

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

LeRoy Koppendrayer  
Ken Nickolai  
Marshall Johnson  
Phyllis Reha  
Thomas Pugh

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

Carole A. Schmidt  
Great River Energy  
17845 East Highway 10  
PO Box 800  
Elk River, MN 55330-0800

SERVICE DATE: **JUN -9 2006**

DOCKET NO. ET2/MC-06-695

In the Matter of the Request by Great River Energy for a Minor Alteration to the Air Lake-Empire 115kV Transmission Line Route Permit

The above entitled matter has been considered by the Commission and the following disposition made:

**Authorized Great River Energy to realign approximately 1000 feet of the Air Lake-Empire Project transmission line along a new extension of 210th Street east of Highway 3 in Farmington, Minnesota, under the Minor Alteration provisions of Minnesota Rule 4400.3820.**

The Commission agrees with and adopts the recommendations of the Department of Commerce which are attached and hereby incorporated in the Order.

BY ORDER OF THE COMMISSION



Burl W. Haar  
Executive Secretary

(S E A L)

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).



**BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

**COMMENTS AND RECOMMENDATIONS OF THE  
MINNESOTA DEPARTMENT OF COMMERCE  
ENERGY FACILITY PERMITTING STAFF**

DOCKET No. ET2/MC-06-695

Meeting Date: June 8, 2006

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

Company: Great River Energy

Docket No. ET2/MC-06-695

In the Matter of an Application for a Minor Alteration to the 115 kV Route Permit issued to GRE on February 22, 2005 (EQB Docket No. 04-81-TR-Air Lake-Empire) requesting to realign approximately 1000 feet of transmission line along a new extension of 210<sup>th</sup> Street east of Highway 3 in Farmington City in Dakota County, Minnesota

Issue(s): Should the Minnesota Public Utilities Commission (PUC) grant or deny authorization to Great River Energy (GRE) to make the requested construction alignment change in the Air Lake-Empire Project under the Minor Alteration provisions of Minnesota Rule 4400.3820?

DOC Staff: David E. Birkholz .....651-296-2878

The enclosed materials are work papers of the Department of Commerce Energy Facility Permitting 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).

**Relevant Documents** (in Commission Packet)

Initial Filing - Great River Energy ..... REC'D May 3, 2006 (#1)  
Notice of Request for Minor Alteration of a Route Permit ..... REC'D May 16, 2006 (#2)

**Documents Attached**

1. "Route Permit for Construction of a Substation and a High Voltage Transmission Line," February 22, 2005
2. Relevant Map Segment from Route Permit Addendum

(Note: Relevant documents and additional information can be found on eDockets (06-695) or the PUC Facilities Permitting website, <http://energyfacilities.puc.state.mn.us/Docket.html?Id=6237>)

---

**Statement of the Issue**

GRE is requesting a minor alteration of its Air-Lake Empire High Voltage Transmission Line (HVTL) permit because, as per their application, "the developer of proposed Sunrise Ponds P.U.D. has requested that GRE modify the alignment of approximately 1000 feet of the transmission line to accommodate the proposed development."

Should the Minnesota Public Utilities Commission (PUC) grant or deny authorization to Great River Energy (GRE) to make the requested construction alignment change in the Air Lake-Empire Project under the Minor Alteration provisions of Minnesota Rule 4400.3820?

**Introduction and Background**

On February 22, 2005, the Environmental Quality Board (EQB) issued a permit for a 115 kV HVTL and Substation to Xcel Energy and GRE. The permit authorized Xcel Energy to build the western portion of the line from Air Lake Substation to the new Vermillion River Substation in Farmington. GRE has been authorized to build the eastern portion from the Vermillion River Substation to the Empire Substation in Empire Township. The GRE portion contains the relevant segment addressed by the request.

Section III.D of the Permit reads:

"From Hwy 3, the route follows the "City of Farmington" alternative (EA, Section 4.1.3, and Figure 7), whereby the route continues along the abandoned railway corridor, which is also the planned extension of 210<sup>th</sup> Street (called the Willow Extension). This segment runs northeasterly for about ½ mile to 210<sup>th</sup> Street and Cambodia Avenue. From Cambodia the line runs along 210<sup>th</sup> Street to the intersection with Ahern Road.

