

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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SERVICE DATE: **JUL 17 2006**

DOCKET NO. ET-2,E-002/M-06-847

ORDER

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80 South Eighth Street  
Minneapolis, MN 55402

In the Matter of the Joint Petition of Great River Energy and Xcel Energy to Transfer a Portion of the Air Lake-Empire 115 kV HVTL Route Permit in Farmington, Minnesota

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

**Authorized the transfer from Great River Energy to Xcel Energy of the portion of the Route Permit consisting of the one-third mile segment of the Air Lake-Empire project transmission line between the Vermillion River Substation and Akin Road in Farmington, Minnesota, under the Transfer of Permit provisions of Minnesota Rule 4400.3850.**

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



Burt W. Haar  
Executive Secretary

(S E A L)

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**BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

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

DOCKET No. ET2,E002/M-06-847

Meeting Date: June 29, 2006

Agenda Item # 16

Company: Great River Energy (GRE) and Xcel Energy

Docket No. ET2,E002/M-06-847

In the Matter of an Application for a Transfer of a portion of the 115 kV Route Permit issued to GRE on February 22, 2005 (EQB Docket No. 04-81-TR-Air Lake-Empire), requesting to reassign control to Xcel Energy of approximately one-third mile of transmission line between the new Vermillion Substation and Akin Road in Farmington City in Dakota County, Minnesota

Issue(s): Should the Minnesota Public Utilities Commission (PUC or Commission) grant or deny authorization to Great River Energy and Xcel Energy to make the jointly requested transfer in the Air Lake-Empire Project under the Transfer of Permit provisions of Minnesota Rule 4400.3850?

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.

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**Relevant Documents** (in Commission Packet)

Initial Filing - Great River Energy and Xcel Energy ..... May 30, 2006 (#1)  
Notice of Joint Petition to Transfer a Portion of a Route Permit..... June 9, 2006 (#2)

(Relevant documents and additional information can be found on eDockets (06-847) or the PUC Facilities Permitting website, <http://energyfacilities.puc.state.mn.us/Docket.html?Id=6237>)

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**Statement of the Issue**

Great River Energy and Xcel Energy are requesting to transfer a portion of the Air-Lake Empire High Voltage Transmission Line (HVTL) permit, as per their application, “to reflect actual ownership of the facilities.”

Should the Minnesota Public Utilities Commission (PUC) grant or deny authorization to GRE and Xcel Energy to make the requested change in the Air Lake-Empire Project under the Transfer of Permit provision of Minnesota Rule 4400.3850?

**Introduction and Background**

On February 22, 2005, the Environmental Quality Board (EQB) issued a permit for a 115 kV High Voltage Transmission Line (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 was authorized to build the eastern portion from the Vermillion River Substation to the Empire Substation in Empire Township. The following is the relevant segment addressed by the request.

Section III.C of the Permit reads:

“From the Vermillion River Substation eastward, the line will be constructed, owned and operated by Great River Energy. From the Vermillion River Substation, the existing 69 kV line will be rebuilt to a 69/115 kV double circuit line along the existing Xcel Energy route directly east, approximately 1/3 mile to Akin Road.”

***Project Location***

The area in question is the one-third mile of HVTL as described above.

***Project Description***

Xcel Energy currently owns the 69 kV line that will be rebuilt to a 69/115 kV double-circuit. Because Xcel Energy already owns the easement rights for this segment, GRE and Xcel Energy are requesting this transfer so that Xcel Energy is authorized to construct the line.

No alterations of the line placement or conditions of the permit are being requested.

### ***The Applicant***

Great River Energy and Xcel Energy are jointly proposing the transfer.

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 approximately 560,000 residential, commercial and industrial customers in Minnesota and Wisconsin.

Xcel Energy, headquartered in Minneapolis, Minnesota, is the fourth-largest combination electricity and natural gas energy company in the United States. In Minnesota, Xcel Energy provides electricity to approximately 1.2 million customers.

### **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 4400.3850 covering transfer of permits.

Minnesota Rule 4400.3850 specifies requirements for the application, review and public notice procedures to be used in authorization of a permit transfer. The requirements have been met as follows:

GRE and Xcel Energy submitted their application in writing on May 30, 2006. The applicants proposed in their application that the transfer is requested “to reflect actual ownership of the facilities.”

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 June 9, 2006.

According to Minnesota Rule 4400.3850, subp 1, the PUC can make a determination within seven days of notice whether or not to authorize the Transfer of Permit. The Commission must decide if the new permittee will comply with the conditions of the permit.

The Commission also has the option under Minnesota Rule 4400.3850, subp 2, to postpone making a ruling and to hold a public meeting to give the public an opportunity to comment on the request for transfer.

Outside this provision, no public comment period is required for this process.

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

DOC EFP staff did not discover any significant issues during the review of the transfer of permit request. All procedural requirements were met, and the test for the capability of compliance with the permit conditions by the new permittee has been met. No public comments have been received on the transfer request, and staff suggests a public meeting is unnecessary in this case.

1. Minnesota Rule 4400.3850 subp 2 states the Commission “shall approve the transfer if the (PUC) determines that the new permittee will comply with the conditions of the permit.”
2. Xcel Energy is the co-permittee of the original action. Accordingly, they have already been determined to be capable of complying with all permit conditions.

### **PUC Decision Options**

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

- A. Authorize the transfer from Great River Energy to Xcel Energy of the portion of the Route Permit consisting of the one-third mile segment of the Air Lake-Empire Project transmission line between the Vermillion River Substation and Akin Road in Farmington, Minnesota, under the Transfer of Permit provisions of Minnesota Rule 4400.3850.
- B. Authorize the transfer from Great River Energy to Xcel Energy of the portion of the Route Permit consisting of the one-third mile segment of the Air Lake-Empire Project transmission line between the Vermillion River Substation and Akin Road in Farmington, Minnesota, under the Transfer of Permit provisions of Minnesota Rule 4400.3850; impose reasonable additional conditions in the permit as part of the approval.
- C. Authorize a public meeting to provide the public with an opportunity to comment on the request for the transfer prior to making a decision.
- D. Deny the Transfer of Permit request.

**DOC EFP Staff Recommendation:** Staff recommends Option A.