

APPENDIX C

Agency Correspondence



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January 24, 2012

Melissa Duchinsky
City of Chaska
Chaska City Hall, One City Hall Plaza
Chaska, MN 55318

Sage Tauber
Xcel Energy
414 Nicollet Mall
Minneapolis, MN 55401

**Re: Local Review of Chaska 115 kV Transmission Tap Line
Commission Docket Number: E002/LR-12-73**

Dear Ms. Duchinsky and Ms. Tauber,

Greetings. This letter confirms that the Minnesota Public Utilities Commission (Commission) has received notification that Xcel Energy intends to seek local review to construct a new 0.5 mile long 115 kilovolt (kV) transmission line in the city of Chaska, Minnesota. The transmission line would serve the city's new West Creek substation.

Under the Power Plant Siting Act, a permit from the Commission is required for transmission line projects over 100 kV (Minn. Stat. § 216E). However, local review and permitting is possible for eligible projects (Minn. Stat. § 216E.05). For such projects, a utility may apply to a local unit of government instead of the Commission for a permit to build the project. This letter confirms that Xcel Energy's proposed project is eligible for local review.

Based on the proposed location of the project, the city of Chaska is the local unit of government with jurisdiction to permit the project. Xcel Energy indicates that it submitted a conditional use permit application to the city of Chaska for the project on January 12, 2012. A local unit of government may relinquish its permitting jurisdiction by requesting that the Commission assume jurisdiction within 60 days of the filing of an application with the local unit of government (Minn. Rules 7850.5300, Subp. 4).

An environmental review process, including the development of an environmental assessment (EA), must be conducted by a local unit of government with jurisdiction over the project (Minn. Rules 7850.5300). Xcel Energy indicates that the city of Chaska will be responsible for the environmental review process for the proposed Chaska 115 kV transmission tap line project.

Specific requirements with regard to the environmental review process include (Minn. Rules 7850.5300, Subp. 5; see enclosed local review guide):

- (1) Providing an opportunity for the public to participate in the development of the scope of the environmental assessment before it is prepared,
- (2) Publishing notice in the EQB Monitor when the assessment is available for review and the procedure for commenting on the assessment, and
- (3) Withholding a final decision on the project until at least ten days after the notice appears in the EQB Monitor.

The city of Chaska must provide a copy of the environmental assessment to the Commission when it is completed (Minn. Rules 7850.5300, Subp. 5). Electronic filing (eFiling) of the environmental assessment is encouraged (<https://www.edockets.state.mn.us/EFiling>).

This letter confirms that Xcel Energy has sent the required notice to those persons on the Commission's general notification list that a permit has been applied for from a local unit of government (Minn. Rules 7850.5300, Subp. 3).

Please contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Ray Kirsch". The signature is fluid and cursive, with a large initial "R" and "K".

Ray Kirsch
raymond.kirsch@state.mn.us
651-296-7588

enclosure

cc: Burl Haar, Commission
Bob Cupit, Commission

Local Review of Energy Facilities – A Guide for Governmental Units, Utilities, and Developers

The Minnesota Public Utilities Commission (Commission) has responsibility and authority for the siting and routing of energy facilities in Minnesota, including power plants, transmission lines, wind farms, and pipelines. For certain eligible projects, local review and permitting is possible (Minn. Stat. § [216E.05](#)). For these projects, a utility (or developer) may apply to a local unit of government instead of the Commission for a permit to build the project.

Minnesota Rule [7850.5300](#) provides the procedural requirements that must be followed by local units of government (LGUs) and by utilities/developers for the local review option. These requirements should be reviewed before initiating a local review process.

Applicant Responsibilities

The utility/developer (applicant) considering local review should first ensure that the project meets the eligibility requirements of Minn. Stat. 216E.05. Second, the applicant should discuss, with the applicable LGU(s), the environmental review process required by Minn. Rule 7850.5300 and the permits that will be required for the project.

