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April 19, 2010

Burl W. Haar  
Executive Secretary  
Minnesota Public Utilities Commission  
127 7<sup>th</sup> Place East, Suite 350  
St. Paul, MN 55101-2147

**RE: Comments and Recommendation of Office of Energy Security  
Energy Facility Permitting Staff  
Docket No. E6675/MC-10-224**

Dear Dr. Haar,

Attached are the comments and recommendations of Office of Energy Security Energy Facility Permitting (OES EFP) staff in the following matter:

In the Matter of the Application by ITC Midwest, LLC for a Minor Alteration to the Hayward to Worth 161 kV Transmission Line in Freeborn County, Minnesota.

Staff recommends authorization of the minor alteration request with conditions.

Staff is available to answer any questions the Commission may have.

Sincerely,

Ray Kirsch  
OES EFP Staff



**BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

**COMMENTS AND RECOMMENDATIONS OF THE  
MINNESOTA OFFICE OF ENERGY SECURITY  
ENERGY FACILITY PERMITTING STAFF**

DOCKET NO. E6675/MC-10-224

Meeting Date: April 29, 2010

Agenda Item # \_\_\_\_\_

Company: ITC Midwest, LLC

Docket No. E6675/MC-10-224

**In the Matter of the Application by ITC Midwest, LLC for a Minor  
Alteration to the Hayward to Worth 161 kV Transmission Line in  
Freeborn County, Minnesota.**

Issue(s): Should the Commission authorize a minor alteration for the proposed 161 kV transmission line rebuild and associated substation? If so, what conditions, if any, should attach to the minor alteration?

OES Staff: Ray Kirsch.....651-296-7588

**Relevant Document(s)**

ITC Midwest, LLC's Request for Minor Alteration Authorization.....March 8, 2010  
Notice of Minor Alteration Application.....March 12, 2010

The enclosed materials are work papers of Office of Energy Security, Energy Facility Permitting (OES 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 tape) by calling (651) 201-2202 (Voice) or 1-800-627-3529 (TTY relay service).

## **Documents Attached**

1. Project Overview Map
2. Complaint Reporting Procedure for High Voltage Transmission Lines

Additional documents and information can be found on eDockets:

<https://www.edockets.state.mn.us/EFiling/search.jsp> (10-224) and the Commission's energy facilities permitting website: <http://energyfacilities.puc.state.mn.us/>.

## **Statement of the Issues**

Should the Commission authorize a minor alteration for the proposed 161 kV transmission line rebuild and associated substation per the provisions of Minnesota Rule 7850.4800? If so, what conditions, if any, should attach to the minor alteration?

## **Introduction and Background**

ITC Midwest, LLC ("ITC") is an independent electrical transmission company with a service area that includes Iowa and southern Minnesota. In December, 2007, ITC acquired approximately 6,800 miles of electrical transmission lines from Interstate Power and Light. ITC has subsequently undertaken improvements to these lines, including the project proposed here – the Hayward to Worth 161 kV transmission line rebuild and associated substation ("project").

The proposed project includes: (1) rebuilding the line within current easements, (2) straightening a section of the line to accommodate a landowner request, and (3) adding a substation along the line near the city of Glenville, Minn.

The existing 161 kV transmission line was constructed in 1958 and runs from Hayward, Minn., to Worth, Iowa, with approximately 11 miles of the line within Minnesota (Freeborn County). The electrical capacity of the line is inadequate to support the growth of wind generation facilities in Minnesota and Iowa. ITC is proposing to increase the electrical capacity of the existing 161 kV line by rebuilding the line with a 440 megavolt-amperes (MVA) conductor. The existing line will be removed and a new line constructed on existing easements (rights-of-way) on steel H-frame poles.

A short section of the new line will be straightened (two poles, spanning approximately 2000 ft.), requiring construction on new easements. In this section, the existing line was constructed to accommodate an outbuilding. The building has since been removed, and landowners have agreed to a new, straightened alignment and new easements.

A new substation will be added along the rebuilt line, approximately one and one-half miles south of the city of Glenville, Minn. The substation would be situated on a five acre parcel and would include a new 161/69 kV, 100 MVA transformer with associated breakers, bus work, and switches.

## **Regulatory Process and Procedures**

A minor alteration is a change in a large electric power generating plant or high voltage transmission line that does not result in significant changes in the human or environmental impact of the facility (Minn. Rule 7850.4800). Minnesota Rule 7850.4800 outlines the application, review, and public notice procedures to be used in seeking minor alteration authorization.

