



STATE OF MINNESOTA
Office of Energy Security



ISSUED: APRIL 2, 2009

**NOTICE OF SCOPING DECISION
AND
INTENT TO PREPARE AN
ENVIRONMENTAL IMPACT STATEMENT**

In the Matter of the Application of Otter Tail Power Company, Minnesota Power, and Minnkota Power Cooperative for a Route Permit for a 230-kV Transmission Line from Bemidji to Grand Rapids, Minnesota

PUC Docket No. E017, E015, ET6/TL-07-1327

PLEASE TAKE NOTICE that the Minnesota Department of Commerce, Office of Energy Security (OES) announces the release of the Scoping Decision and Notice of Intent to prepare an environmental impact statement (EIS) for the proposed Bemidji – Grand Rapids 230 kV Transmission Project. Copies of the EIS scoping decision, Route Permit Application and other relevant documents are accessible at:

<http://energyfacilities.puc.state.mn.us/Docket.html?Id=19344>

The scoping decision identifies the issues and alternatives that the Director of OES has determined are appropriate for inclusion in the EIS. The scoping decision also identifies certain issues that will not be included in the EIS, along with the schedule for completion of the document. The Draft EIS is scheduled to be complete in August, 2009.

Project Contacts and Information

The OES has designated Suzanne Steinhauer (651-296-2888, suzanne.steinhauer@state.mn.us) as project manager and Ray Kirsch (651-296-7588, raymond.kirsch@state.mn.us) as public advisor for the route permit proceedings. You may contact them at: Department of Commerce, Office of Energy Security, 85 7th Place East, Suite 500, St. Paul, MN 55101-2198. Additional contact information: Toll-Free: 1-800-657-3794, Fax: 651-297-7891, or TTY Minnesota Relay Service: 1-800-627-3529 (ask for the DOC).



85 7th Place East, Suite 500, St. Paul, MN 55101-2198
main: 651.296.4026 tty: 651.296.2860 fax: 651.297.7891

www.commerce.state.mn.us

In the Matter of the Application of Otter Tail Power Company, Minnesota Power, and Minnkota Power Cooperative for a Route Permit for a 230-kV Transmission Line from Bemidji to Grand Rapids, Minnesota

ENVIRONMENTAL IMPACT STATEMENT SCOPING DECISION

PUC Docket No. E017, E015, ET6/ TL-07-1327

The above matter has come before the Director of the Office of Energy Security (OES) for a decision on the content of the Environmental Impact Statement (EIS) to be prepared in consideration of the Otter Tail Power Company, et al., Application for a Route Permit for a 230 kilovolt (kV) high voltage transmission line (HVTL) between the Wilton Substation, located east of Bemidji and the Boswell Substation in Cohasset (project). The project would affect portions of Beltrami, Hubbard, Cass and Itasca counties.

A Route Permit Application (E017, E015, ET6/ TL-07-1327) for the project was filed on June 4, 2008, and accepted on June 30, 2008.

Because of its size, the project requires both a certificate of need (Docket No. 07-1222) and a route permit (Docket No. 07-1327). An Environmental Report is being prepared for this project under the certificate of need proceedings (Docket No. 07-1222).

Minnkota Power Cooperative is requesting a loan for the project from the Rural Utilities Service (RUS) of the United States Department of Agriculture. The RUS's decision to grant or deny the loan constitutes a federal action, and thus requires a review of project alternatives and environmental effects under the National Environmental Policy Act (NEPA), 42 USC §§ 4321-4347 and implementing regulations 40 CFR 1500 -1508. In addition to RUS loan approval, the project also requires review under NEPA for a number of federal actions, including actions by the US Forest Service, Chippewa National Forest and US Army Corps of Engineers. RUS serves as the lead federal agency for NEPA review. OES and RUS both wish to minimize to the extent possible any duplication of procedures or work products as well as confusion of multiple review processes. To that end the OES and the RUS have entered into a memorandum of understanding to prepare a joint environmental review document that meets both Minnesota and federal environmental review requirements. Under this agreement, the OES serves as the lead agency in preparing the EIS.