The applicant must, within ten days of applying to an LGU for a permit, notify the Commission of their intent to seek local review for the proposed project. The notice should include:

- (1) A complete description of the project,
- (2) A project map,
- (3) The LGU that will be conducting the environmental review for the project,
- (4) The LGU(s) that will need to issue a permit for the project, and
- (5) Contact information for the applicant and LGU(s).

The notice should be electronically filed through the Commission's eDockets system, <https://www.edockets.state.mn.us/EFiling>. Upon filing, the project will be assigned a docket number, which will be used to reference all future documents related to the project.

The applicant must also mail (by post or email) notice to the Commission's general notification list. This is a list of persons who have expressed an interest in local review projects. The list is available by contacting Department of Commerce, Energy Facility Permitting (EFP) staff. EFP staff acts as technical staff to the Commission and ensures compliance with local review procedural requirements. EFP staff contacts are listed on the Commission's [energy facility permitting website](#). The staff person for local review projects is Ray Kirsch, 651-296-7588, raymond.kirsch@state.mn.us.

The notice to the general notification list, with an accompanying affidavit of service, should be electronically filed into the eDockets system (eFiled).

LGU Responsibilities

A local unit of government (LGU) that accepts a local review project¹, must conduct an environmental review of the project before making a permit decision. This review requires the preparation of an environmental assessment (EA). An EA is an environmental review document provided for by the Power Plant Siting Act; it is not an EAW (see Minn. Rule [7850.3700](#)). The environmental review process

¹ An LGU may request that the Commission assume jurisdiction over a project by making a request to the Commission within 60 days of the permit application by the utility/developer, Minn. Rules 7850.5300, Subp. 4.

requires: (1) an opportunity for the public to develop the scope of the EA, and (2) notice in the EQB Monitor when the EA is completed and how persons may view the EA. An LGU may not make a permit decision until citizens have had a chance to review the EA (at least ten days after the EQB Monitor notice).

An environmental assessment should include, in an appendix, the following documents:

- (1) Notice of the EA scoping meeting (e.g., copy of letter, newspaper notice)
- (2) All comments received on the scope of the EA, including citizen comments and agency comments. If no comments were received (e.g., no citizen comments), then this should be noted.
- (3) A scoping decision by the responsible LGU which outlines those topics which will be evaluated and discussed in the EA.

To ensure that citizens are aware of the proposed project and how they can participate, the LGU should provide notice of public meetings (scoping meeting and any other public meetings for the project) through: (1) newspaper notice and (2) direct notice to affected landowners/citizens. The LGU should develop and use a mailing list that includes potentially affected citizens and applicable state agencies. The LGU should use this mailing list to provide notice of the EA's completion and availability for review (in addition to placing notice in the EQB Monitor – most citizens do not regularly read the EQB Monitor).

The LGU which leads the environmental review process must provide a copy of the EA to the Commission when completed. The EA should be electronically filed. An LGU does not need to submit the permit that it issues for the project to the Commission.

eFiled Documents

Based on Minnesota Rule 7850.5300 and the above discussion of applicant and LGU responsibilities, the documents that should be eFiled for a local review project include:

- (1) Applicant's notice to the Commission
- (2) Applicant's notice to the general notification list with affidavit of service
- (3) Notice in the EQB Monitor of the availability of the environmental assessment
- (4) The environmental assessment for the project

Assistance from EFP Staff

After the applicant provides notice to the Commission and to the general notification list, EFP staff will send a letter to the applicant and applicable LGU(s) (1) affirming that the project is eligible for local review, (2) recognizing one LGU as responsible for the environmental review of the project, and (3) noting those LGUs which must issue a permit or approval for the project.

EFP staff is available to assist applicants and LGUs with questions concerning the local review process. Additionally, applicants and LGUs can review previous local review projects on the Commission's energy facility permitting website, see [Local Review](#).

