



**BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

**COMMENTS AND RECOMMENDATIONS OF THE  
OFFICE OF ENERGY SECURITY  
ENERGY FACILITY PERMITTING STAFF**

DOCKET No. E002, ET2/TL-09-246

Meeting Date: July 8, 2010

Agenda Item # 8

Company: Northern States Power Company (dba Xcel Energy) and Great River Energy

Docket No. E002, ET2/TL-09-246

**In the Matter of the Application for a Route Permit for the Monticello to St. Cloud 345 kV Transmission Line Project**

Issues: Should the Commission find that the Environmental Impact Statement (EIS) and the record adequately address the issues identified in the Scoping Decision?  
Should the Commission issue a Route Permit identifying a route and permit conditions for the Monticello to St. Cloud 345 kV Transmission Line?

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

**Relevant Document(s)**

Route Permit Application ..... April 8, 2009  
Draft EIS ..... January 11, 2010  
Exhibit List..... March 5, 2010  
Final EIS ..... March 26, 2010  
ALJ “Findings of Fact, Conclusions and Recommendation” ..... May 18, 2010  
Mn/DOT email and attached letter, “GRR Mitigation” ..... June 16, 2010

The enclosed materials are work papers of the OES staff. They are intended for use by the 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).

## **Attached Document(s)**

Proposed Findings of Fact, Conclusions of Law and Order  
Proposed HVTL Route Permit  
Proposed HVTL Route Permit Map Set

(Relevant documents and additional information can be found on eDockets (09-246) or the PUC Energy Facilities website: <http://energyfacilities.puc.state.mn.us/Docket.html?Id=19957>)

---

## **Statement of the Issues**

Should the Commission find that the Environmental Impact Statement (EIS) and the record adequately address the issues identified in the Scoping Decision? Should the Commission issue a Route Permit identifying a route and permit conditions for the Monticello to St. Cloud 345 kV Transmission Line?

## **Introduction and Background**

April 8, 2009, Xcel Energy and Great River Energy (Applicants) filed a route permit application under the full review process for the Monticello to St. Cloud 345 kV transmission line project (Project). The Project is over 200 kV and requires a Certificate of Need (CN). An Order from the Commission on May 13, 2009, granted a CN for the CapX2020 Phase I project, of which this line segment application is a part.

### ***Project Area***

The proposed Project is located between the city of Monticello in Wright County and St. Joseph Township in Stearns County. The attached permit contains a map providing a project overview that identifies the Project location.

### ***Project Description***

The specific components of the Monticello to St. Cloud 345 kV Transmission Line Project are described below:

- **Monticello Substation** - Modifications will be made at the existing Monticello Substation to accommodate the proposed 345 kV transmission Line.
- **Monticello to St. Cloud 345 kV Transmission Line** - The proposed 28-mile line will be constructed primarily on single-pole, double-circuit capable, self-weathering or galvanized steel structures.
- **Quarry Substation** - The proposed Quarry Substation will be located west of the city of St. Cloud. The substation is proposed to be a 345/115 kV substation, ultimately up to 15 acres in size, to allow for the interconnection of the proposed 345 kV transmission line, an existing 115 kV transmission line and future high voltage transmission lines.
- **Connection of existing 115 kV transmission line** – The existing St. Cloud to Sauk River 115 kV transmission line located within the Proposed Quarry Substation Siting Areas and extending in an east-west to south-north direction will be interconnected into the proposed Quarry Substation.

## **Regulatory Process and Procedures**

High voltage transmission lines with a voltage above 200 kV are required to undergo the Full Review Process under Minnesota Rule 7850.1700-2700 and Minnesota Statute 216E.04. Under the Full Review Process, an applicant is required to present a proposed and an alternative route. The application must provide specific information about the proposed project, applicant, environmental impacts, alternatives and mitigation measures (Minn. Rule 7850.1900). 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 (Minn. Rule 7850.2000). The Commission accepted the application as complete in its May 13, 2009, Order.

Under this process, the Office of Energy Security (OES) Energy Facility Permitting (EFP) staff conducted public information and scoping meetings (Minn. Rule 7850.2300) in Clearwater Township on July 2, 2009. EFP prepared a Draft Environmental Impact Statement (EIS) released on January 11, 2010, and held a Draft EIS information meeting on February 9, 2010 in Clearwater Township. The Final EIS (Minn. Rule 7850.2500) was released on March 26, 2010.

