



BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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

DOCKET NO. E002/TL-07-1626

Meeting Date: February 7, 2008

Agenda Item # _____

Company: Xcel Energy

Docket No. E002/TL-07-1626

**In the Matter of the Application for a Route Permit for the Yankee -
Brookings County #2 115kV High Voltage Transmission Line**

Issue(s): Should the Commission accept the application as substantially complete? If accepted, should the Commission authorize the DOC to appoint a public advisor and an advisory task force?

DOC Staff: Adam M. Sokolski651-296-2096

Relevant Documents (in Commission Packet)

Initial Filing- Route Permit Application – Xcel Energy January 18, 2008

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).

Document Attached

1. Figure 2 – Proposed Route Map from Application

(Note: Relevant documents and additional information can be found on eFilings (07-1626) or the PUC Facilities Permitting website: <http://energyfacilities.puc.state.mn.us>)

Statement of the Issues

Should the Commission accept the application as substantially complete? If accepted, should the Commission authorize the DOC to appoint a public advisor and an advisory task force?

Introduction and Background

Xcel Energy proposes to build a second 115 kV high voltage transmission line (HVTL) from its existing Yankee Substation in Minnesota to its existing Brookings County Substation in South Dakota. On December 18, 2007, Xcel Energy filed a notice with the PUC indicating that it intended to file a route permit application for the Project under the Alternative Review Process. On January 18, 2008, Xcel Energy filed a route permit application for the Yankee to Brookings #2 115kV Project.

The proposed Yankee to Brookings #2 115kV project (the “Project”) is one of three transmission line route permits filed by Xcel Energy (Xcel) for its “Buffalo Ridge Incremental Generation Outlet” (BRIGO) transmission project.

The BRIGO transmission project is part of a series of measures intended to increase transmission capacity to export wind energy generated on the Buffalo Ridge to Xcel Energy’s customers. Xcel indicates that the three proposed BRIGO transmission lines will increase the transmission outlet capacity on the Buffalo Ridge from approximately 825 megawatts (MW) to approximately 1,175 MW and resolve electric reliability issues in the city of Marshall.

The Minnesota Public Utilities Commission (PUC or Commission) issued a Certificate of Need (CON) to Xcel Energy for the BRIGO transmission project on September 14, 2007. In its Order, the PUC required that Xcel file route permit applications for all the three BRIGO transmission lines no later than January 2008 and take necessary steps to have the lines constructed and in-service no later than spring 2009.

Project Area

The Xcel Energy Yankee to Brookings #2 115kV project is proposed in Lincoln County, Minnesota and Brookings County, South Dakota. Nearly the entire proposed route runs parallel to county and township road rights-of-way.

The area along the proposed route is rural and dominated by agricultural land uses. The area contains rural homes, farmsteads, and several large wind farms. Several transmission lines, distribution lines and wind farm feeder lines are also present in the area.

Project Description

The length of the proposed transmission line route is approximately 13 miles, approximately 6.5 miles of which is in Minnesota. Xcel proposes to install associated facilities including improvements to both substations to accommodate the new transmission line.

Xcel's Application provides the following detailed description of its proposed route and a color map is attached:

“The proposed Route in Minnesota begins at the Yankee Substation at the corner of 120th Avenue and 160th Street in Lincoln County and proceeds west for one-mile along 160th Street and then turns northward along 110th Avenue on the Minnesota side of the state line until it reaches a point approximately one-half mile north of 200th Street. (See Figures 2 and Appendix A). At this point, the Route turns northwest and west toward the South Dakota border along a half-section line. The Route then jogs north along the South Dakota border for approximately one-third mile and connects with 209th Street in South Dakota. (See Appendix A, Figure A-2). This northernmost segment of the Route in Minnesota was developed in consultation with the affected landowners (See Section 4.5.1). (p. 20).