Frequently Asked Questions

- (1) *What if a proposed project affects several LGUs, e.g., County A, County B, and City C?*
Each LGU will likely have a specific permit which is required for the project. For example, County A and County B may need to issue a conditional use permit; City C may need to issue a facility permit. However, there is only one environmental review process for the project; one EA is developed. The LGUs affected must agree on the LGU that will lead the environmental review process. This LGU will

create the EA. All of the LGUs will then use the EA in making their permitting decisions. Thus, by agreement, County A could develop the EA for the project. County A, County B, and City C would all use this EA to make their respective permitting decisions.

- (2) *Can an applicant email notice to those persons on the general notification list that have provided email addresses?*

Yes, notice can be provided by email. The State of Minnesota provides notice by regular mail and solicits email addresses only for backup contact information. However, applicants can provide notice by a combination of email and regular mail. If an email address bounces, a regular mail address should be used.

- (3) *How does an LGU place a notice in the EQB Monitor?*

The EQB Monitor is a biweekly publication managed by the Minnesota Pollution Control Agency. Notices for the EQB Monitor should be sent to: EQB.Monitor@state.mn.us. Staff contacts and the EQB publishing schedule are available on the EQB website: www.eqb.state.mn.us.

- (4) *How does an LGU electronically file documents?*

Instructions for electronically filing (eFiling) documents with the Commission are included on the eDockets website: <https://www.edockets.state.mn.us/EFiling>. Click on "eFiling Help," <http://www.commerce.state.mn.us/eDocFile/eFilingHelp.html>.



414 Nicollet Mall
Minneapolis, Minnesota 55401-1993

January 17, 2012

Via Electronic Filing and U.S. Mail

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

RE: Notice of Election to Seek Local Review of Proposed 115 kV Transmission Tap Line

Dear Dr. Haar:

In accordance with the Power Plant Siting Act (PPSA), Minn. Stat. § 216E.05, subd. 3, and Minn. R. 7850.5300, subp. 3, this letter, filed via eFiling, serves as the required notice to the Minnesota Public Utilities Commission (Commission) that Northern States Power Company, a Minnesota corporation (Xcel Energy) intends to seek local review and approval to construct an approximately 0.5-mile, 115 kilovolt (kV) transmission tap line to serve the City of Chaska's West Creek Substation (see **Figure 1**).

Project Location

The Project site is located northeast of the intersection of County Road 11 (Guernsey Avenue) and County Road 10 in the City of Chaska, Carver County, MN. The proposed transmission tap line will be located in a rural residential area adjacent to agricultural lands. Chaska Creek crosses the Project area directly west of the City of Chaska's West Creek Substation near where the proposed transmission tap line would connect to the substation (see **Figure 1**).

Project Need

The City of Chaska recently constructed a new electrical substation (West Creek Substation) to serve 50 megawatts (MW) of electric load, including 20 MW to serve the West Creek Corporate Center currently under construction, and 30 MW to serve three additional distribution feeders for the electric needs on the west side of Chaska. In order to provide electric service from the City's substation, a new transmission tap line is required between the substation and the existing Great River Energy (GRE) transmission line located along County Road 11 (aka Guernsey Avenue).

Project Description

Xcel Energy proposes to construct an approximately 0.5-mile long, single circuit, 115 kV transmission tap line and associated facilities. As shown on **Figure 1**, the proposed transmission tap line route will extend from the west side of the City of Chaska's West Creek Substation and run approximately 80 feet south of, and parallel to, an existing 230 kV transmission line for approximately 0.4 miles, then south adjacent to County Road 11 (Guernsey Avenue) on private property for approximately 0.1 mile. From that point, the tap line will cross County Road 11 and

Dr. Burl Haar
January 17, 2012
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connect to a new switch structure on GRE's MV-VTT line on the west side of County Road 11. The proposed transmission line will be designed using single pole, horizontal or braced post structures composed of galvanized or weathering steel. The poles will be approximately 60-90 feet high with a span length of approximately 300-400 feet. Tangent structures will be directly embedded into the ground and dead-end structures will be constructed using 6 to 8-foot diameter concrete pier foundations.