The OES established an Advisory Task Force (ATF) to provide advice on: (1) what routes should be evaluated, and (2) what impacts and issues should be considered in the EIS for the project.

The ATF met twice during the summer of 2008. The meetings were open to the public and were attended by task force members, OES staff, representatives of federal agencies, and the applicants. The ATF, through a facilitated process, discussed the proposed project and the charge of the task force. Task force members identified and prioritized 15 issues and impacts to be considered in the EIS. The ATF identified no additional routes, beyond those proposed by the applicants, to be evaluated in the EIS. The ATF's recommendations were considered during preparation of this scope. The recommendations of the ATF can be found in their report, located on the project website: <http://energyfacilities.puc.state.mn.us/documents/19344/Final%20ATF%20Report.pdf>

The OES Energy Facilities Permitting (EFP) unit held public information meetings on August 11-15, 2008, in Black Duck, Cass Lake, Deer River, Bemidji and Walker to inform the public about the project and the regulatory proceedings; discuss environmental, social and economic issues of importance in the area potentially affected; and to gather public input into the scope of the environmental documents to be prepared for the project. The meetings provided the public an opportunity to ask questions about the project and to suggest alternatives and specific impacts to address in the environmental review of the project. Approximately 120 people attended the public information meetings. In addition to the oral comments received at the public information meetings, more than 120 written comments were received by the close of the public comment period on September 30, 2008. All written comments as well as the transcripts for the public information meetings may be viewed at the project website maintained by the PUC, <http://energyfacilities.puc.state.mn.us/Docket.html?Id=19344>. All oral and written comments were reviewed and considered during the preparation of this EIS scope.

Having reviewed the matter, and having consulted with staff, I hereby make the following Order on the content of the EIS:

MATTERS TO BE ADDRESSED

The EIS on the proposed Bemidji – Grand Rapids 230 kV High Voltage Transmission Line Project will address and provide information on the following matters:

A. GENERAL DESCRIPTION OF THE PROPOSAL: The EIS will describe the proposed project, including a summary of the project background and a description of the general study area.

1. Purpose of the Transmission Line
2. Project Location and Environmental Setting
3. Engineering and Operation Design of Proposed Project
 - a. Transmission Line and Structures
 - b. Transmission Capacity
 - c. Construction Procedures
 - d. Right-of-Way Maintenance

B. REGULATORY FRAMEWORK: The EIS will provide information on the regulatory framework, including the NEPA review and an explanation of the Minnesota environmental review and permitting process. The EIS will provide an overview of the public scoping process and comments.

C. AFFECTED ENVIRONMENT AND ENVIRONMENTAL CONSEQUENCES: The EIS will include a discussion of the social and environmental resources potentially impacted by the project and its alternatives. Potential impacts, both positive and negative, of the proposed project and each alternative considered will be described. Based on the impacts identified, the EIS will describe mitigative measures that could reasonably be implemented to reduce or eliminate the identified impacts. The EIS will address impacts and mitigative measures to:

1. Aesthetics
2. Air Quality and Climate
3. Geology and Soils
4. Water Resources
5. Wetlands
6. Flora
7. Fauna
8. Rare and Unique Species and Communities
9. Cultural Resources and Values
10. Land Use
11. Socioeconomics
12. Environmental Justice
13. Recreation and Tourism
14. Agriculture
15. Forestry
16. Mining
17. Community Services
18. Utility Systems
19. Traffic and Transportation
20. Safety and Health (including electromagnetic fields and safety codes)
21. Noise

D. ALTERNATIVES TO BE EVALUATED IN EIS: The EIS will identify and discuss alternatives to the proposed project. The EIS will identify and describe alternatives considered but not carried forward for detailed evaluation and provide a rationale for not including them in detailed evaluation.