A contested case hearing (Minn. Rule 7850.2600 and Minn. Rule 1405) was conducted by Administrative Law Judge Beverly J. Heydinger in Clearwater Township on March 8, 2010, with the evidentiary portion being held in St. Paul from March 9-15, 2010. The ALJ report and recommendation was released on May 20, 2010. The ALJ recommended that the Commission issue a route permit to the Applicants along their Preferred Route.

## **EFP Staff Analysis and Comments**

The HVTL in question is part of the larger CapX 2020 Phase 1 group of major transmission proposals. The Commission has previously issued a Certificate of Need to these projects in its May 22, 2009 Order and its August 10, 2009 modifying Order in docket no. E002, ET2/CN-06-1115. The only question to be determined in this docket is the selection of a final route.

### ***Findings of Fact, Conclusions of Law, and Order***

The attached “Findings of Fact, Conclusions of Law and Order” include the Findings of Fact from the ALJ’s May 20, 2010, “Findings of Fact, Conclusions and Recommendation” in their entirety. No one filed exceptions to the ALJ findings with the Commission. These findings are herein recommended for acceptance by the Commission; and staff is not recommending any exceptions to the findings. However, staff is recommending a small number of additional findings.

### ***Environmental Impact Statement***

The ALJ concluded EFP conducted an appropriate<sup>1</sup> environmental analysis of the project. The ALJ found, “The evidence on the record demonstrates that the FEIS is adequate because it addresses the issues and alternatives raised in the Scoping Decision, provides responses to the substantive comments received during the DEIS review process, and was prepared in compliance with Minnesota Rules 7850.1000 to 7850.5600.”<sup>2</sup>

---

<sup>1</sup> ALJ Conclusion 3.

<sup>2</sup> ALJ FOF 361.

### ***Permit Conditions***

EFP staff agrees with the ALJ recommendation to issue a permit along the Applicants' Preferred Route. However, staff is recommending a number of refinements to and conditions for the route. In particular, staff has closely evaluated the need for a 1000 foot route width, has looked at necessary expansions of the route in certain instances, and is recommending certain mitigations along the Great River Road.

**Route Width.** The EIS analysis focused on an “anticipated alignment” within the routes reviewed in order to best evaluate the comparative impacts of alternatives. Throughout discussions among the Applicants, staff and Mn/DOT, an anticipated alignment was established maximizing occupancy within existing rights-of-way within the parameters of Mn/DOT Policies and Procedures. For example, along Interstate 94, the alignment would occupy existing ROW without having structures overhang into Mn/DOT ROW. Through the record it was demonstrated that this anticipated alignment within the preferred route was the most viable.

Applicants had originally requested a 1000 foot route (up to 1.25 mile in certain circumstances) to adjust for environmental variability.<sup>3</sup> Having gone through the process of verifying an anticipated alignment, the necessary range for variability with the route is lessened. Applicants' and staff have negotiated a general 600 foot route width, and narrowed or eliminated a number of the 1.25 mile segments (the final widths are represented on the attached permit maps). The permit also specifies a requirement that within the route, changes from the anticipated alignment must have similar environmental impacts as to the original alignment.

The general adherence to an anticipated alignment and the diminished variability resultant of the narrowed route width achieve a positive balance between the flexibility necessary for the Applicants and the predictability anticipated by affected landowners; and offers a fair expectation of the actual environmental impacts of the route decision.

**Route Changes.** Additional route width is needed in two areas. Mn/DOT is planning to create a new Interconnection interchange between Hwy 10 and I-94 east of Clearwater.<sup>4</sup> Mn/DOT contends the installation of the transmission line north of I-94 would directly impact the construction and right-of-way of the proposed interchange (see Figure 1). At the time of interchange construction, the transmission line would likely need to be moved, resulting in a major expense from the Minnesota Trunk Highway Fund. The alignment along the south of I-94, using the additional route width, alleviates further expense by locating the transmission line outside of future Mn/DOT right-of-way.

Route Permit language already addresses the possibility that changes in the route can be addressed: “Route width variations outside the designated route may be allowed for the Permittee to overcome potential site specific constraints.”<sup>5</sup> Among the constraints requiring such mitigation is “Planned infrastructure improvements identified by state agencies and local government units and made part of the evidentiary record during the contested case proceeding for this permit.” In this case, the Route Permit is addressing the change at the time of issuance, directly addressing the official state agency request rather than carrying the discussions over to the post-permit stage. Mn/DOT and the Applicants both prefer this alteration of the route width.

