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March 17, 2014

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

Re: Northern States Power Company Application for Minor Alteration of the Blue Lake-Wilmarth-Lakefield 345 kV Transmission Line Docket No. E002/MC-14-163

Dear Dr. Haar:

Attached are the review and comments of the Minnesota Department of Commerce Energy Environmental Review and Analysis (EERA) staff in the below matter:

> In the Matter of Xcel Energy's Application for a Minor Alteration to the Blue Lake-Wilmarth-Lakefield 345 kV Transmission Line #0982 and Scott County Substation in Scott County

Xcel Energy, Inc. has submitted an application pursuant to Minnesota Rule 7850.4800 for approval of a minor alteration to construct a tap line that will connect the existing Blue Lake-Wilmarth-Lakefield 345 kV Transmission Line to the expansion of the Scott County Substation.

This filing was made on February 27, 2014, by:

Matt Langan, Senior Permitting Analyst
Xcel Energy, Inc.
414 Nicollet Mall, MP-7B
Minneapolis, Minnesota 55401

EERA staff is available to answer any questions the Commission may have.

Sincerely,

David Birkholz, EERA Staff

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BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS AND RECOMMENDATIONS OF MINNESOTA DEPARTMENT OF COMMERCE ENERGY ENVIRONMENTAL REVIEW AND ANALYSIS

DOCKET NO. E002/MC-14-163

Date: March 17, 2014

EERA Staff: David E. Birkholz 651-539-1838

In the Matter of Xcel Energy's Application for a Minor Alteration to the Blue Lake-Wilmarth-Lakefield 345 kV Transmission Line #0982 and Scott County Substation in Scott County

Issue(s) Addressed: These comments address the definition of a minor alteration and whether the requested modifications are minor. The comments also address whether conditions need be applied in granting the minor alteration.

Additional documents and information can be found on http://mn.gov/commerce/energyfacilities/Docket.html?Id=33769 or on eDockets https://www.edockets.state.mn.us/EFiling/search.jsp (Year "14" and Number "163")

This document can be made available in alternative formats; i.e. large print or audio tape by calling (651) 539-1530.

INTRODUCTION AND BACKGROUND

Xcel Energy, Inc. (Xcel Energy) filed an application[1] with the Public Utilities Commission (Commission) for a minor alteration on February 25, 2014 (updated February 27, 2014) to build an approximately 0.55-mile 345 kilovolt (kV) in-and-out tap line and a proposed upgrade to the Scott County Substation. The tap line will connect the existing Blue Lake-Wilmarth-Lakefield 345 kV Transmission Line #0982 to the expansion of the Scott County Substation. Xcel Energy states the project is needed to improve system performance in order to alleviate future load serving problems between the Scott County and Eden Prairie Substations.

[1] "Minor Alteration Request" (Application), Xcel Energy, Inc., 20142-96849-01, February 27, 2014

REGULATORY PROCESS AND PROCEDURE

Xcel Energy has filed a Minor Alteration request under Minnesota Rule 7850.4800, subp. 2. The rule states:

> The application shall be in writing and shall describe the alteration in the large electric power generating plant or high voltage transmission line to be made and the explanation why the alteration is minor.

In subp. 1, the same rule states:

> 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.

Subpart 3 explains the Commission's role in the proceeding is to determine whether or not the requested changes are minor, whether or not to authorize the alteration and whether or not to apply reasonable conditions on the action. The Commission may also determine the alteration is not minor and needs to be considered under the full permitting process.

EERA ANALYSIS AND COMMENTS

EERA staff met with Xcel Energy on October 15, 2013. Staff reviewed with the Applicant the standards for qualifying for a minor alteration and the process to make that application. Staff also reviewed a draft application in January 2014.

EERA staff has reviewed Xcel Energy's minor alteration application and agency comments to date. Based on this record, EERA staff believes that the proposed project would not result in significant changes in the human or environmental impacts of the Scott County Substation and the Blue Lake-Wilmarth-Lakefield 345 kV transmission line and is eligible for authorization as a minor alteration.

Minor Alteration

Minnesota Rule 7850.4800 provides a rather succinct standard for evaluating minor alteration applications – whether the proposed project will result in significant changes in the human and environment impacts of the existing facility. To flesh out this standard, EERA staff uses the routing factors of Minn. Rule 7850.4100. These are the issues considered by the Commission in permitting a new high voltage transmission line. These factors provide appropriate detail for evaluating the significance of potential human and environmental impacts. For example, Minn. Rule 7850.4100 subp. A notes that an evaluation of impacts to human settlements should include impacts related to displacement, noise, aesthetics, cultural values, recreation, and public services.[2]

[2] Minnesota Rule 7850.4100, https://www.revisor.mn.gov/rules/?id=7850.4100

The Application contains tables summarizing the requests, comparing the human and environmental impacts of the project and assessing the impacts based on analysis of the factors in Minn. Rule 7850.4100. These data and analysis provide EERA and, eventually the Commission, with the information necessary to evaluate if the modifications requested result in significant changes to the impacts of the facility.