The proposed transmission tap line will be operated at 69 kV in the short term, but will be built capable of operating at 115 kV in the future (likely by mid-2013) to meet the long-term needs of the West Creek Substation and the area's electric service load.

Local Governmental Unit

The City of Chaska (City) is the local governmental unit (LGU) for the Project. While the Project is required to be approved by the Commission pursuant to the PPSA, Minn. Stat. § 216E.05 and Minn. R. 7850.5300, Xcel Energy intends to seek local review and approval from the City via the Conditional Use Permit (CUP) process. City staff has indicated they are willing to review and grant a CUP for the Project. On January 12, 2012, Xcel Energy submitted a CUP application to the City for review and approval of the Project.

Pursuant to Minn. Stat. § 216E.05, subd. 1(b) and Minn. R. 7850.5300, subp. 4, the City has been notified that it has 60 days to refer permitting the Project to the Commission. Additionally, Xcel Energy will work with other applicable regulatory agencies to obtain any required Project specific permits regarding public land, water, and wetland crossings.

Xcel Energy provided notice to those persons on the Commission's General Notification List that a permit for the Project has been applied for from the City in accordance with Minn. R. 7850.5300, subp. 3. Questions for the City regarding this Project and the City CUP process should be directed to Melissa Duchinsky, Chaska City Planner, at (952) 448-9200, or me at (612) 330-2909 or Sage.Tauber@xcelenergy.com.

Thank you for your attention to this matter.