In addition to the two routes proposed in their Route Permit Application filed with the Commission, the applicants developed other routing alternatives as part of the scoping material developed for RUS under its NEPA process. These routing alternatives were study areas of approximately 2 miles in width, referred to as “macrocorridors.”

There was a widespread desire among members of the public, as well as federal agency partners that the EIS evaluate route alternatives in addition to the two proposed by the Applicants.

In conjunction with the Applicants, OES staff developed 1,000 foot routes within each of three “macrocorridors” identified in the scoping materials prepared for the RUS. Staff from OES and federal partner agencies reviewed more detailed social and environmental information on the five routes (the two applicant-proposed and one in each of the additional three “macrocorridors”). Based on the results of that analysis, it was concluded that potential impacts from three routes should be evaluated in the EIS. These routes are described below and shown in the map attached to this document:

- **Route 1:** This is the route preferred by the Applicants in their route permit application to the Minnesota Public Utilities Commission. This route is approximately 69 – 74.8 miles in length (depending upon the sub alternatives) and generally follows the Great Lakes Gas Transmission Company pipeline and a 115 kV transmission line rights-of-way.
- **Route 2:** This route was proposed by the Applicants as an alternate route in their route permit application to the Minnesota Public Utilities Commission. This route is approximately 68 – 72.4 miles (depending upon sub alternatives) and generally follows U.S. Highway 2 and the Enbridge pipeline rights-of-way.
- **Route 3:** This route follows existing pipeline, transmission and road rights-of way for most of its 116 miles. The route heads southeast out of the Wilton Substation, then northeast to the Blackduck area; there are several route variations around the city of Blackduck. From Blackduck, the route heads east and then south to Deer River, and then southeast to the Boswell Substation. This route avoids the heart of the Chippewa National Forest and largely avoids the Leech Lake Reservation.

E. IDENTIFICATION OF PERMITS: The EIS will include a list of permits that will be required for the applicant to construct this project.

ISSUES OUTSIDE THE SCOPE OF THE EIS

The Draft Environmental Impact Statement will not consider the following materials:

1. The manner in which land owners are paid for transmission right-of-way easements, as that is outside the PUC route permitting jurisdiction
2. Any route alternatives not specifically identified in this Scoping Decision

STATE AND FEDERAL COORDINATION

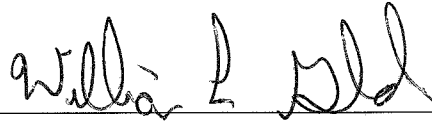
Minnesota Rule 4410.3900 anticipates coordinating state and federal review where possible. The OES, through the Department of Commerce, has entered into a Memorandum of Understanding with the Rural Utilities Service to prepare an EIS to meet both federal and state requirements. OES will prepare both an Environmental Report and EIS for the project to meet the state requirements. OES anticipates continued cooperation with RUS on the EIS being prepared for the route permit proceedings.