Factors to Consider

EERA staff believes that for most all of the factors in Minn. Rule 7850.4100, the anticipated impacts of Xcel Energy's proposed project will be minimal. These factors, and elements thereof, address impacts related to:

- Human settlements (displacement, noise, cultural values, recreation, public services),
- Public health and safety,
- Land-based economies (agriculture, forestry, tourism, and mining),
- Archaeological and historic resources,
- Natural environment (air quality, flora, fauna, wetlands), and
- Rare and unique natural resources.

Additionally, EERA staff believes that there are factors in Minn. Rule 7850.4100 that are well met by the proposed project. These criteria are:

- Use or paralleling or existing rights-of-way, survey lines, natural division lines, and agricultural field boundaries,
- Use of existing transportation, pipeline, and electrical transmission systems or rights-of-way, and
- Electrical system reliability.

Finally, there are two additional considerations which argue that the impacts of Xcel Energy's proposed construction are not a significant change. First, .32 of the .55 mile tap line parallels either existing 115 kV transmission line corridor or occupies Hwy 169 right-of-way (58 percent of the tap line's total length). The majority of the rest of the line lies within the substation parcel boundary. Thus, incremental impacts will be minimal and related primarily to construction.

Second, Xcel Energy indicates that it has met with landowners and is not aware of any landowner objections to the project. Five of the six parcels already have transmission infrastructure. This lack of objection may be considered an indication of how landowners perceive the significance of the incremental impacts of the project. Landowners have received copies of this application and notice period. If no landowner objections are received during the comment period, it lends support to a conclusion that the impacts of the project are not a significant change.

Conditions

Even though the overall impacts should be minimal, Xcel Energy is proposing a 345 kV construction project, including large high voltage transmission structures. Accordingly, EERA staff believes it would be appropriate to include conditions on an authorization of the minor alteration request, specifically, conditions addressing (1) implementation of best management practices for construction, (2) use of the standard route permit complaint procedure, (3) notice to landowners, and (4) notice to the Commission as described below.

The Minnesota Department of Natural Resources communicated with Xcel Energy its agreement that the project would not create natural resource impacts. It also communicated its recommendations as to best management practices to avoid impacts during construction.[3] Xcel Energy agreed to these recommendations in its application.[4] EERA recommends that that agreement be codified in the authorizing Order of the Commission.

EERA also recommends that conditions regarding complaint procedures and notification to landowners and the Commission consistent with standard route permits be included in the Order:

1. **Best Management Practices.** Xcel Energy shall take precautions to avoid the spread of invasive plants by heavy equipment during construction and maintenance activities; use wildlife-friendly erosion control materials (see attached) to reduce mortality to small nongame species; work with landowners to preserve, wherever possible, low-growing shrub species that can provide wildlife habitat; and use only native seed mixes where re-seeding of vegetated areas is needed.

2. **Complaint Procedure.** Prior to the start of construction, Xcel Energy 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 Commission's standard complaint handling procedure (see attached).

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

4. **Notification to Commission.**

    a. At least three days before the line is to be placed into service, Xcel Energy shall notify the Commission of the date on which the line will be placed into service and the date on which construction was complete.

    b. Within 60 days after completion of construction, Xcel Energy shall submit to the Commission geo-spatial information for all above ground structures associated with the project.

EERA CONCLUSIONS AND RECOMMENDATION

EERA concludes the requested alterations do not significantly change the human or environmental impact of the facility and are, therefore, minor.

EERA recommends the Commission approve Xcel Energy's request to expand the Scott County Substation and construct a tap line connecting the existing Blue Lake-Wilmarth-Lakefield 345 kV Transmission Line to the substation, with the above conditions.

[3] Application at Appendix A
[4] Id. at 10

Wildlife-friendly Erosion Control

Wildlife entanglement in, and death from, plastic netting and other man-made plastic materials has been documented in birds (Johnson, 1990; Fuller-Perrine and Tobin, 1993), fish (Johnson, 1990), mammals (Derraik, 2002), and reptiles (Barton and Kinkead, 2005; Kapfer and Paloski, 2011). Unfortunately, the use of these materials for erosion control continues in many cases, often without consideration for wildlife impact. This plastic netting is frequently used for erosion control during construction and landscape projects and can negatively impact terrestrial and aquatic wildlife populations as well as snag in maintenance machinery, resulting in costly repairs and delays. However, erosion-control materials that are wildlife friendly do exist and are sold by several large companies. Below are a few key considerations before starting a project.

Know Your Options

- Remember to consult with local natural resource agencies (DNR, USFWS, etc.) before starting a project. They can help you identify sensitive areas and rare species.
- When erosion control is necessary, select products with biodegradable netting (natural fiber, biodegradable polyesters, etc.).
- DO NOT use products that require UV-light to biodegrade (also called "photodegradable") as they do not biodegrade properly when shaded by vegetation.
- Use netting with rectangular-shaped mesh (not square mesh).
- Use netting with flexible (non-welded) mesh.