Xcel is requesting a 400 foot wide route (200 feet each side of the centerline) for nearly the entire route with the exception of a small area where the company requests a 1,200 foot route width where the proposed route crosses the existing 115 kV Yankee to Brookings #1 transmission line and to avoid a large wetland in the same vicinity. Xcel proposes to construct the transmission line primarily on private lands approximately 5 feet outside of the road rights-of-way it parallels where possible.

Regulatory Process and Procedures

Minnesota Statute 216E.03, subp. 2, states that no person may construct a electric transmission line greater than 100 kV and more than 1,500 feet without a route permit approved by the Commission.

High voltage transmission lines with a voltage between 100 kV and 200 kV are eligible for the Alternative Review Process (Minnesota Rule 7849.5500) of the Power Plant Siting Act (Minnesota Statutes Chapter 216E). Applicants are required to provide a 10 day advance notice to the Commission prior to submitting a route permit application under the Alternative Permitting Process (Minnesota Rule 7849.5500, subp. 2). An applicant is not required to propose any alternative sites or routes. The DOC EFP conducts a public information and scoping meeting, prepares an Environmental Assessment (EA), and a public hearing is required.

Route permit applications under the Alternative Review Process must provide specific information about the proposed project, applicant, environmental impacts, alternatives and mitigation measures (Minnesota Rule 7849.5220). The Commission may accept an application as complete, reject an application and require additional information to be submitted, or accept an application as complete upon filing of supplemental information (Minnesota Rule 7849.5230).

The review process begins with the determination by the PUC that the application is complete. The PUC has six months to reach a final decision from the time the application is accepted (Minnesota Rule 7849.5230).

Public Advisor

Upon acceptance of an application for a site or route permit, the Commission must designate a staff person to act as the public advisor on the project (Minnesota Rule 7849.5250). The public advisor is someone who is available to answer questions from the public about the permitting process. In this role, the public advisor may not act as an advocate on behalf of any person.

The Commission can authorize the Department to name a staff member from the EFP staff as the public advisor or assign a PUC staff member.

Advisory Task Force

The Commission has the authority to appoint an advisory task force (Minnesota Statute 216E.08). An advisory task force requires representatives of local governmental units and interested local persons. A task force can be charged with identifying additional routes or specific impacts to be evaluated in the EA and terminates when the DOC Commissioner issues the EA scoping decision. The PUC is not required to assign an advisory task force for every project.

If the Commission does not name a task force, the rules allow members of the public to request appointment of a task force (Minnesota Rule 7849.5270). The PUC would then need to determine at their next meeting if a task force should be appointed or not.

Environmental Review

Applications for transmission line route permits are subject to environmental review, which is conducted by DOC EFP staff. The DOC EFP staff will notice and conduct a public information and environmental assessment scoping meeting on the Project to take comments on the scope of the EA. The Commissioner of the DOC will determine the scope of the EA, and the EA will be completed and available prior to the public hearing (Minnesota Rules 7849.5550 – 7849.5700).

Public Hearing

Applications for transmission line route permits require that a public hearing be held (Minnesota Rule 7849.5710).

DOC EFP Staff Analysis and Comments

Notice, Eligibility and Completeness

DOC EFP staff conducted completeness review of the Application. DOC EFP staff concludes that Xcel Energy met the procedural requirement of Minnesota Rule 7849.5500, subp. 2, by providing the Commission written notice of its intent to submit a route permit application under the Alternative Permitting Process at least 10 day prior to submitting the Application. DOC EFP staff concludes that the Project is eligible for the Alternative Review Process and that the Application meets the content requirements of Minnesota Rule 7849.5530. The PUC's

acceptance of the Application will allow DOC EFP staff to initiate and conduct the public participation and environmental review processes.

Advisory Task Force

In analyzing the merits of establishing an Advisory Task Force for the Project, staff considered four characteristics: size, complexity, known or anticipated controversy and sensitive resources. In addition, staff considered the degree to which public involvement through the related Certificate of Need proceeding and Xcel's independent public involvement efforts served to help identify issues and alternatives for consideration in the routing process.

