



In the Matter of the Application of
Minnesota Power for a Route Permit for the
Deer River HVTL Project

**ENVIRONMENTAL ASSESSMENT
SCOPING DECISION
PUC DOCKET NO. E-015/TL-13-68**

The above matter has come before the deputy commissioner of the Department of Commerce (Department) for a decision on the scope of the environmental assessment (EA) to be prepared for the Deer River HVTL project proposed by Minnesota Power in Itasca County.

Project Description

The Deer River HVTL Project is located east of Deer River. Minnesota Power proposes to improve reliability and long-term load serving capability in the Deer River area by replacing an existing substation and approximately 7.5 miles of an existing 115 kV high voltage transmission line (HVTL), with a larger substation and shorter segments of new and rebuilt 115 kV HVTL and a short segment of new double-circuit 230 kV HVTL.

As part of the Project, Minnesota Power proposes to:

- Construct approximately one mile of 115 kV HVTL;
- Construct approximately 0.3 miles of double-circuit 230 kV HVTL;
- Rebuild approximately 0.9 miles of existing 115 kV HVTL along the same right-of-way with new structures and conductors;
- Remove the existing Deer River Substation (a 115/23 kV facility) and replace it with a new Zemple Substation (a 230/115/23 kV facility) at the same location; and
- Remove approximately 7.5 miles of an existing 115 kV HVTL tap, which will no longer be necessary after the Project has been constructed.

Minnesota Power plans to use 100-foot right-of-way for the 115 kV portions of the project and a 130-foot right-of-way for the 230 kV portion of the project. Minnesota Power is requesting a 1,000 foot route width within which to locate the newly constructed 115 kV HVTL and a 500-foot route for the 230 kV HVTL.

Regulatory Background

A route permit application for the project was filed by Minnesota Power on April 15, 2013, and accepted as complete by the Minnesota Public Utilities Commission (Commission) on June 27, 2013. The route permit application will be reviewed under the alternative permitting process, pursuant to the Power Plant Siting Act (Minnesota Statutes 216E) and Minnesota Rules 7850.2800 to 7850.3900.

Scoping Process

Scoping is the first step in the alternative permitting 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 are studied in the EA, and (2) to help focus the

EA on impacts and issues important to a reasoned route permit decision. This 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

Commission and Department staff held a joint public information and environmental assessment scoping meeting on June 19, 2013, in Deer River, Minnesota. The meeting provided members of the public an opportunity to learn about the proposed project and the state's permitting process, ask questions, provide comments, and identify potential impacts and route alternatives to be considered in the scope of the environmental assessment. Two members of the public attended the meeting. No comments were received at the meeting.

Public Comments

A comment period, ending on July 3, 2013, provided the public an opportunity to submit comments to Department staff on issues and route alternatives for consideration in the scope of the EA. Two comment letters were received by the close of the comment period. No route alternatives were identified in these comment letters.

Staff from the Minnesota Pollution Control Agency (MPCA) stated that the agency has no comments at this time. Staff from the Minnesota Department of Natural Resources (DNR) recommended that the EA address potential impacts to birds generally and bald eagles in particular, and to pale moonwort, a plant that may exist along portions of the right-of-way of the existing 115 kV line that will be removed.

Scoping comments are available for viewing on the Department's energy facilities permitting website: <http://mn.gov/commerce/energyfacilities/Docket.html?Id=33156> and on eDockets: <https://www.edockets.state.mn.us/EFiling/search.jsp> (enter "13" for year and "68" for number).

Commission Review

On July 12, 2013, Department staff provided the Commission with a summary of the EA scoping process. The summary indicated that Department staff would be recommending to the deputy commissioner of the Department that the scoping decision for the project include only that route proposed by Minnesota Power in its route permit application for evaluation in the EA. On August 1, 2013, the Commission voted to take no action with respect to the route alternatives to be considered in the EA.

HAVING REVIEWED THE MATTER, consulted with Department 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 environmental assessment (EA) for the proposed Deer River HVTL project. The EA will describe the project and the human and environmental resources of the 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, 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 PROJECT**
 - A. Project Description
 - B. Project Purpose
 - C. Route Description
 - 1. Route Width
 - 2. Right-of-Way
 - D. Project Costs

- II. REGULATORY FRAMEWORK**
 - A. Certificate of Need
 - B. High Voltage Transmission Line Route Permit
 - C. Environmental Review Process

- III. ENGINEERING AND DESIGN**
 - A. Transmission Line Structures
 - B. Transmission Line Conductors

- IV. CONSTRUCTION**
 - A. Right-of-Way Acquisition
 - B. Construction
 - C. Restoration
 - D. Operation and Maintenance

- V. AFFECTED ENVIRONMENT, POTENTIAL IMPACTS, AND MITIGATIVE MEASURES**
 - A. Environmental Setting
 - B. Socioeconomics
 - C. Human Settlements
 - 1. Noise
 - 2. Aesthetics
 - 3. Displacement
 - 4. Property Values
 - 5. Public Services
 - a) Roads and Highways
 - b) Utilities
 - c) Emergency Services
 - 6. Electronic Interference
 - a) Radio
 - b) Television
 - c) Wireless Phone / Internet Services
 - D. Public Health and Safety
 - 1. Electric and Magnetic Fields
 - 2. Implantable Medical Devices

3. Stray Voltage
4. Induced Voltage
5. Air Quality
- E. Land Based Economies
 1. Agriculture
 2. Forestry
 3. Mining
 4. Recreation and Tourism
- F. Archaeological and Historic Resources
- G. Natural Environment
 1. Water Resources
 - a) Surface Waters
 - b) Groundwater
 - c) Wetlands
 2. Soils
 3. Flora
 4. Fauna
- H. Threatened / Endangered / Rare and Unique Natural Resources
- I. Zoning and Land Use Compatibility
 1. Use of Existing Rights-of-Way
- J. Adverse Impacts Which Cannot Be Avoided
- K. Irreversible and Irretrievable Commitments of Resources

VI. ALTERNATIVE ROUTES TO BE EVALUATED IN THE ENVIRONMENTAL ASSESSMENT

The route proposed by Minnesota Power in its route permit application will be evaluated in the EA (see attached map). No other routes or route alternatives will be evaluated in the EA.

