 200 kV, its length less than ten miles, and it will not cross a state border. Thus, a certificate of need is not required for the project (Minnesota Statute 216B.2421).

Route Permit Application and Acceptance

In accordance with Minnesota Rule 7850.2800, applicants intending to submit a project under the Commission's alternative permitting process for transmission lines are required to provide a 10-day advance notice of this intent to the Commission before submitting their route permit application. On August 25, 2011, GRE filed a letter with the Commission indicating their intent to submit a route permit application for the Parkers Prairie project under the alternative permitting process.

On October 24, 2011, GRE filed a route permit application under the alternative permitting process for the Parkers Prairie project. As the voltage of the rebuilt transmission line will be between 100 and 200 kV, the project qualifies for the Commission's alternative permitting process (Minnesota Rule 7850.2800).

Route permit applications for HVTLs must provide specific information about the proposed project including, but not limited to, applicant information, route description, and potential environmental impacts and mitigation measures (Minnesota Rule 7850.3100). Review under the alternative permitting process does not require the applicant to propose alternative routes in the permit application. However, if the applicant has evaluated and rejected alternative routes they must include these and the 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 (Minnesota Rule 7850.2000). The environmental review and permitting process begins on the date the Commission determines that a route permit application

[1] The line will be removed by GRE or Otter Tail Power Company (OTP). OTP currently owns the 41.6 kV line. GRE indicates that they will coordinate with OTP on which utility will remove the line. See, Route Permit Application, Section 5.1.

is complete (Minnesota Rule 7850.2000); the Commission has six months from the date of this determination to reach a route permit decision (Minnesota Rule 7850.3900).

Environmental Review
Applications for HVTL route permits are subject to environmental review conducted by EFP staff (Minnesota Rule 7850.3700). Projects proceeding under the alternative permitting process require the preparation of an environmental assessment (EA). An EA is a document which describes the potential human and environmental impacts of the proposed project and potential mitigative measures. Staff will provide notice and conduct a public information and scoping meeting to solicit public comments on the scope of the EA. The Department of Commerce determines the scope of the EA. The Department may include alternative routes suggested by the public in the scope of the EA if such alternatives will assist in the Commission's decision on the route permit. The EA will be completed and made available prior to the public hearing for the project.

Public Hearing
Applications for HVTL route permits under the alternative permitting process require a public hearing upon completion of the environmental assessment (Minnesota Rule 7850.3800). The hearing would be conducted in the project area and in accordance with the procedures provided in Minnesota Rule 7850.3800.

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 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 may authorize the Department of Commerce to name an EFP staff person as public advisor or the Commission may designate a Commission staff member as public advisor.

Advisory Task Force
The Commission may appoint an advisory task force as an aid to the environmental review process (Minnesota Statute 216E.08). An advisory task force must, at a minimum, include representatives of local governmental units in the project area. A task force assists EFP staff with identifying alternatives sites or routes for the project and specific impacts to be evaluated in the EA. A task force expires upon issuance of the EA scoping decision by the Department.

The Commission is not required to appoint an advisory task force for every project. In the event that the Commission does not name a task force, citizens may request appointment of a task force (Minnesota Rule 7850.3600). If such a request were made, the Commission would then need to determine at a subsequent 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 application acceptance; 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.

DOC EFP Staff Analysis and Comments

EFP staff has conducted a completeness review of GRE's route permit application for the Parkers Prairie 115 kV transmission line project. Staff concludes that the application meets the content requirements of Minnesota Rule 7850.3100 and is complete. The Commission's acceptance of the application will allow EFP staff to commence and conduct the public participation and environmental review process.

Advisory Task Force
EFP staff has analyzed the merits of establishing an advisory task force for the Parkers Prairie project. Staff concludes that a task force is not warranted for this project.

In analyzing the need for an advisory task force for the project, EFP staff considered four characteristics: project size, project complexity, known or anticipated controversy, and sensitive resources.

- **Project Size.** At approximately 2.1 miles, this 115 kV transmission line is one of the smaller transmission line projects that have come before the Commission.

- **Project Complexity.** The Parkers Prairie project is relatively simple and straightforward. The project is a replacement of an existing line along a county road (CSAH 6). The primary routing decision to be made is whether the new 115 kV line will run on the north or south side of CSAH 6 or some combination thereof. The connections for the rebuilt line are not complicated – the expansion of an existing substation and a transmission line switch.

- **Known or Anticipated Controversy.** EFP staff anticipates a relatively low level of controversy with this project. There are nine landowners along the proposed route. GRE has received relatively few comments about the project, and EFP staff has received no comments on the project to date.

