



85 7th Place East, Suite 500, St. Paul, MN 55101-2198
main: 651.296.4026 tty: 651.296.2860 fax: 651.297.7891
www.commerce.state.mn.us

April 25, 2008

James B. Atkinson
Minnesota Power
30 W. Superior St.
Duluth, MN 55802

Rick Bradford, City Administrator
City of Hoyt Lakes
206 Kennedy Memorial Dr.
Hoyt Lakes, MN 55750

Re: 138 kV Substation and Transmission Line Local Review
PUC Docket Number: E015/LR-08-442

Dear Sirs:

This letter confirms that the Minnesota Public Utilities Commission (PUC) has received notification that Minnesota Power (MP) proposes to seek local review to build a 138 kilovolt (kV) substation and a 2.2 mile section of 138 kV transmission line to serve the substation. The project would be constructed in the City of Hoyt Lakes, MN.

This project falls under the Power Plant Siting Act, Minnesota Statute § 216E, and Minnesota Rules Chapter 7849, which require a permit from the PUC for transmission line projects over 100 kV. However, for eligible projects, local review and permitting is possible. A utility may apply to those local units of government that have jurisdiction over the project for a permit to build the project instead of applying to the PUC. The proposed 138 kV substation and transmission line project is eligible for local review (Minn. Stat. § 216E.05, Minn. Rules 7849.6200).

Minnesota Power has indicated, and clarified in an amendment to its notice, that the City of Hoyt Lakes is the local unit of government with jurisdiction to permit the project. A permit application was submitted to the city on April 15, 2008. A local unit of government may relinquish its jurisdiction by requesting the PUC to assume jurisdiction within 60 days of the filing of an application with the local unit of government (Minn. Rules 7849.6200, subp. 4).

An environmental review process, including the development of an environmental assessment, must be conducted by the local unit of government with jurisdiction over the project. This letter acknowledges that the City of Hoyt Lakes is the Responsible Government Unit for Minnesota Power's proposed project and associated environmental review.

Specific requirements with regard to the environmental review process include providing an opportunity for the public to participate in the development of the scope of the environmental assessment before it is prepared; publishing notice in the EQB Monitor of when the assessment is available for review and of the procedure for commenting on the assessment; and withholding a final decision on the project until at least ten days after the notice appears in the EQB Monitor. The City of Hoyt Lakes must also provide a copy of the environmental assessment to the PUC when it is completed (Minn. Rules 7849.6200, subp. 5).

Finally, this letter confirms that Minnesota Power has sent the required notice to those persons on the PUC general notification list that a permit has been applied for from the local unit of government (Minn. Rules 7849.6200, subp. 3).

If you have any questions, please feel free to contact me by phone or email.

Sincerely,



Ray Kirsch
Office of Energy Security
Department of Commerce
85 7th Place East, Suite 500
Saint Paul, MN 55101-2198
(P) 651.296.7588
(F) 651.297.7891
raymond.kirsch@state.mn.us