ITC filed a request with the Commission for minor alteration authorization for the project on March 8, 2010. On March 12, 2010, OES EFP staff, on behalf of the Commission, issued a notice of application for a minor alteration and associated comment period. Comments were sought on whether the proposed project is a minor alteration, whether the matter should be brought before the Commission, and any conditions that may be appropriate should the project be authorized as a minor alteration. The comment period closed on March 30, 2010. One comment was received.

The Commission may authorize the minor alteration, bring the matter to the Commission for consideration, or determine that the alteration is not minor and requires a full permitting decision (Minn. Rule 7850.4800, Subp. 3). The Commission may authorize the minor alteration but impose reasonable conditions on the approval (Minn. Rule 7850.4800, Subp. 3).

## **OES EFP Staff Analysis and Comments**

### ***Minor Alteration***

ITC's request for minor alteration authorization has been reviewed by OES EFP staff. The request provides adequate information for staff to conclude that the proposed project would not result in significant changes in the human or environmental impacts of the existing Hayward to Worth 161 kV transmission line and is eligible for authorization as a minor alteration.

The existing transmission line will be rebuilt on existing easements, with the exception of two poles. Thus, no new impacts will be introduced except potential impacts related to construction. If the transmission line were reconstructed without the landowner-requested straightening, the project would likely be exempt from Commission permitting requirements completely (Minn. Rule 7850.1500, Subp.1, B).

The substation will be constructed on a grassland parcel. No tree clearing will be required; no agricultural operations will be displaced. Freeborn County has held a public meeting regarding the proposed substation site and received no objecting comments. The county has issued a conditional use permit for the substation. The substation will displace five acres of current grassland habitat and will introduce potential impacts related to construction. However, these impacts do not rise to the level of a "significant change."

No public comments were received which proposed or argued that the project is not a minor alteration. Accordingly, OES EPF staff concludes that the project is eligible for authorization as a minor alteration.

### ***Conditions***

One public comment was received during the comment period – a comment from Freeborn County. The county is concerned about potential damage to roads and drain tiles due to construction activities associated with the project (e.g., use of a large crane to place poles). Though authorization of the project as a minor alteration by the Commission does not remove the need for ITC to obtain all necessary and proper local permits, OES EFP staff believes the county's concerns are worthy of inclusion as reasonable conditions.

In addition, OES EFP staff believes it would be appropriate to include as conditions reporting and procedural processes commonly found in transmission line routing permits. These conditions include: (1) use of a complaint procedure, (2) notice to landowners, and (3) notice to the Commission.

Thus, OES EFP staff recommends the following conditions:

- A. Roads.** ITC shall work closely with Freeborn County to ensure minimal disruption to area traffic and will obtain permits required for county and township road right-of-way use. Oversize and overweight truck permits will be coordinated with the Minnesota Department of Transportation (MnDOT) and the Freeborn County Department of Transportation. ITC shall repair or fairly reimburse Freeborn County and relevant townships for damages to county and township roads sustained during construction activities.
- B. Erosion Control.** ITC shall implement reasonable measures to minimize runoff during construction and shall promptly plant, seed, erect silt fences, and/or use other erosion control measures in areas that are disturbed by construction activities.
- C. Restoration.** ITC shall restore the right-of-way, temporary work spaces, access roads, abandoned right-of-way, and other private lands affected by construction (rebuild) of the transmission line. Restoration within the right-of-way must be compatible with the safe operation, maintenance, and inspection of the transmission line. ITC shall repair or fairly reimburse landowners for any damage including, but not limited to, yard/landscape damage, structure/fence damage, crop damage, and drain tile damage sustained during construction
- D. Permits.** ITC shall obtain all necessary permits for construction activities including, but not limited to, permits associated with potential impacts to wetlands and public waters, e.g., Minnesota Pollution Control Agency NPDES/SDS construction stormwater permit, Minnesota Department of Natural Resources license to cross public waters, Freeborn County Soil and Water Conservation District approvals.
- E. Complaint Procedure.** Prior to the start of construction, ITC shall submit to the Commission the procedure that will be used to receive and respond to complaints. The procedure shall be in accordance with the requirements set forth in the attached complaint procedure (Attachment 2)

**F. Notification to Landowners.** ITC shall provide all affected landowners with a copy of the Commission's order authorizing a minor alteration. ITC shall provide all affected landowners with a copy of the complaint procedure upon contacting landowners to begin construction.