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 EA for the Deer River HVTL project will not consider the following:

- A. No-build alternative.
- B. Issues related to project need, size, type, or timing.
- C. Any route alternative not specifically identified in this scoping decision.
- D. Policy issues surrounding whether utilities or local governments 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 right-of-way easements, as that is outside the jurisdiction of the Commission.

SCHEDULE

The environmental assessment is anticipated to be completed and available in November 2013. A public hearing will be held in the project area after the environmental assessment has been issued and notice served.

Signed this 7th day of August, 2013

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE



William Grant, Deputy Commissioner

Deer River HVTL Project Route to be Evaluated in Environmental Assessment

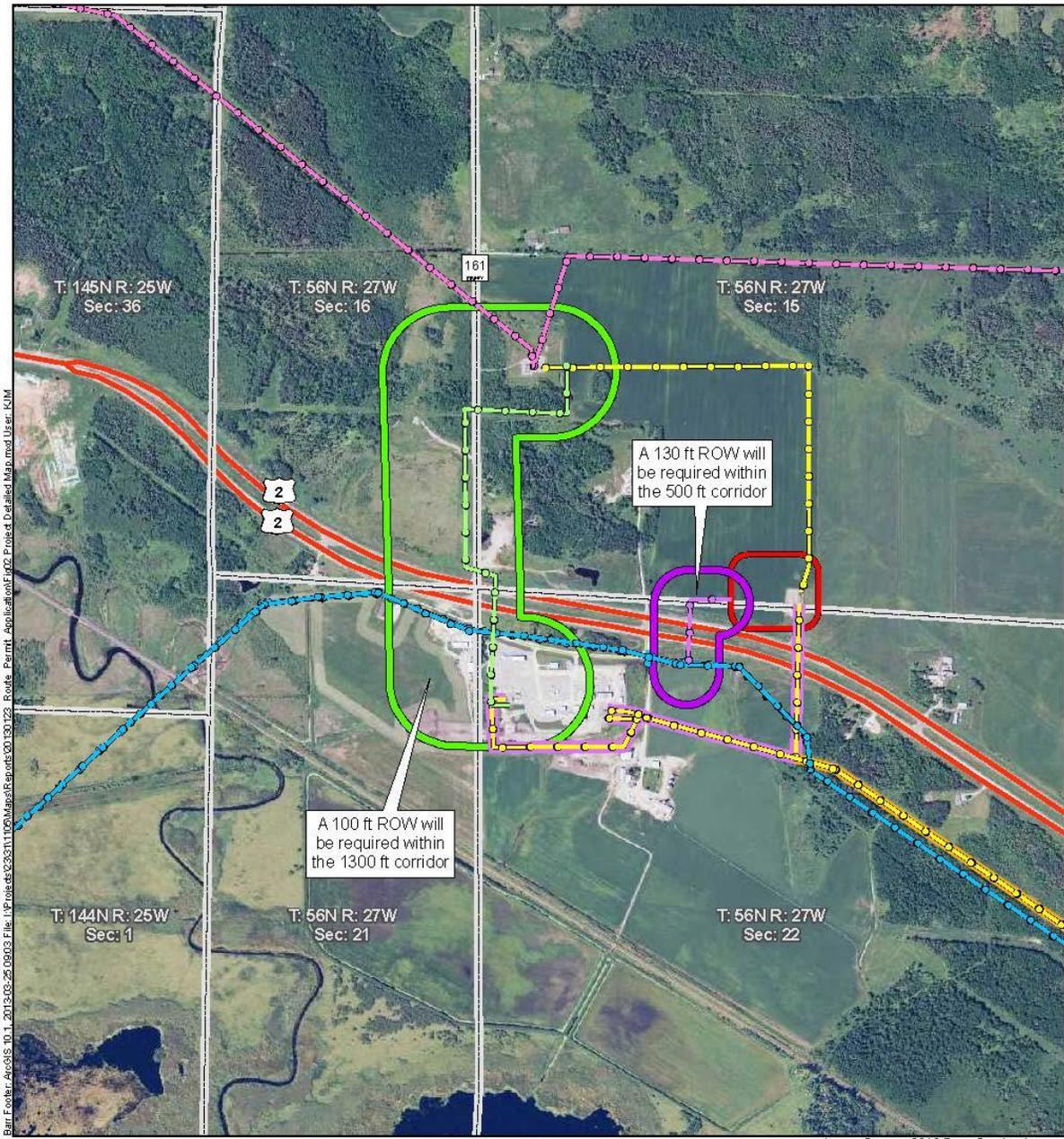


Image Source: 2010 Farm Service Agency

- Existing 115kV Line
- Existing 69kV Line
- CapX2020 230kV Line
- 115 kV HVTL Proposed for Removal
- Proposed 115 kV Rebuild
- Proposed New 115kV Alignment
- Proposed 115 kV HVTL Route
- Proposed New 230kV Alignment
- Proposed 230 kV HVTL Route
- Proposed Substation Location
- PLS Section



Figure 2
PROJECT DETAILED MAP
Proposed 115 kV, 230 kV
HVTL and Substation
Minnesota Power
Itasca County, MN