

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS
FOR THE DEPARTMENT OF COMMERCE
OFFICE OF ENERGY SECURITY

In the Matter of Application by Xcel Energy for a Route Permit Application for the Mary Lake 115 kV Transmission Line Tap Project	SUMMARY OF PUBLIC TESTIMONY
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A public hearing was held before Administrative Law Judge Manuel J. Cervantes on June 9, 2008, at 6:30 p.m. at the Buffalo Public Library, Community Room A, 18 Lake Road Boulevard NW, in Buffalo, Minnesota. The purpose of the hearing was to elicit public comment regarding the application of Northern States Power Company, doing business as Xcel Energy (Xcel) for the proposed routing of a 115,000 volt (115 kV) transmission line tap project from a new switch located along the existing 69 kV Buffalo Power – Maple Lake (Maple Lake Switch) transmission line to another new switch to be located along the existing Mary Lake – Dickinson junction 69 kV transmission line to the south (Mary Lake Switch). The public hearing continued until all interested persons had an opportunity to be heard.

Eighteen members of the public attended the public hearing and signed the hearing roster. Sixteen of those who registered on the hearing roster offered testimony during the hearings. After the hearing, the record remained open for fifteen days to allow all interested persons to submit written comments. One member of the public filed a written comment. The record closed on June 24, 2008.

NOTICE

Under Minn. R. 7849.5710, a hearing shall be conducted by an Administrative Law Judge from the Office of Administrative Hearings. This project qualifies for alternative review under the Power Plant Siting Act, Minn. Stat. § 216E.04 subd.1. Under Minn. R. 7849.5710 and Minn. Stat. § 216E.03, subd. 6, the Public Utility Commission (Commission) has the option of holding a hearing itself or request that an Administrative Law Judge conduct the hearing and compile a record for the Commission to consider in making its final decision.

This report contains a summary of the public testimony. It is not a final decision. Pursuant to Minn. R. 7849.5720, the Commission will make the final determination of the matter within 60 days of the completion of the public hearing.

BACKGROUND ON THE APPLICATION

Xcel proposes to build a new five mile, single circuit 115 kV transmission line tap project that will tap the existing Buffalo Power – Maple Lake 69 kV transmission line south of the Buffalo Power Station.¹ The line begins east along Eighth Street NE, and continues south along Dague Avenue NE and SE, crosses Trunk Highway 55, and concludes at the Mary Lake Switch located southeast of the Mary Lake Substation. The proposed line will provide additional capacity and improve performance to the existing Buffalo Power – Maple Lake 69 kV transmission line.

Several issues were raised by landowners along the proposed route of the transmission line, including the potential loss in value to their property; negative health effects of living close to electromagnetic fields; the environmental impact upon existing wildlife; and the difference in cost of alternative routes, or routes not considered by the Commission.

The Commission will issue any Orders on the Application for the Routing Permit following a review of this Summary of Public Testimony, as well as all of the hearing transcripts, written comments submitted by the public, filings and arguments submitted by Xcel, the Minnesota Department of Commerce, Office of Energy Security (DOC), and other persons and entities interested in this matter.

SUMMARY OF EVIDENCE

Procedural History

1. On October 19, 2007, Xcel filed a notice of intent with the Commission for a route permit application for the Mary Lake 115 kV transmission line tap project under the alternative permitting process as provided for in Minn. R. 7849.5500 to 7849.5720.²
2. On January 24, 2008, Xcel filed its Route Permit Application with the Commission.³
3. On January 24, 2008, Xcel filed Route Permit Application Appendix A.⁴
4. On January 24, 2008, Xcel filed Route Permit Application Appendix B.⁵
5. On January 24, 2008, Xcel filed Route Permit Application Appendix C1.⁶

¹ Ex. 1.

² Ex. 1.

³ Ex. 2.

⁴ Ex. 3.

⁵ Ex. 4.

⁶ Ex. 5.