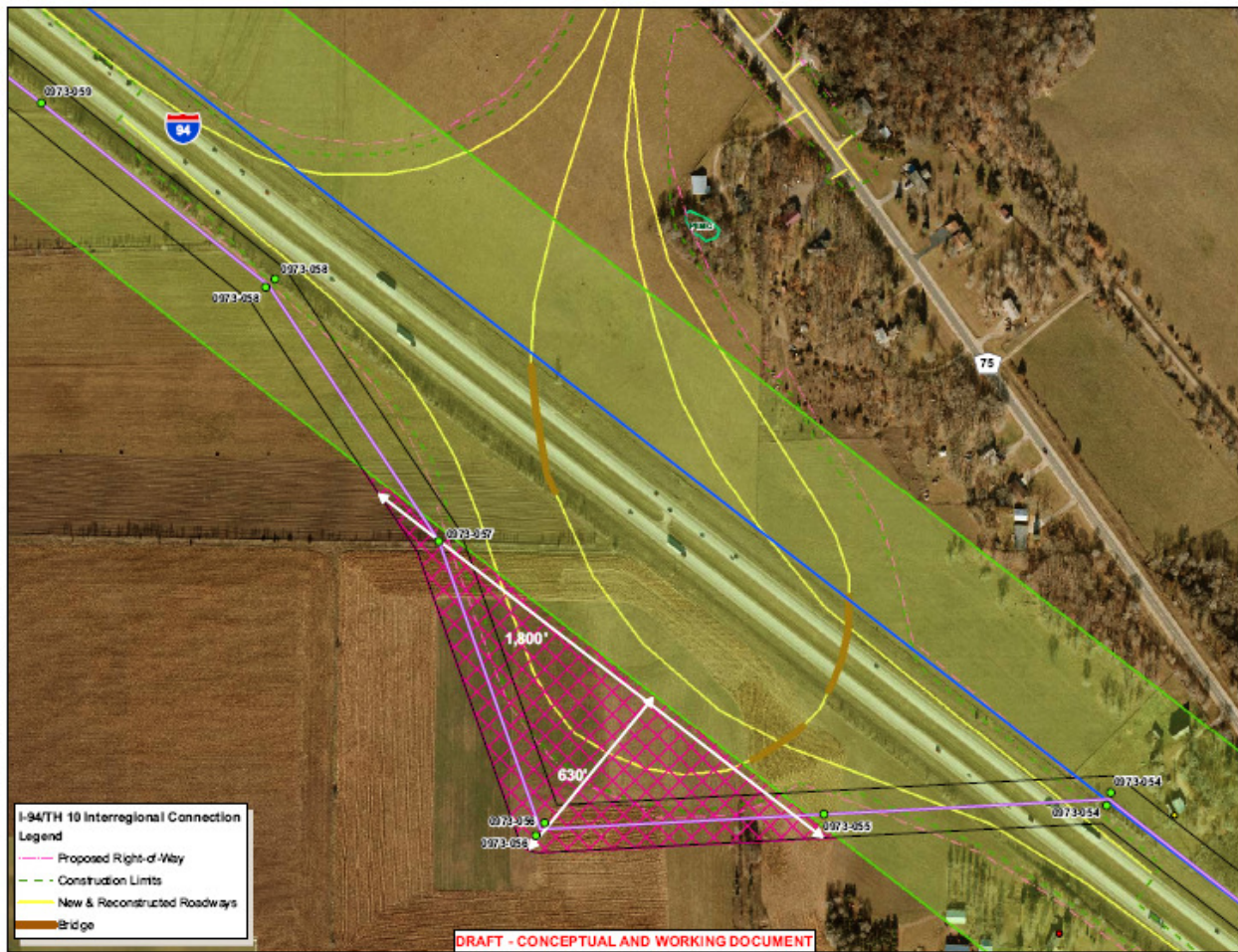
---

<sup>3</sup> Route Permit Application, p. 2-4

<sup>4</sup> FOF 62 and 362-3

<sup>5</sup> Route Permit, p. 3

Figure 1. HWY 10 Interconnection

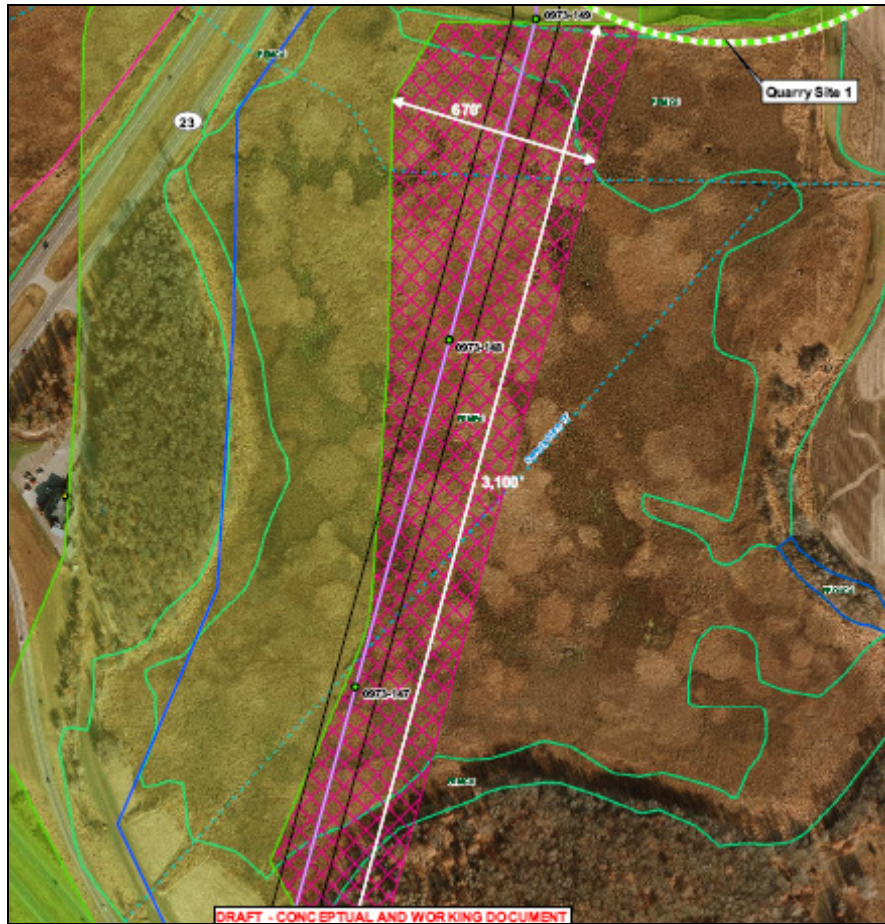


The second proposed route change<sup>6</sup> is being proposed by the Applicants. Applicants requested that the route width immediately south of the Quarry Site 1 siting area be widened to minimize impacts to the forested area near the intersection of Interstate 94 and Highway 23 and to minimize potential conflicts with the existing 115 kV transmission line in the area. The initial alignment for the Preferred Route heads east and northeast along the forested area and then crosses the 115 kV transmission line near a 115 kV pole at the edge of the road where the 115 kV transmission line heads northeast and east.

The requested expanded route width is shown on the map in Figure 2. below and would have comparable impacts to the initial alignment for the Preferred Route. The length is approximately 3,100 feet and at its widest point, the expanded area adds 670 feet to the route width. By extending the route to the east, the 345 kV transmission line could be constructed east of the initial alignment in non-forested wetlands and minimal tree clearing would be required along this segment. In addition, if the proposed alignment were used, the height of the 345 kV line transmission structures at the 115 kV transmission line crossing could be reduced.

<sup>6</sup> FOF 364-5

Figure 2. Applicants Proposed Route Change



**Great River Road.** EFP staff has been involved in ongoing discussions with Mn/DOT and the Mississippi River Parkway Commission (MN-MRPC) concerning possible impacts to the Great River Road<sup>7</sup> along County Road 75 in Wright County. EFP toured the area with Mn/DOT and MRPC representatives on June 7, 2010. On June 16, 2010, Mn/DOT and MRPC submitted a number of potential mitigations for this designated National Scenic Byway (see Relevant Document: “GRR Mitigation”).

The proposal suggests that the Permittees should consult with Mn/DOT and the MN-MRPC regarding construction methods that minimize damage to trees and other vegetation that can be preserved and about potential replacement vegetation to limit visual impacts of the facilities on the Great River Road. The agencies are particularly concerned about maintaining trees at a maximum allowable height within the right-of-way. They also feel taller vegetation nearer the pole structures is an effective mitigation. Where replacement vegetation is planted, they would prefer plantings be designed to reflect a natural layout, that replacement vegetation reflect native river species and that native species cultivars would be limited.