Sincerely,

XCEL ENERGY

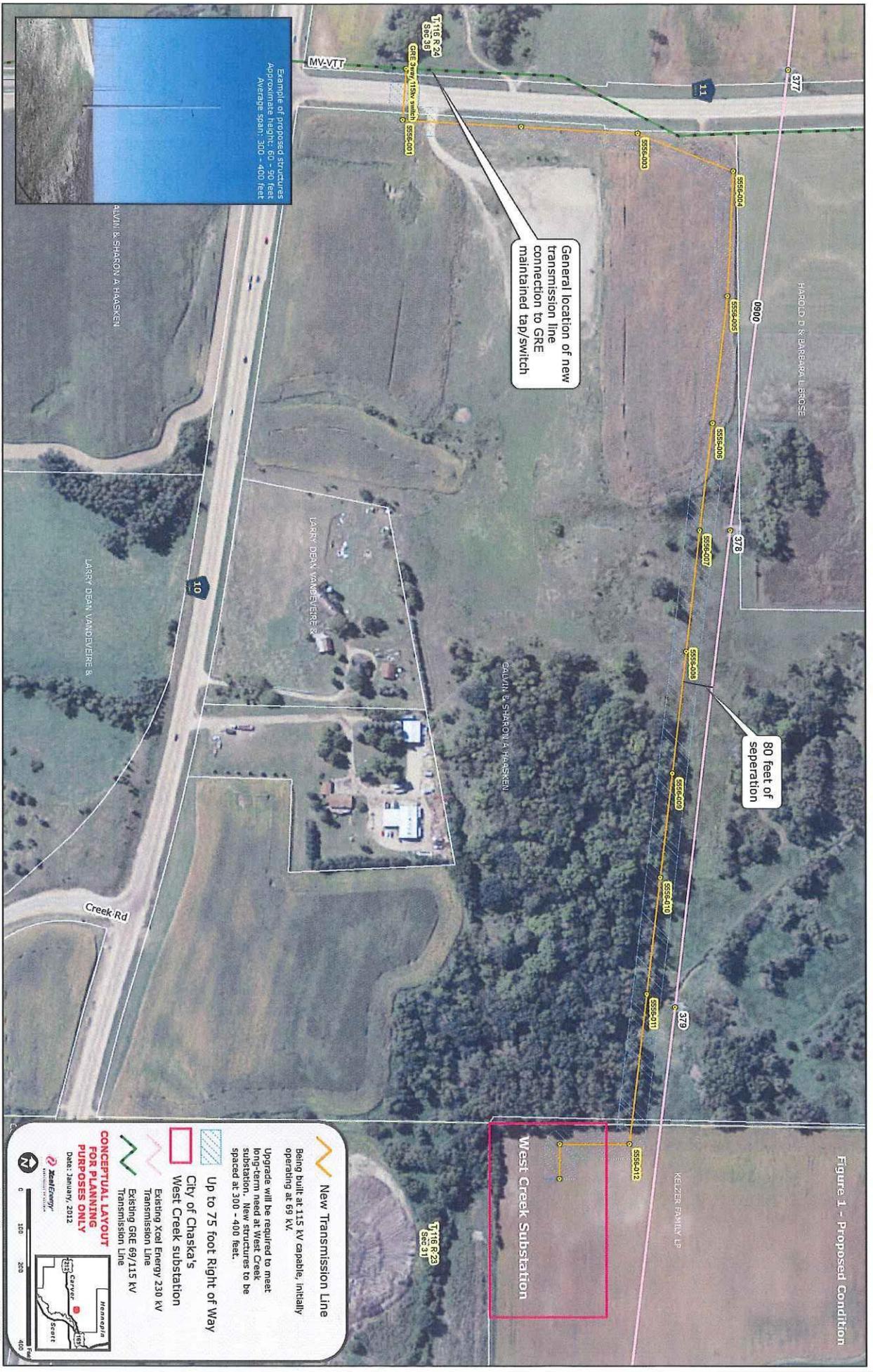


Sage Tauber
Permitting Analyst

Enclosure: Figure 1

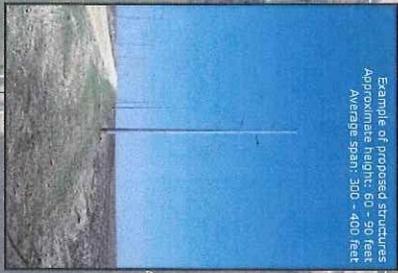
cc: Melissa Duchinsky, City Planner, City of Chaska – w/ encl.
Deborah Pile, Office of Energy Security – w/ encl.
Commission's General Notification List – w/ encl.

Figure 1 - Proposed Condition



General location of new transmission line connection to GRE maintained tap/switch

80 feet of separation



Example of proposed structures
 Approximate height: 60 - 90 feet
 Average span: 300 - 400 feet

Legend

- New Transmission Line
 Being built at 115 kV capable, initially operating at 69 kV.
 Upgrade will be required to meet long-term need at West Creek substation. New structures to be spaced at 300 - 400 feet.
- City of Chaska's West Creek substation
- Existing Xcel Energy 230 kV Transmission Line
- Existing GRE 69/115 kV Transmission Line
- Up to 75 foot Right of Way

CONCEPTUAL LAYOUT FOR PLANNING PURPOSES ONLY
 Date: January, 2012

Scale: 0 100 200 400 Feet

Map: Hennepin County, MN
 Location: West Creek



414 Nicollet Mall
Minneapolis, Minnesota 55401-1993

February 6, 2012

[Name]
[Address]

RE: Request for Comments on Proposed 115 kV Transmission Tap Line to Serve City of Chaska West Creek Substation, City of Chaska, Carver County, Minnesota

Dear [Name]:

Northern States Power Company, a Minnesota corporation (Xcel Energy), is requesting comments from regulatory agencies on a proposed project involving construction of an approximately 0.5-mile long, single circuit, 115 kilovolt (kV) transmission tap line and associated facilities to serve the City of Chaska's West Creek Substation (the "Project"). The Project site is located northeast of the intersection of County Road 11 (Guernsey Avenue) and County Road 10 in the City of Chaska, Carver County, MN. (See attached **Figure 1**.)