- **Sensitive Resources.** No impacts to sensitive resources are anticipated with this project. No federally listed species or critical habitats are documented within the project area. The Minnesota Department of Natural Resources (DNR) indicates that there are no known rare features in the project area. No state forests, wildlife management areas, or scientific and natural areas are within or near the project area.

Based on the above analysis, as well as the agency comments documented in the application, EFP staff concludes that an advisory task force is not warranted for the Parkers Prairie project. The alternative permitting process provides adequate opportunities for citizens to identify issues and route alternatives to be addressed in the EA. EFP staff will assist citizens and governmental units in understanding the routing process and identifying opportunities for participation. Therefore, the EFP staff recommendation is to take no action on a task force at this time.

Commission Decision Options

A. Application Acceptance

1. Accept the Great River Energy route permit application for the Parkers Prairie 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.

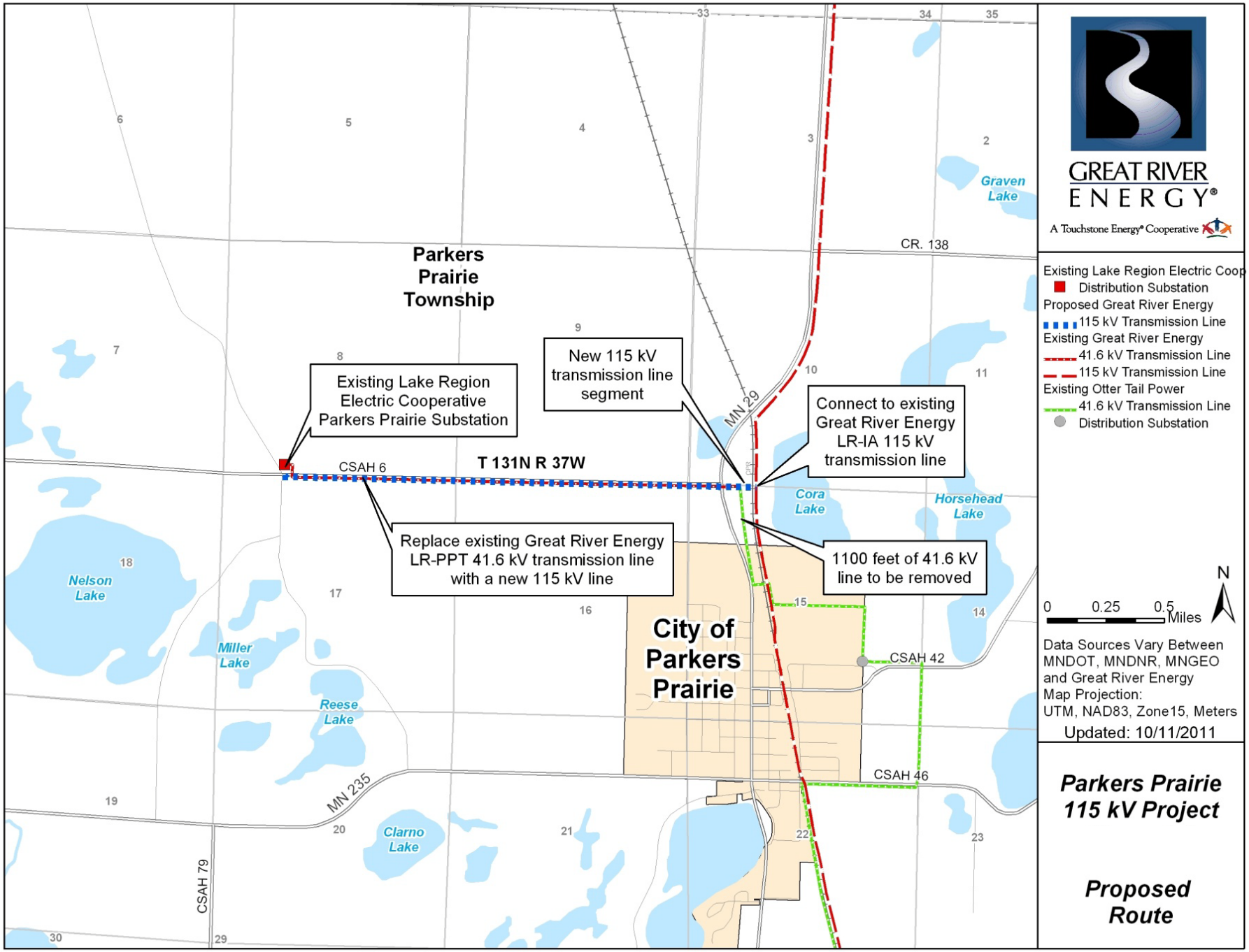
B. Public Advisor

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 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.

DOC EFP Staff Recommendation: Options A1, B1, and C2.

Project Overview Map

Parkers Prairie 115 kV Transmission Line Project, ET2/TL-11-867