Woven 100% natural fiber erosion-control materials being utilized along a central Minnesota stream. ©MN DNR, Nick Proulx

Know the Landscape

- It is especially important to use wildlife-friendly erosion control around:
  - Areas with threatened or endangered species.
  - Wetlands, rivers, lakes, and other watercourses.
  - Habitat-transition zones (prairie – woodland edges, rocky outcrop – woodland edges, steep rocky slopes, etc.).

Fish trapped and killed by welded-plastic square erosion-control mesh improperly placed along a small central Minnesota stream. Photo courtesy of Ben Lowe.

- Use erosion mesh wisely; not all areas with disturbed ground necessitate its use. Do not use plastic mesh unless it is specifically required. Other erosion-control options exist (open weave textile (OWT), rolled erosion control products (RECPs) with woven, natural fiber netting).

Protect Wildlife

- Avoid photodegradable erosion-control materials where possible.
- Use only biodegradable materials (typically made from natural fibers), preferably those that will biodegrade under a variety of conditions.
- The cost of erosion-control material that is wildlife friendly is often comparable to conventional plastic netting.

Plains Gartersnake trapped and killed by welded-plastic square erosion-control mesh placed along a newly installed cement culvert in southern Minnesota. ©MN DNR, Carol Hall

A small vole that was strangled and killed by plastic erosion-control material with welded and square mesh. Photo taken in southern Minnesota and provided courtesy of Tom Jessen.

Literature Referenced

Barton, C. and K. Kinkead. 2005. Do erosion control and snakes mesh? Soil and Water Conservation Society 60:33A-35A.

Derraik, J.G.B. 2002. The pollution of the marine environment by plastic debris: a review. Marine Pollution Bulletin 44:842-852.

Fuller-Perrine, L.D., and M.E. Tobin. 1993. A method for applying and removing bird-exclusion netting in commercial vineyards. Wildlife Society Bulletin 21:47-51.

Johnson, S.W. 1990. Distribution, abundance, and source of entanglement debris and other plastics on Alaskan beaches, 1982-1988. Proceedings of the Second International Conference on Marine Debris 331-348.

Kapfer, J.M., and R.A. Paloski. 2011. On the threat to snakes of mesh deployed for erosion control and wildlife exclusion. Herpetological Conservation and Biology 6:1-9.

MINNESOTA PUBLIC UTILITIES COMMISSION
COMPLAINT HANDLING PROCEDURES
FOR
HIGH VOLTAGE TRANSMISSION LINES

1. Purpose:

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

2. Scope:

This document describes complaint reporting procedures and frequency.

3. Applicability:

The procedures shall be used for all complaints received by the permittee and all complaints received by the Commission under Minn. Rule 7829.1500 or 7829.1700 relevant to this permit.

4. Definitions:

Complaint: A verbal or written statement presented to the permittee by a person expressing dissatisfaction or concern regarding site preparation, cleanup, restoration, or other transmission line route permit conditions. 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:

A) The permittee shall designate an individual to summarize complaints for submission to the Commission. This person's name, phone number and e-mail address shall accompany all complaint submittals.

B) A person presenting a complaint should to the extent possible, include the following information in their communications:

1. Name of complainant, address, phone number, and e-mail address.
2. Date of complaint
3. Tract or parcel number
4. Whether the complaint relates to (1) a route permit matter, (2) a transmission line and associated facility issue, or (3) a compliance issue.

C) The permittee shall document all complaints by maintaining a record of all applicable information concerning the complaint, including the following:

1. Docket number and project name
2. Name of complainant, address, phone number, and e-mail address
3. Precise property description or parcel number
4. Name of permittee representative receiving complaint and date of receipt.
5. Nature of complaint and the applicable route permit conditions(s).
6. Activities undertaken to resolve the complaint.
7. Final disposition of the complaint.

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 the same day received, or on the following working day for complaints received after working hours. Such reports are to be directed to the Commission's Consumer Affairs Office at 1-800-657-3782 or consumer.puc@state.mn.us. Voice messages are acceptable. For email reporting, the email subject line should read "EFP Substantial Complaint" and include the appropriate project docket number.

Monthly Reports: By the 15th of each month, a summary of all complaints, including substantial complaints received or resolved during the preceding month, shall be eFiled to Dr. Burl W. Haar, Executive Secretary, Public Utilities Commission, using the State of Minnesota eDockets system.

If no Complaints were received during the preceding month, the permittee shall submit (eFile) a summary indicating that no complaints were received.
The permittee shall commence and continue to file monthly reports from the time of permit issuance through the 12 months following the notice of project completion. Thereafter, the permittee shall file a complaint report with the Commission within 14 days of the receipt of a new complaint through the term of the permit.

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

Complaints received directly by the Commission or Department 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:

Commission staff shall perform an initial evaluation of unresolved complaints submitted to the Commission. Complaints raising substantial transmission line route permit issues shall be processed and resolved by the Commission. Staff shall notify the permittee and appropriate person(s) 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. The complaint will be presented to the Commission for a decision as soon as practicable.

9. Permittee Contact for Complaints and Complaint Reporting

The permittee will eFile the permittee's contact person for complaints within 14 days of the order granting a route permit. The permittee will include the contact person and their associated contact information (mailing address, phone number, and email address) in the permit mailing to landowners and local governments.