Permit Requirement

Xcel Energy has elected to follow the local permit review process set forth in Minn. Stat. §216E.05; Minn. R. 7850.5300 to permit the proposed transmission tap line. This process provides that applicants for applicable projects may seek approval from the local unit of government (LGU) that has jurisdiction over the site or route in lieu of applying to the Minnesota Public Utilities Commission (PUC) for a Route Permit. The City of Chaska is the LGU with jurisdiction over the Project site. Therefore, Xcel Energy is seeking approval of a Conditional Use Permit for the Project from the City of Chaska.

Project Description

As shown on attached **Figure 1**, the proposed transmission tap line route will extend from the west side of the City of Chaska's West Creek Substation and run approximately 80 feet south of, and parallel to, an existing 230 kV transmission line for approximately 0.4 miles, then extend south adjacent to County Road 11 (Guernsey Avenue) on private property for approximately 0.1 mile. From that point, the tap line will cross County Road 11 and connect to a new switch structure on Great River Energy's (GRE) existing transmission line on the west side of County Road 11. The transmission line will cross Chaska Creek as the line exits the substation; however, no work will occur within the creek and the transmission line will be designed to span the creek such that no permanent structures will be placed on the banks or within the creek channel.

The proposed transmission line will be designed using single pole, horizontal or braced post structures composed of galvanized or weathering steel. The poles will be approximately 60-90 feet high with a span length of approximately 300-400 feet. Tangent structures will be directly

February 6, 2012

Page 2

embedded into the ground and dead-end structures will be constructed using 6 to 8-foot diameter concrete pier foundations. Project construction is expected to commence in late spring or early summer of 2012.

A right-of-way width of up to 75 feet will be required for the construction of the transmission tap line (i.e., 37.5 feet on either side of the centerline of the transmission line route). Tree removal and vegetation clearing will occur within the right-of-way along the transmission line route prior to construction, and vegetation will be maintained following construction as necessary to meet operation and safety standards. The need to acquire new right-of-way will be minimized by the partial co-location of the proposed 115 kV transmission line with the existing 230 kV transmission line corridor in the area.

Please review this information and provide comments, questions or concerns you may have regarding the proposed Project within 30 days of receipt of this letter. For more information about the Project, please contact me at (612) 330-2909 or Sage.Tauber@xcelenergy.com. We appreciate your assistance with this Project.

Sincerely,

XCEL ENERGY, INC.

Sage Tauber
Permitting Analyst

Enclosure: Project Fact Sheet & Figure 1 – Proposed Condition Map

Cc: Carole Schmidt, Permitting Supervisor, Great River Energy
Dan Geiger, P.E., Electrical Director, City of Chaska

From: Sherman, Tod (DOT) [Tod.Sherman@state.mn.us]
Sent: Thursday, February 09, 2012 9:15 AM
To: Tauber, Sage
Cc: Kotch, Stacy (DOT)
Subject: 115 kV Transmission Tap Line to Serve City of Chaska West Creek Substation
Sage:

Thank you for submitting the proposed plans for the 115 kV Transmission Tap Line, to serve the City of Chaska West Creek Substation, to Stacy Kotch for review and comments.

The Minnesota Department of Transportation (MnDOT) has reviewed the plan and has no comments, as the proposed project should have little or no impact on MnDOT's highway system.

Please let me know if you have any questions, Tod

Tod Sherman, Planning Supervisor
Mn/DOT Metro District
1500 W. County Road B-2
Roseville, MN 55113
(651) 234-7794
tod.sherman@state.mn.us

Tauber, Sage

From: Doperalski, Melissa (DNR) [melissa.doperalski@state.mn.us]

Sent: Thursday, March 08, 2012 11:47 AM

To: Tauber, Sage

Cc: Zoch, Jean M (DNR)

Subject: Re: 115 kV Transmission Tap Line and Chaska West Creek Substation

The DNR has completed a preliminary review of the proposed project as presented in the February 6, 2012 Xcel Energy request for comments letter. It appears that the proposed line will impact a wooded area and will likely result in ROW vegetation removal. We recommend that vegetation removal be minimized to the extent feasible.