SCHEDULE

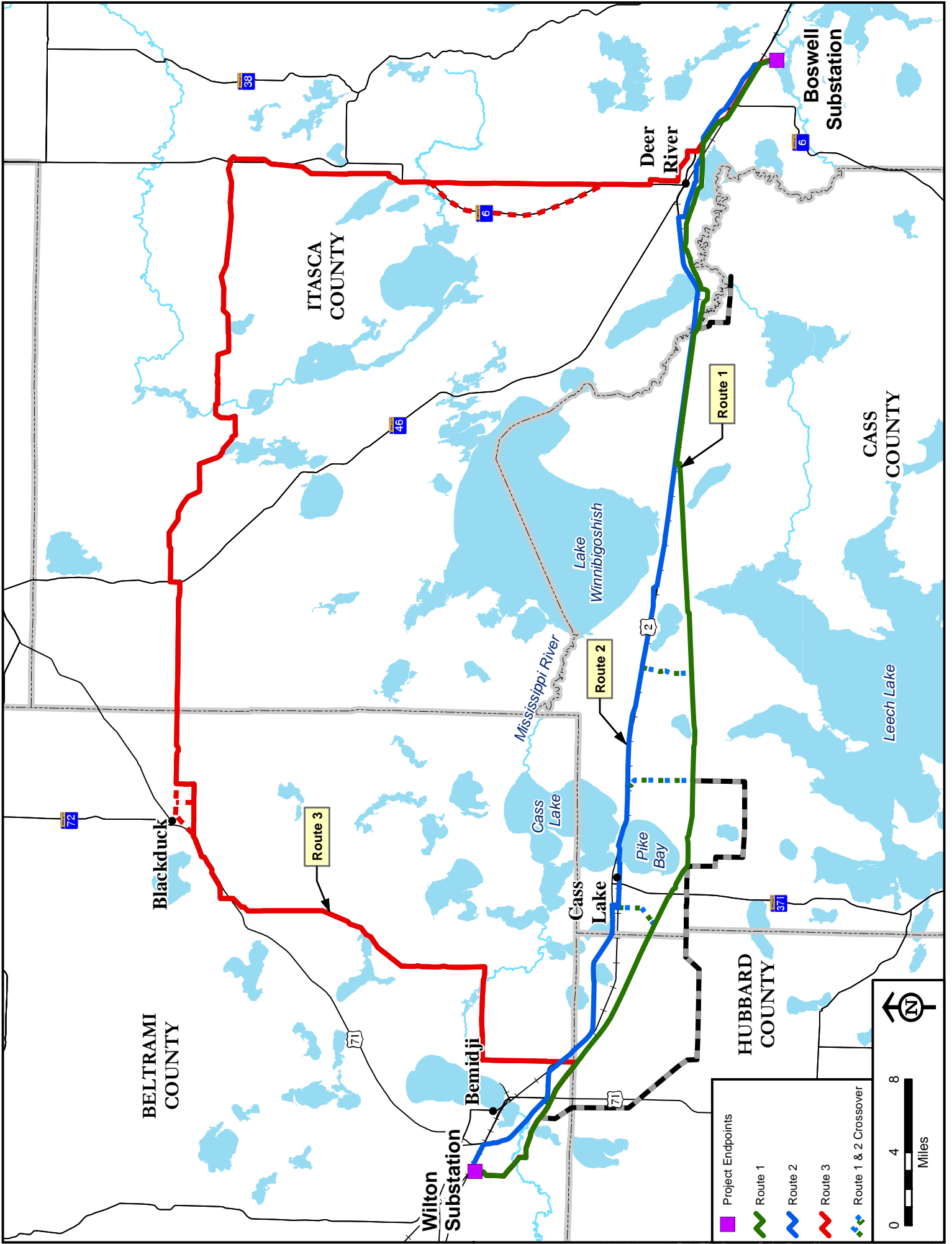
The Draft EIS shall be completed and available by August, 2009.

Signed this 31st day of March, 2009

STATE OF MINNESOTA
OFFICE OF ENERGY SECURITY



William Glahn, Director



CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Office of Energy Security
Notice of Scoping Decision and Intent to Prepare an Environmental
Impact Statement**

Docket No. E017,E015,ET6/TL-07-1327

Dated this 3rd day of April, 2009

/s/Sharon Ferguson

Sarah Thornton

Charles Kupchella
252 Emerald Drive
Ebensburg, PA 15931

James Soli
Home Owner
25106 470th St Laporte MN

Jim Solie
514 Pence Rd
Mt. Holly, NC 28120

Jason Painter
ACES Power Marketing LLC
4140 West 99th Street
Carmel, IN 46032

Jay Porter
American Transmission Company
PO Box 47
Waukesha, WI 53187

Todd Tadych
American Transmission Company LLC
2 Fen Oak Court
Madison, WI 53718

Pam Rasmussen
Xcel Energy
P.O. Box 8
Eau Claire, WI 54702

Suzanne Steinhauer
Minnesota Department of Commerce
Energy Facility Permitting Siting
& Routing
85 7th Pl E Suite 500
St. Paul, MN 55101