6. On January 24, 2008, Xcel filed Route Permit Application Appendix C.⁷
7. On January 24, 2008, Xcel filed Route Permit Application Appendix D.⁸
8. On January 24, 2008, Xcel filed Route Permit Application Appendix E.⁹
9. On January 24, 2008, Xcel filed Route Permit Application Appendix F.¹⁰
10. On January 24, 2008, Xcel filed Route Permit Application Appendix G.¹¹
11. On January 25, 2008, Xcel filed Route Permit Application Appendix F (revised).¹²
12. On January 30, 2008, the DOC filed notice with the Commission that Xcel's application was complete.¹³
13. On February 27, 2008, the Commission found Xcel in compliance with Minn. R. 7849.5240, subp. 5 when it electronically filed its affidavits of service and publication.¹⁴
14. On February 8, 2008, the Commission accepted Xcel's application as complete and authorized the DOC to process the application under the alternative review process, as stated in Minn. R. 7849.5500 - 7849.5720.¹⁵
15. On February 20, 2008, the DOC filed copy of the Notice of Public Information and Scoping Meeting, and provided affidavits of service and publication.¹⁶
16. On March 26, 2008, Xcel filed comments pertaining to the environmental assessment scope.¹⁷
17. On March 26, 2008, members of the public filed comments pertaining to the environmental assessment scope.¹⁸
18. On April 9, 2008, the DOC filed its environmental assessment scoping decision.¹⁹

⁷ Ex. 6.

⁸ Ex. 7.

⁹ Ex. 8.

¹⁰ Ex. 9.

¹¹ Ex. 22.

¹² Ex. 10.

¹³ Ex. 11.

¹⁴ Ex. 12.

¹⁵ Ex. 13.

¹⁶ Ex. 14.

¹⁷ Ex. 15.

¹⁸ Ex. 16.

¹⁹ Ex. 17.

19. On May 22, 2008, the DOC filed its environmental assessment.²⁰

20. On May 22, 2008, the DOC filed an affidavit of service indicated that it had served notice of public hearing and of the availability of the environmental assessment.²¹

21. On May 22, 2008, the Buffalo Wright County Journal Press verified in an affidavit of service that it had published notice of the public hearing and availability of the environmental assessment.²²

22. On June 2, 2008, the Minnesota Environmental Quality Board Monitor published notice of the public hearing and availability of the environmental assessment.²³

23. On June 5, 2008, Lisa Agrimonti, attorney with Briggs and Morgan, who is assisting Xcel with its route permit application, provided the evidentiary testimony of Darrin Lahr to Administrative Law Judge Cervantes.²⁴

24. On June 9, 2008, public comments were received prior to the public hearing.²⁵

25. On June 9, 2008, Lisa Agrimonti provided a smaller version of the map detailing Xcel's proposed route and the alternatives to Administrative Law Judge Cervantes into evidence.²⁶

SUMMARY OF PUBLIC TESTIMONY

Eighteen members of the public were in attendance at the hearing and signed the hearing roster. Sixteen of those who registered on the hearing roster offered testimony during the hearings.

Administrative Law Judge Cervantes began the hearing by explaining that the purpose of the public hearing was to solicit public comments regarding the environmental assessment of the proposed route for the transmission line and substation. Suzanne Steinhauer, Project Manager with the Energy Facility Permitting Department of the Office of Energy Security at the Minnesota Department of Commerce, briefly explained the proposed route for the transmission line, and the role of her office in recommending a final route to the Commission. Darrin Lahr, Project Development Manager and Routing Lead with Xcel Energy, provided an overview of the

²⁰ Ex. 18.

²¹ Ex. 19.

²² Ex. 20.

²³ Ex. 21.

²⁴ Ex. 24.

²⁵ Ex. 23.

²⁶ Ex. 25.

project and how it would improve performance and reliability of service in the Buffalo area.²⁷ After these presentations, members of the public asked questions of the presenters and shared their reactions to the material presented.

Remarks by Mr. Curt Granzow: Mr. Granzow stated that he is in favor of the proposed route, and is opposed to the alternate route (Modified Railroad Alternative),²⁸ because it would continue directly in front of his house. Mr. Granzow is also concerned that the proposed transmission line could interfere with the ecological balance of the landscape as pelicans and swans nest in the immediate area.

Remarks by Ms. Betsy Granzow: Mrs. Granzow affirmed her support of Mr. Curt Granzow's comments. Mrs. Granzow also asked whether the health impacts of electromagnetic fields from transmission lines placed in close proximity to residential homes was considered by Xcel when it selected the proposed route.

Remarks by Ms. Judy Weldele: Ms. Weldele stated that she owned a lot of land within the township, and spoke on behalf of Buffalo Township. Ms. Weldele expressed concern about the need for traffic control on Dague Avenue during construction of the proposed route as it is the main road to the local high school. Ms. Weldele also questioned the reasoning for placing the transmission poles in a zigzag pattern across Dague Avenue. Ms. Weldele stated that her family both farms and rents the fields around Dague Avenue. She asked whether the transmission poles would be placed in those particular fields, or in the road's right-of-way. She also asked how far apart the transmission poles would be placed.