The proposed structure height is 60-90 feet. There is an existing 230kV line that proposed line will parallel. The DNR is concerned about the potential of avian collisions with transmission lines. Will the lines be of the same height and plane? Differing heights of lines, specifically as it pertains to the water crossing could increase the likelihood of a collision occurring.

Please be aware that Chaska Creek is a DNR public water. A License to Cross will be required. The License to Cross may require additional considerations be applied in the area of the crossing.

Please let me know if you have any questions,
Melissa

Melissa Doperalski

Region 3 Environmental Assessment Ecologist

Department of Natural Resources

651.259.5738

melissa.doperalski@state.mn.us

Tauber, Sage

From: Setering, Michael T MVP [Michael.T.Setering@usace.army.mil]
Sent: Monday, March 19, 2012 8:34 AM
To: Tauber, Sage
Subject: RE: Chaska transmission line site visit (UNCLASSIFIED)

Classification: UNCLASSIFIED

Caveats: NONE

Hi Sage:

Thanks for providing additional information. I walked the proposed transmission line corridor, and saw the area had been staked for centerline and edge of right-of-way which was helpful. I believe there may be wetlands located north of the project area; however, my observations did not suggest wetlands were present within the proposed corridor. It is my estimation that if any wetland areas are present, impacts resulting from the project would be minimal, and would qualify as non-reporting under our Regional General Permit.

Unless you have any additional questions for me, I will close our file on this project.

Thank you.

Michael T. Setering
Project Manager, Regulatory Branch
MN Counties: Brown, Carver, McLeod, Nicollet, Scott and Sibley

U.S. Army Corps of Engineers
St. Paul District, OP-R
180 East Fifth Street, Suite 700
Saint Paul, Minnesota 55101-1678

Telephone: (651) 290-5396
Facsimile: (651) 290-5330
Cubicle: 6S-13b
michael.t.setering@usace.army.mil

Please take a moment to complete our customer survey

<http://per2.nwp.usace.army.mil/survey.html>



DEPARTMENT OF THE ARMY
ST. PAUL DISTRICT, CORPS OF ENGINEERS
180 FIFTH STREET EAST, SUITE 700
ST. PAUL MINNESOTA 55101-1678

REPLY TO
ATTENTION OF

FEB 21 2012

Operations
Regulatory (2012-00620-MTS)

Ms. Sage Tauber
Xcel Energy, Inc.
414 Nicollet Mall
Minneapolis, Minnesota 55401-1993

Dear Ms. Tauber:

We have received your letter, dated February 6, 2012, concerning the proposed Chaska Creek substation and 115kV transmission tap line. The project is located in Section 31, Township 116 N., Range 23 W., and Section 36, Township 116 N., Range 24 W., Carver County, Minnesota

Based on our review of the information you provided with your letter, and other information available to us for the vicinity of the project area, we believe there may be seasonally flooded wetlands and/or wet meadow wetlands located adjacent to Chaska Creek and along portions of the proposed transmission line route. We recommend you perform a wetland determination and delineation for the area of the proposed substation and transmission line route.

Additionally, please consider the following general information concerning our regulatory program.

If the proposal involves discharge of dredged or fill material into waters of the United States, it may be subject to the Corps of Engineers' jurisdiction under Section 404 of the Clean Water Act (CWA Section 404). Waters of the United States include navigable waters, their tributaries, and adjacent wetlands (33 CFR § 328.3). CWA Section 301(a) prohibits discharges of dredged or fill material into waters of the United States, unless the work has been authorized by a Department of the Army permit under Section 404. Information about the Corps permitting process can be obtained online at <http://www.mvp.usace.army.mil/regulatory>.

For further information, please contact Michael Setering (651-290-5396), the Corps' project manager for the county in which this proposal is located.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Setering".

Tamara E. Cameron
for Chief, Regulatory Branch