Project Size. At approximately 13 miles, the Project is relatively short. The ROW width requested for the Project is 75 feet. The required new ROW width may also be less in areas where the new transmission line follows an existing linear corridor. Much of the new 115 kV transmission line will be along and immediately adjacent to existing public road rights-of-way.

Complexity. The proposed route is relatively simple and almost exclusively parallels transportation corridors.

Known/Anticipated Controversy. DOC EFP staff review finds that no controversial issues appear to be raised during the public meetings and agency consultations. The CON proceeding for the BRIGO transmission lines provided broad and early notice to every landowner and local government potentially affected by this Project. The BRIGO CON proceedings included: public meetings, development of an Environmental Report, contested public hearings before and Administrative Law Judge and a hearing before the PUC. No contested or controversial issues related to the proposed Project arose during the BRIGO CON proceeding.

Xcel Energy held two public meetings in the area near the proposed project in late 2007, to take input on route selection, alternatives and the proposed route. Xcel has provided documentation of the comments it received from the public and of consultation with federal, state and local governments in the Application at Appendix D and E.

Sensitive Resources. The proposed route primarily crosses agricultural lands, with some farmsteads and homes nearby. The most sensitive natural resources along the proposed route are several streams which are designated "critical habitat" for the Topeka Shiner, a federally listed endangered species of fish. Xcel Energy has consulted with state and federal wildlife management agencies to determine impacts, mitigation, and permits potentially necessary to cross critical habitat.

Based on the analysis above, DOC EFP staff concludes that an advisory task force is not warranted in this case. Most of the proposed route follows an existing county highways and township roads. The Project appears to be compatible with area land use, which is rural, low density, and agricultural. The proposed line is relatively short. Some homes and farmsteads are near the proposed route; however this is routine in routing cases and always analyzed in the EA. The routing process will provide adequate opportunities for the public to identify issues and route alternatives to be addressed in the EA.

Finally, DOC EFP staff can assist landowners and governmental units in understanding the siting and routing process and participating in further development of alternative routes and/or permit conditions. Depending on the request and the issues, EFP staff could convene “working group” style meetings, disseminate information and coordinate between the landowners and the applicant as necessary.

PUC Decision Options

A. Application Acceptance

1. Accept the Xcel Energy Yankee to Brookings County #2 115kV high voltage transmission line route permit application as complete and authorize the Minnesota Department of Commerce Energy Facilities Permitting staff to process the Application under the alternative review process Minnesota Rules 7849.5500 – 7849.5720.
2. Reject the route permit application as incomplete and issue an order indicating the specific deficiencies to be remedied before the Application can be accepted.
3. Find the Application complete upon the submission of supplementary information.
4. Make another decision deemed more appropriate.