### ***Project Location***

The area in question is within the property directly west of Cambodia Avenue where it intersects with 210<sup>th</sup> Street in Empire Township (see attached map). The original permit ran the HVTL along the northern property line of the parcel in order to avoid dissecting the farm property with the line. At the time of the permit issuance, the property was still owned by the original farm property owners, and the alignment of the proposed 210<sup>th</sup> Street extension was not finalized. Since then, the property has been sold to the Bridgeland Development Company.

### ***Project Description***

The developer has since submitted plans for a housing development within the affected property. The city of Farmington has also laid out its plans for the street extension (see Exhibit 2 attached to the application). The GRE request is to move approximately 1000 feet of the HVTL that would have run along the northern property line and relocate that segment to parallel the new street extension. According to GRE and the developer, that allows for an addition 18 affordable housing units within the parcel boundaries.

Although the ownership of the parcel has changed, the minor alteration would keep the permitted HVTL within the boundaries of the original parcel.

### ***The Applicant***

Great River Energy is proposing this minor alteration. GRE is a not-for-profit generation and transmission cooperative based in Elk River, Minn. GRE provides electrical energy and related services to 28 member distribution cooperatives that, in turn, supply electricity and related services to more than 500,000 residential, commercial and industrial customers in Minnesota and Wisconsin.

### **Regulatory Process and Procedures**

Effective July 1, 2005, Article 3 of Senate File 1368 transferred energy facility permitting (power plants, transmission lines, pipeline and wind turbine siting) authority from the Minnesota EQB to the PUC including authority under Minnesota Rule 4400.3820 covering minor alterations.

A minor alteration is defined as a change in a high voltage transmission line that does not result in significant changes in the human or environmental impact of the facility. The term “minor alteration” is subjective and requires a decision each time as to whether or not the proposed change results in significant changes in the human or environmental impacts.

Minnesota Rule 4400.3820 specifies requirements for the application and for the review and public notice procedures to be used in seeking authorization of a minor alteration. The following necessary and sufficient steps are accounted for in process:

GRE submitted its application in writing on May 3, 2006. The applicant has proposed in its application that the alteration “is a minor shift in alignment and will not result in significant changes to human or environmental resources in the vicinity.” The application includes a map of the proposed development and street extension to support that conclusion.

DOC EFP staff mailed public notice of receipt of the application to those persons on the general distribution list and to persons on the Air Lake-Empire project list on May 16, 2006, establishing the required ten-day notice period for the public to be made aware of and make comments on the proposed project. The close of the comment period was May 29, 2006.

According to Minnesota Rule 4400.3820, subd 3, the PUC must make a determination within ten days of the close of comments whether or not to authorize the Minor Alteration.

No public comments were received by the close of the comment period.

### **DOC EFP Staff Analysis and Comments**

DOC EFP staff did not discover any significant adverse issues during the review of the minor alteration application request.

1. The original alignment in the permit protected the investment of the current landowner, keeping the transmission line from traversing the center of their property. Maintaining the original alignment could arguably harm the current landowners in their ability to develop the parcel.
2. The original alignment and the proposed alteration are both within the same parcel. No other property owners would be affected.
3. The city of Farmington has proposed the alignment of the 210<sup>th</sup> Street extension. Changing the alignment according to the Minor Alteration request would allow the street and the HVTL to share one infrastructure corridor.
4. Since the land use of the parcel has changed from agricultural to residential, there would be no adverse effect on the environment by authorizing the realignment.
5. The developer argues that the realignment would allow for the additional development of up to 18 affordable housing units within the parcel boundaries.
6. All affected parties, GRE, the city of Farmington and the developer, are in agreement with the proposed realignment.
7. GRE estimates the difference in construction costs would be nominal.

## **PUC Decision Options**

According to the provisions of the rule, the PUC may select one of the following actions:

- A. Authorize Great River Energy (GRE) to realign approximately 1000 feet of the Air Lake-Empire Project transmission line along a new extension of 210<sup>th</sup> Street east of Highway 3 in Farmington, Minnesota, under the Minor Alteration provisions of Minnesota Rule 4400.3820.
- B. Determine that the alteration is not minor and requires a full permitting decision.
- C. Authorize the Minor Alteration but impose reasonable conditions on the approval.
- D. Deny the Minor Alteration request.
- E. Make some other decision deemed more appropriate.

## **DOC EFP Staff Recommendation:**

DOC EFP staff recommends Option A.