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December 16, 2010

Richard Hettwer
Southern Minnesota Municipal Power Agency
500 First Ave. SW
Rochester, MN 55902

Chuck Heins
Redwood Falls Public Utilities
333 S. Washington St.
Redwood Falls, MN 56283

Brian Balstad
Redwood County Government Center
403 S. Mill St., PO Box 130
Redwood Falls, MN 56283

**Re: Local Review of Redwood County 115 kV Transmission Line and Substation
Commission Docket Number: ET9, E298/LR-10-1272**

Dear Mr. Hettwer, Mr. Heins, and Mr. Balstad,

Greetings. This letter confirms that the Minnesota Public Utilities Commission (Commission) has received notification that Southern Minnesota Municipal Power Agency (SMMPA) and Redwood Falls Public Utilities (RFPU) intend to seek local review to construct a new 5-mile long 115 kilovolt (kV) transmission line and associated substation ("East Substation"). The new transmission line and substation would be located in the City of Redwood Falls and within the Redwood County townships of Delhi, Redwood Falls, and Paxton.

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 SMMPA and RFPU's proposed project is eligible for local review.

SMMPA and RFPU have indicated that Redwood County is the local unit of government with jurisdiction to permit this project. A conditional use permit application was submitted to Redwood County on December 6, 2010. 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 the local unit of government with jurisdiction over the project

(Minn. Rules 7850.5300). This letter acknowledges that Redwood County is the responsible governmental unit for the proposed project and associated environmental review. Specific requirements with regard to the environmental review process include (Minn. Rules 7850.5300, Subp. 5):

- (1) Providing an opportunity for the public to participate in the development of the scope of the environmental assessment (EA) 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.

Redwood County must also 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>). Files of less than five megabytes (5 MB) in size are also encouraged.

Finally, this letter confirms that SMMPA and RFPU have 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
Energy Facility Permitting
Office of Energy Security
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651-296-7588

cc: Burl Haar, Commission
Bob Cupit, Commission