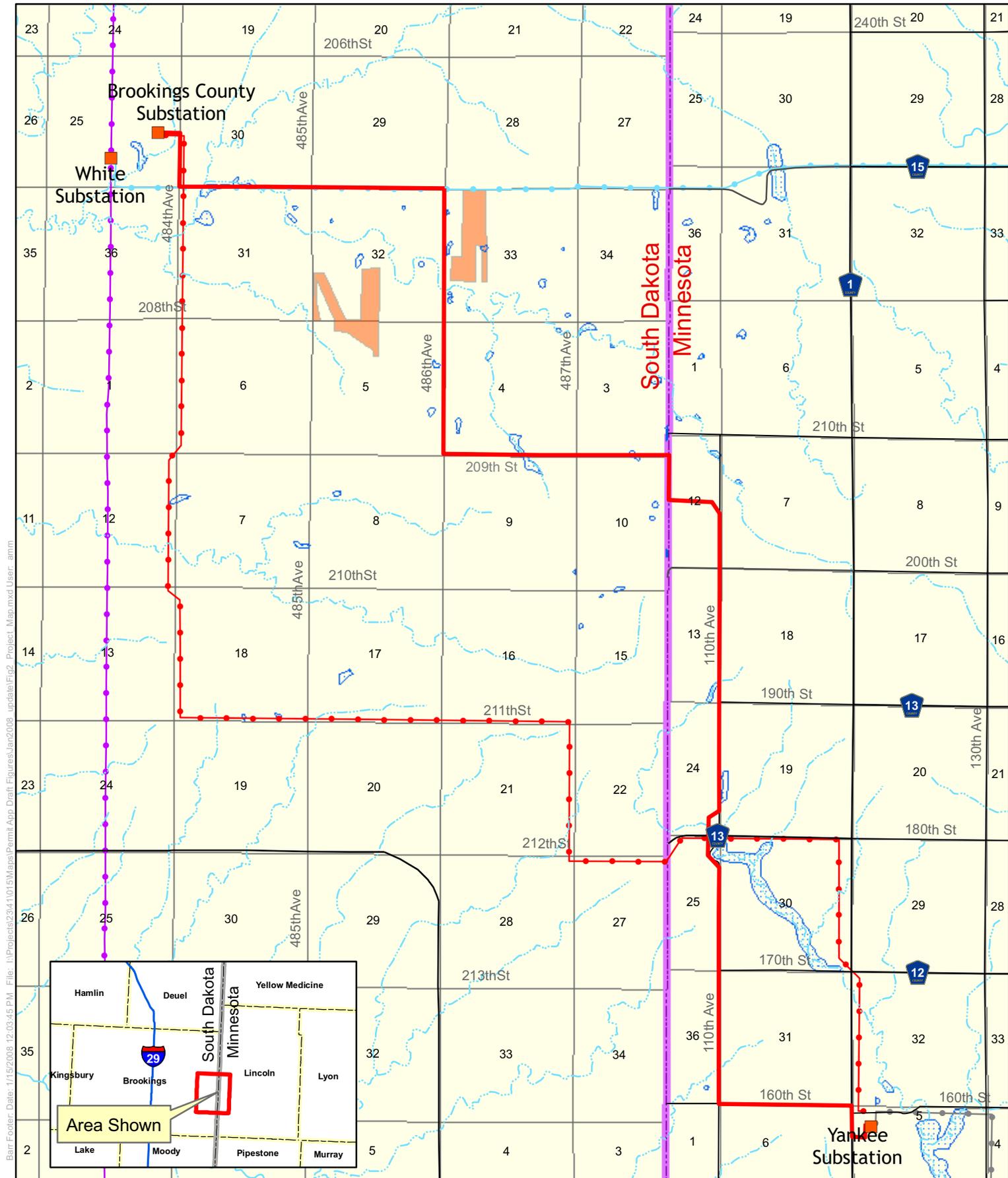
B. Public Advisor

1. Authorize the Minnesota Department of Commerce Energy Facilities Permitting staff to name a public advisor in this case.
2. Appoint a PUC staff person as public advisor.
3. Make another decision deemed more appropriate.

C. Advisory Task Force

1. Authorize DOC EFP staff to establish an advisory task force, and develop a proposed structure and charge for the task force.
2. Take no action on an advisory task force at this time.
3. Determine that an advisory task force is not necessary.
4. Make another decision deemed more appropriate.

DOC EFP Staff Recommendations: Staff recommends options A1, B1, and C3



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- Proposed Route
- Brookings-Yankee 115-kV #1
- Yankee-Buffalo Ridge 115-kV
- East River 115 kV
- Western 345 kV
- MN-SD State Line
- Wetlands
- SDGFP Walk-in Areas

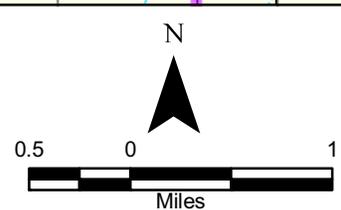


Figure 2. Proposed Route
BRIGO Yankee-Brookings County
Transmission Line

Xcel Energy
Route Permit Application
January 2008