**G. Notification to Commission.**

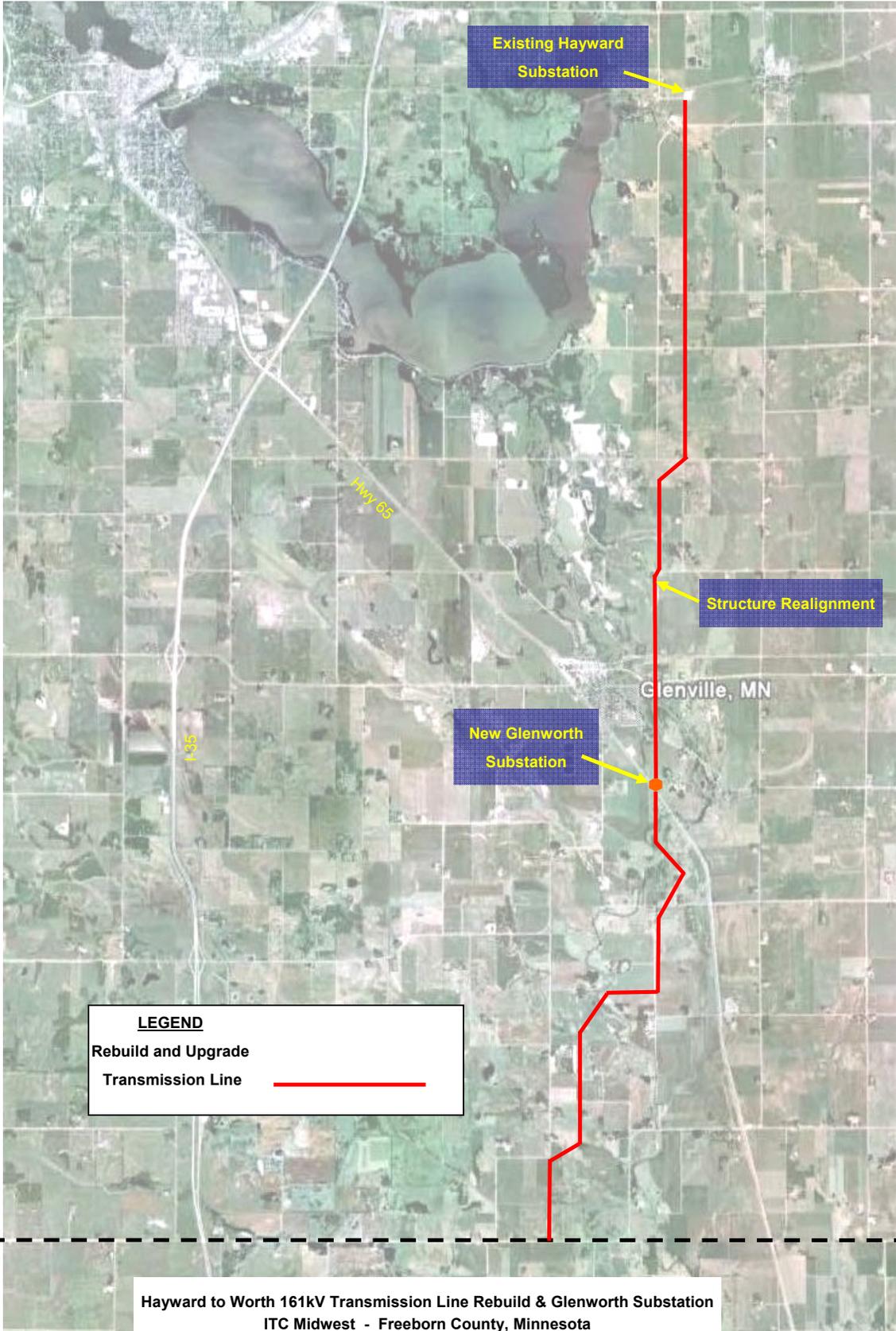
1. At least three days before the rebuilt line is to be placed into service, ITC shall notify the Commission of the date on which the line will be placed into service and the date on which construction was complete.
2. Within 60 days after completion of construction, ITC shall submit to the Commission geo-spatial information (GIS compatible maps, GPS coordinates) for all above ground structures associated with the project.

**Commission Decision Options**

- A. Authorize the minor alteration request for the Hayward to Worth 161 kV transmission line rebuild and associated substation without conditions.
- B. Authorize the minor alteration request for the Hayward to Worth 161 kV transmission line rebuild and associated substation with conditions A through G noted above.
- C. Determine that the alteration is not minor and requires a full permitting process.
- D. Make some other decision deemed more appropriate.