Bret Eknes
MN PUC
121 7th Place E
350 Metro Square Building
St. Paul, MN 55101

Bob Cupit
MPUC
121 Seventh Place E.
St. Paul, MN 55101

Phil Smith
MN DOC –
MOES - Energy Information Center
85 7th Place East Suite 500
St. Paul, MN 55101

George Johnson
SEH Inc.
3535 Vadnais Center Drive
Saint Paul, MN 55110

Richard and Georgiana Johnson
1565 18th Ave NW
New Brighton, MN 55112

George and Helen DeSmidt
945 W Grandview Ave
Roseville, MN 55113

Andrew Koebrick
Minnesota Department of Administration
658 Cedar
300 COB
St. Paul, MN 55155

Stacy Kotch
Minnesota Department of Transportation
395 John Ireland Blvd
Mailstop 678
St. Paul, MN 55155

Skip Rosen
8130 Peony Lane N
Maple Grove, MN 55311

Gary Skroch
17603 81st Place North
Maple Grove, MN 55311

Steve Theisen
9397 Tewsbury Gate N
Maple Grove, MN 55311

Chris Stendal
7242 Fawn Hill Road
Chanhassen, MN 55317

Steven Veno
6730 Mulberry Circle
Chanhassen, MN 55317

Beth Waterhouse
818 Third Avenue
Excelsior, MN 55331

Eric Hansen
Pinnacle Engineering Inc.
11541 95th Avenue North
Maple Grove, MN 55369

Marvin Zachman
2265 Iffert Ave. NE
St. Michael, MN 55376

Scott Radtke
Airgas
7525 Hwy 13
Suite 200
Savage, MN 55378

Robert Hovelson
14800 Minnehaha Place
Wayzata, MN 55391

Emily Dalager
400 First Ave North
Suite 535
Minneapolis, MN 55401

John Drawz
Fredrikson and Byron P.A.
200 South Sixth Street Suite 4000
Minneapolis, MN 55402

William Regan
Merjent Inc.
615 First Ave NE
Suite 425
Minneapolis, MN 55413

Darrell Gerber
Clean Water Action Alliance
308 E Hennepin Ave
Minneapolis, MN 55414

Lydia Nelson
HDR Inc.
701 Xenia Avenue South
Suite 600
Minneapolis, MN 55416

Joanne Strain
1674 Cloud Dr. N.E.
Blaine, MN 55449

Vernon Barsness Sr.
Pike Bay Township
14862 73rd Avenue NW
Cass Lake, MN 55633

Larry Martinson
Wilkinson Township
6588 Steamboat Lake Dr. NW
Cass Lake, MN 55633

Mary Munn
Fond du Lac Reservation
1720 Big Lake Road
Cloquet, MN 55720

George Berbee
39094 Conty Road 88
Cohasset, MN 55721

Terry Helmer
property owner
624 N.E. 8th St.
Grand Rapids, MN 55744

Mike Fall
2990 Fraser Street
Grand Rapids, MN 55744

Lori Dowling
Itasca County Commission
123 NE 4th Street
Grand Rapids, MN 55744

Mary Bily
Business North
36800 County Line Road West
Hill City, MN 55748

Bob Lindholm
Minnesota Power
30 West Superior Street
Duluth, MN 55811

Kevin Peterson
Local Union 160
846 48th Avenue NW
Rochester, MN 55901

Kevin Morrissey
City of Rochester MN
201 4 Street SE
Rochester, MN 55904

Richard Luoma
220 South Robert
Mabel, MN 55954

Talleir Vollen
1403 33rd Ave N 29
St. Cloud, MN 56303

Lonnie Abrams
12323 Highway 27 West
Little Falls, MN 56345

Richard Rothaus
Trefoil Cultural and Environmental
Heritage
1965 W. Highview Dr
Sauk Rapids, MN 56379