---

<sup>7</sup> FOF 366

Mn/DOT will need to be consulted on pole placements and other issues when the alignment is along I-94, as occupying their right-of-way will require Mn/DOT permits. However, neither Mn/DOT nor MRPC have permitting authority when the alignment is along the Great River Road. None the less, EFP recognizes that this portion of the Great River Road, while not providing river views, connects the Sauk River area to the north and the Wild and Scenic River area to the south and has importance as a connecting portion of a larger state and federal initiative.

EFP developed Special Conditions to address Mn/DOT and MRPC concerns, applying their suggestions to the extent practicable, and has included them in the recommended route permit (see Special Condition K. 3.). These conditions acknowledge the importance of the area and provide for appropriate assurances that impacts to the Great River Road will be minimized to the extent practicable.

**Pole placements.** Pole placements noted in the anticipated alignment on the attached maps are not final. The Applicants have included these proposed placements as they are further along in final engineering plans than they would be normally at this stage. This is due in part to the necessity of locating an alignment that is permissible by Mn/DOT when occupying its right-of-way. However, the final placement of structures will be open until the Commission verifies a final Plan and Profile<sup>8</sup> for the project.

**Crossing Structures.** At I-94 crossings and interchanges, Applicants propose to install six conductors to facilitate the addition of a second circuit if the Commission would permit an additional transmission circuit at some point in the future. Installation of all six conductors during the initial construction mitigates conflicts and disruptions to highway facilities when the second circuit is added. MnDOT agrees that six conductors should be installed at the highway crossovers to minimize future highway disruptions.<sup>9</sup> The ALJ also concluded that this configuration should be permitted.<sup>10</sup>

### ***Other Comments***

The Monticello to St. Cloud 345 kV Transmission Project is unusual, if not unique, in that the route originally proposed by the Applicants is the same route preferred by the majority of commentors throughout the public participation process. Sherburne and Stearns county governments both submitted strong recommendations in support of the I-94 alignment. There were a significant number of environmental issues to address, including wetlands, river basin, parks and rest areas. In addition, a process of communication with Mn/DOT proceeded hand-in-hand throughout the review process, in order to assure a practical alignment along the I-94 corridor. The final alignment takes into account mitigating for these issues.

An alternative route paralleling an existing 115 kV line in Sherburne County was presented for review by the Advisory Task Force. Through the EIS process, it was revealed that this option (Option D in the record) had greater environmental impact due to Mississippi River crossings and extensive interference with farmland and center-point irrigation systems.

---

<sup>8</sup> Route Permit, IV.A.

<sup>9</sup> FOF 32

<sup>10</sup> ALJ Conclusion 11

EFP agrees with the ALJ recommendations<sup>11</sup> in this case that the Commission should:

1. Issue a Route Permit along the Applicants' Preferred Route as described in the Route Application, excepting the ALJ's opinion on route width in favor of the discussion above;
  2. Authorize modifications to the Monticello Substation, a new Quarry Substation, and connection to the existing St. Cloud to Sauk River 115 kV transmission line at the Quarry Substation, selecting Quarry Site 4 for the substation location.<sup>12 13</sup>
- 

**PUC Decision Options:**

- A. Approve and adopt the attached Findings of Fact, Conclusions of Law, and Order for the Monticello to St. Cloud 345 kV Transmission Line Project, thereby:
  1. Determining the Environmental Impact Statement and record created at the public hearing address the issues identified in the EIS Scoping Decision; and
  2. Issuing the high voltage transmission line Route Permit as attached, with appropriate conditions, to Northern States Power Company, dba Xcel Energy, and Great River Energy.
- B. Approve and adopt the Findings of Fact, Conclusions of Law, and Order as above while imposing any further permit conditions as deemed appropriate.
- C. Amend the Findings of Fact, Conclusions of Law, and Order and Route Permit as deemed appropriate.
- D. Make some other decision deemed more appropriate.

**EFP Energy Facility Permitting Recommendation:** Option A.

---

<sup>11</sup> ALJ Recommendations 1, 2

<sup>12</sup> ALJ Conclusion 12

<sup>13</sup> The ALJ's third recommendation concerning undergrounding was only appropriate in the case the Commission selected the alternative route through Sherburne County, necessitating river crossings that would likely have involved additional DNR and USFWS permits.