Remarks by Mr. Robert Gilbert: Mr. Gilbert asked if the placement of the transmission poles upon his field would decrease the value of his property. He also asked how much of his land would taken by the transmission poles around Deegan Drive to the corner post.

Remarks by Mr. Joseph Steffel: Mr. Steffel noted that he is with the City of Buffalo Utility Department. Mr. Steffel prefaced that his comments are made on behalf of the City of Buffalo. Mr. Steffel stated that he believed all of the statements made by Mr. Lahr²⁹ are accurate. Further, Mr. Steffel stated that the blue route³⁰ is the best choice because it shields Mary Lake from any negative environmental impact, and protects local businesses from being split up. Mr. Steffel noted that although several utility lines will have to be relocated, the proposed transmission line tap project was greatly needed because last summer the Pulaski substation feed malfunctioned and made it very difficult to maintain electrical service to the City of Buffalo. The proposed project will dramatically improve reliability of service. Mr. Steffel also noted that there will be problems upgrading from the current 69 kV system to 115 kV. First, the current system will have to be taken apart in order to gain clearance for the upgrade in voltage.

²⁷ Ex. 24.

²⁸ See Ex. 24 at 4 for further information about the route of the Modified Railroad Alternative.

²⁹ Ex. 24.

³⁰ See Ex. 25. The blue route is Xcel's proposed route.

Second, the circuits will have to be in close proximity to the new substation and adjacent to existing distribution lines in order to capitalize on existing infrastructure. Mr. Steffel stated that he estimated another substation would have to be built, costing around five million dollars. Mr. Steffel believed it would be possible to maintain services and clear zones along the proposed route in order to build the new transmission. Proceeding on the Modified Railroad Alternative, on the other hand, would be very costly because the two key circuits feed the whole south side of Buffalo. Mr. Steffel stated that there are a lot of communities across Minnesota that want transmission lines placed underground, but it is cost prohibitive.

Remarks by Robin Anderson: Ms. Anderson stated that she lives kitty-corner from the high school. Ms. Anderson believed that the proposed transmission lines should be placed underground along Dague Avenue to maintain the aesthetic look of the neighborhood. Ms. Anderson noted there were already transmission lines going across on the north side of County Road 35, and additional lines would add more visual clutter. She noted that if all of the transmission lines would be on one line, or one pole, it would look much neater.

Remarks by Mr. Tim Kotilinek: Mr. Kotilinek asked whether the Township of Buffalo or the City of Buffalo would mainly benefit from the proposed transmission line. Mr. Kotilinek stated that the Buffalo area is not currently experiencing greater economic development, and the proposed transmission line does not benefit the local community. Further, Mr. Kotilinek stated that the proposed transmission line zigzags across property, but no one lives near the railroad tracks where there are already established transmission lines. Mr. Kotilinek proposed that it would make more aesthetic and environmental sense to place the proposed transmission lines along the Modified Railroad Alternative, or bury the line underground. Mr. Kotilinek expressed concern that a neighbor who has a pacemaker would be negatively harmed by the placement of a transmission line in close proximity to his house. Mr. Kotilinek asked what was the rationale used by Xcel energy to acquire an easement for the transmission line as it would proceed through Buffalo Township. Mr. Kotilinek asked how much latitude will be offered to property owners in choosing where the proposed transmission line is placed on their property. Mr. Kotilinek also pointed out his concern that the costs of alternative routes are not fully known, and it would be imprudent to begin placing a transmission line until all costs are identified.

Remarks by Mr. Jim Heberling: Mr. Heberling said that he received notification by mail about the route permit application. Mr. Heberling noted that the transmission poles would have to be short enough to accommodate the flight pattern of planes from the airport. Mr. Heberling stated that he was against the proposed route not only for himself, but for the 18 homes within the proposed route. Mr. Heberling noted that the transmission lines were to proceed along the west side of the streets along the proposed route, it would create challenges for wetland and lake preservation. Mr. Heberling pointed out that Lake Mary is the nesting site for a lot of wildlife, including trumpeter swans, red-shouldered hawks, geese, ducks, and bald eagles. Mr. Heberling stated that he would be concerned about the safety of the bald eagles nesting around

power lines. If the transmission lines proceeded along the east side of the streets along the proposed route, it would be very close to a number of residential homes. Further, a zigzag route could necessitate the transmission line going over the top of some residential homes. Mr. Heberling also noted that he is concerned that with the downturn in the local economy, he is worried about property owners' homes along Calder Avenue losing value because of a power line being placed in their front yard. Mr. Heberling asked if there were any costs associated with third parties evaluating the market value of a private easement on a property owner's land.