Robert McClellan
16673 County Road 3
Brainerd, MN 56401

Gary Lyall
514 Sunny Acres Lane NW
Hackensack, MN 56452

Frances Christopherson
201 Lakeshore Dr W
Hackensack, MN 56452

Silas Hooker
46225 US 71
Laporte, MN 56461

Hartzel and Myneth Halverson
28011 480th Street
Guthrie, MN 56461

Jon R. Utly
43247 U.S. 71
Laporte, MN 56461

David Olsonawski
Hubbard County
301 Court Avenue
Park Rapids, MN 56470

Rowan Bode
7637 Breezy Point Rd NW
Walker, MN 56484

Duane Payne
4190 Asher Lane N.W.
Walker, MN 56484

Roger Moe
National Strategies Inc.
17444 Park Ave SE
Erskine, MN 56535

Diane Merz
Otter Tail Corporation
215 South Cascade Street
Fergus Falls, MN 56537

Jim Metcalf
Otter Tail Power Co
215 S Cascade
Fergus Falls, MN 56537

Al Koeckeritz
Otter Tail Power
215 S Cascade St
P.O. 496
Fergus Falls, MN 56538

Kimberly Johnson
Otter Tail Power Company
215 South Cascade Street
PO Box 496
Fergus Falls, MN 56538

Beth Cottrell
Otter Tail Power Company
216 South Cascade
PO Box 496
Fergus Falls, MN 56538

Karen Johnson
Enbridge
1129 Industrial Park Drive SE
Bemidji, MN 56601

Nathan Richter
51418 County 36
Bemidji, MN 56601

Peter Buessler
DNR
2115 Birchmont Beach Rd. NE
Bemidji, MN 56601

Robert Ek Jr.
1630 Jefferson Ave. SW
Bemidji, MN 56601

Mark Hicks
2042 Monarch Drive SW
Bemidji, MN 56601

Mark Studer
Homeowner
2088 Oak Ridge Rd. SW
Bemidji, MN 56601

Scott Herr
3188 16th Street SW
Bemidji, MN 56601

Barbara and Richard Anderson
3250 16th ST SW
Bemidji, MN 56601

Ann Seidel
3067 Royalton Dr SW
Bemidji, MN 56601

Donna Anderson
Frohn Township
10843 23rd Street SE
Bemidji, MN 56601

Jack Frost
Beltrami County Commission
15228 Joe s Lodge Dr. NE
Bemidji, MN 56601

Jerry Serbus
26749 Beltrami Line Road
Bemidji, MN 56601

Steven and Bonnie Williams
50274 279th Avenue
Bemidji, MN 56601

John and Sandra Robinson
1810 S. Lake Irving Drive
Bemidji, MN 56601

Judy Nelson
2609 Ol Whispering Pines
Bemidji, MN 56601

Thomas D Albini
Thomas D Albini Ltd.
205 7th Street
Bemidji, MN 56601

Jeremy Thomas
6188 Mid-Valley Lane NW
Bemidji, MN 56601

Richard Klovstad
4861 Evergreen Lane NE
Bemidji, MN 56601

Jan Wright-Knutson
7626 Power Dam Rd NE
Bemidji, MN 56601

Brent Lewis
10407 Blackberry Ct. NE
Bemidji, MN 56601

Jim Gorham
49840 Tallwood Trail
Bemidji, MN 56601

Patricia and Fredrick Pick
Pick s Tree Farm
8090 Esther Lane NE
Bemidji, MN 56601