**OES EFP Staff Recommendation:** Staff recommends option B.

# PROJECT MAP



**MINNESOTA PUBLIC UTILITIES COMMISSION  
COMPLAINT REPORT PROCEDURES FOR  
HIGH VOLTAGE TRANSMISSION LINES**

**1. Purpose**

To establish a uniform and timely method of reporting complaints received by the permittee concerning the permit conditions for site preparation, construction, cleanup and restoration, special conditions, other requirements, and resolution of such complaints.

**2. Scope**

This reporting plan encompasses complaint report procedures and frequency.

**3. Applicability**

The procedures shall be used for all complaints received by the permittee.

**4. Definitions**

***Complaint*** – A statement presented to the permittee by a person expressing dissatisfaction, resentment, or discontent as a direct result of the high voltage transmission line and associated facilities. Complaints do not include requests, inquiries, questions or general comments.

***Substantial Complaint*** – A written complaint alleging a violation of a specific route permit condition that, if substantiated, could result in permit modification or suspension pursuant to the applicable regulations.

***Unresolved Complaint*** – A complaint which, despite the good faith efforts of the permittee and a person(s), remains to both or one of the parties unresolved or unsatisfactorily resolved.

***Person*** – An individual, partnership, joint venture, private or public corporation, association, firm, public service company, cooperative, political subdivision, municipal corporation, government agency, public utility district, or any other entity, public or private, however organized.

**5. Complaint Documentation and Processing**

Everyone involved with any phase of the high voltage transmission line is responsible for ensuring expeditious and equitable resolution of all complaints. It is therefore necessary to establish a uniform method for documenting and handling complaints related to this high voltage transmission line project. The following procedures will satisfy this requirement:

- A. The permittee shall document all complaints by maintaining a record of all applicable information concerning the complaint, including the following:
  - 1. Name of the permittee and project.
  - 2. Name of complainant, address and phone number.
  - 3. Precise property description or parcel number (where applicable).
  - 4. Nature of complaint.
  - 5. Response given.
  - 6. Name of person receiving complaint and date of receipt.
  - 7. Name of person reporting complaint to the Public Utilities Commission (Commission) and phone number.
  - 8. Final disposition and date.
  
- B. The permittee shall assign an individual to summarize complaints for transmittal to the Commission.

**6. Reporting Requirements**

The permittee shall report all complaints to the Commission according to the following schedule:

***Immediate Reports*** – All substantial complaints shall be reported to the Commission by phone or by e-mail the same day received or on the following working day for complaints received after working hours. Such reports are to be directed to permit compliance at the following: [DOC.energypermitcompliance@state.mn.us](mailto:DOC.energypermitcompliance@state.mn.us) or 1-800-657-3794. Voice messages are acceptable.

***Monthly Reports*** – By the 15th of each month, a summary of all complaints, including substantial complaints and unresolved complaints, received during the preceding month shall be eFiled with the Commission.

If no Complaints were received during the preceding month, the permittee shall submit (eFile) a summary indicating that no complaints were received.

**7. Complaints Received by the Commission or Department of Commerce**

Complaints received directly by the Commission or the Department of Commerce from aggrieved persons regarding site preparation, construction, cleanup, restoration, operation and maintenance shall be promptly sent to the permittee.

**8. Commission Process for Unresolved Complaints**

***Initial Screening*** – Commission staff shall perform an initial evaluation of unresolved complaints submitted to the Commission. Complaints raising substantive routing permit issues shall be processed and resolved by the Commission. Staff shall notify permittee and the complainant if it determines that the complaint is a substantial complaint. With

respect to such complaints, each party shall submit a written summary of its position to the Commission no later than ten days after receipt of the staff notification. Staff shall present briefing papers to the Commission, which shall resolve the complaint within 20 days of submission of the briefing papers.

***Condemnation/Compensation Issues*** – If the Commission’s staff initial screening determines that a complaint raises issues concerning the just compensation to be paid to landowners on account of permittee acquisition of high voltage transmission line easements, staff shall recommend to the Executive Secretary that the matter be resolved under the provisions of Minnesota Statutes, Chapter 117. If the Executive Secretary concurs, he shall so report to the Commission and the matter shall be dealt with in the high voltage transmission line condemnation proceedings as an issue of just compensation.

**9. Permittee Contacts for Complaints**

Mailing Address:

Complaints filed by mail should be sent to:

David B. Grover  
ITC Midwest  
444 Cedar St., Suite 1020  
St. Paul, MN 55101

Phone: (651) 222-1000, ext. 2308

Email Address: [dgrover@itctransco.com](mailto:dgrover@itctransco.com)