Remarks by Ms. Heberling: Ms. Heberling stated that there were a lot of townhomes being built along the northern edge of Highway 55, and she is concerned that the proposed transmission line would be located in a more populated area as it gets closer to the City of Buffalo.

Remarks by Mr. Douglas Frost: Mr. Frost stated that he is in favor of the proposed route. Since living at his current residence for eleven years located near the railroad tracks, he has noticed that both the number of trains and highway traffic have significantly increased. Mr. Frost believes the additional burden of more transmission lines extended along the railroad track would negatively affect his property and quality of life.

Remarks by Mr. Patrick Braun: Mr. Braun stated that he was in favor of the proposed route. Mr. Braun noted that he especially favors the proposed first quarter mile of the route.

Remarks by Mr. Ron Rentz: Mr. Rentz, a landowner along the proposed route, asked why was it not possible for Xcel to begin the transmission line at the Maple Lake Switch, and proceed along the railroad tracks for a certain distance, and then continue underground, or if such a proposal was not economically feasible. Mr. Rentz stated that placing the transmission line underground at County Road 147 was the most socially desirable alternative for all homeowners living along any of the proposed routes.

Remarks by Mrs. Sheree Rentz: Mrs. Rentz stated that she is against the Calder Avenue Alternative³¹.

Remarks by Mr. Roger Ledin: Mr. Ledin stated that he owned seventy-two acres along Dague Avenue, and wanted to know how many times the proposed transmission line would cross Dague Avenue. Mr. Ledin also noted that the City of Buffalo has a ring road planned to be constructed in twenty years that is detailed in its comprehensive plan that will proceed along Dague Avenue. Mr. Ledin wanted to know if the proposed ring road had been considered. Mr. Ledin also stated that it would make greater sense to place the proposed transmission line in the ditches along the road instead of people's property, or to choose the Modified Railroad Alternative. Mr. Ledin expressed concern that the proposed transmission line would unnecessarily devalue property of both homeowners and developers, and placing the transmission line underground was the

³¹ See Ex. 24 at 5 for further information about the route for the Calder Avenue Alternative.

best option. Mr. Ledin asked if homeowners had been notified of the public hearing, as there are homeowners along Dague Avenue whose health could be adversely affected by close proximity to the proposed transmission line. Mr. Ledin also expressed concern about the possibility of arcing from the salt spray contacting the proposed transmission line. Mr. Ledin stated his concern that the interests of homeowners residing along Dague Avenue were not being adequately articulated at the public hearing, and he felt coerced by the entire process. Mr. Ledin asked how many homes would Xcel energy purchase along Dague Avenue, and whether affected homeowners would be reimbursed for the devaluation of their land by the transmission line. Mr. Ledin stated that he expects a fair settlement for any right of way easements Xcel purchases for the proposed transmission line. Mr. Ledin stated that he believed a lot of people were unhappy that the proposed transmission line did not follow the Modified Railroad Alternative.

Remarks by Mr. Dennis Gleason: Mr. Gleason asked why Xcel was supporting the more expensive proposed route, instead of the Modified Railroad Alternative, which is less expensive. Mr. Gleason also asked whether a landowner would have any input as to where the transmission poles would be placed on his or her property.

SUMMARY OF WRITTEN COMMENTS

There was one written comment submitted to the Administrative Law Judge prior to the close of the post hearing comment period on June 15, 2008.

Comments of Roger E. Ledin: Mr. Ledin wrote to state his disapproval of the public hearing process and the proposed route. He urged that the entire route of the proposed transmission line follow the Modified Railroad Alternative. He also stated that Xcel was trying to unnecessarily save money at the expense of property owners affected by the proposed route. Mr. Ledin also stated his dissatisfaction that the notice of the public hearing was provided in the legal section of the newspaper, and believed that the hearing should be held again with all property owners notified by mail.

Dated: July 8, 2008

s/Manuel J. Cervantes

MANUEL J. CERVANTES
Administrative Law Judge