Rod and Anne Will
9025 Marcella Drive NE
Bemidji, MN 56601

Douglas Prince
24180 498th Street
Bemidji, MN 56601

Betty Hall
5048 Grant Valley Rd.
Bemidji, MN 56601

Darrell and Denise Magoon
50334 - 279th Avenue
Bemidji, MN 56601

Roger and Christine Quinn
1240 Schroeder Road N.W.
Bemidji, MN 56601

Donna and Dick Stamm
2109 Lakeview Drive
Bemidji, MN 56601

Jarrett M. and Sharon Lish
2352 Holand Road S.W.
Bemidji, MN 56601

Dawn Carpenter
1025 Oak Hills Road S.W.
Bemidji, MN 56601

Keith Pommerening
3579 Melshir Lane S.W.
Bemidji, MN 56601

Ken Magawa
3700 Cottage Lane S.W.
Bemidji, MN 56601

Mike Arnold
2228 Carr Lake Road S.W.
Bemidji, MN 56601

T. Garrett and R. Mittan
2109 Oak Ridge Road S.W.
Bemidji, MN 56601

Peter Guggenheimer
1700 Canopy Lane S.E.
Bemidji, MN 56601

Staci Stan Calvin and Darcy Stai
1719 Jefferson S.W.
Bemidji, MN 56601

John and Joyce Holmstrom
1802 Monroe Avenue S.W.
Bemidji, MN 56601

William Kust
614 18th Street S.W.
Bemidji, MN 56601

Lisa Erwin and Al Werner
1937 Carr Lake Road S.W.
Bemidji, MN 56601

Mark D. Stider
2088 Oak Ridge Road S.W.
Bemidji, MN 56601

Marland and Carol Winans
1211 Oak Hills Road S.E.
Bemidji, MN 56601

Scott and Tracy Williams
1503 Jefferson Avenue S.W.
Bemidji, MN 56601

Steve Susmild
2757 16th Street S.W.
Bemidji, MN 56601

Jon Dahl
49349 Teal Wing Drive
Bemidji, MN 56601

Carmen Smith
28174 White Cedar Road
Bemidji, MN 56601

Cathy Perry
5229 Woodberry Court S.E.
Bemidji, MN 56601

Randy Bowman and Cathy Perry
2800 Arrowood Circle N.W.
Bemidji, MN 56601

Rodney and Kathy Debart
50620 279th Avenue
Bemidji, MN 56601

Darrell and Marge Magnussen
50193 279th Avenue
Bemidji, MN 56601

Jeff and Valeri Johnson
26749 Upper Necktie River Road
Bemidji, MN 56601

Suzy Bormann
48851 Thunderbolt Drive
Bemidji, MN 56601

James Haack
2510 North Plantagnet Road S.W.
Bemidji, MN 56601

Gene Lund
3519 Kaymar Court S.E.
Bemidji, MN 56601

Paula Tunseth
21325 Tanger Drive
Bemidji, MN 56601

Marge Sper
51391 Tunager Drive
Bemidji, MN 56601

Joe Strong
51274 County 36
Bemidji, MN 56601

Ron Eischens
50154 279th Avenue
Bemidji, MN 56601

Bill Pirkl
3920 Highway 2
Bemidji, MN 56601

Stephen Froscop
3920 Highway 2 West
Bemidji, MN 56601

Delmer Jones
2512 Sparrow Lane S.E.
Bemidji, MN 56601

Wanda Arenz
Farden Township
49389 323rd St.
Cass Lake, MN 56633

Gary Shadrick
12794 Oak Point Rd. N.W.
Cass Lake, MN 56633

Pete Waseen
51215 Wildwood Rd
Cass Lake, MN 56633

Nancy Fuller
14693 61st Avenue N.W.
Cass Lake, MN 56633

Mike Schmid
49638 317th Avenue
Cass Lake, MN 56633

Audrey Kincaid and Tony Jenkins
6924 148th Street
Cass Lake, MN 56633

Harold Gehrke
6623 160th Street North
Cass Lake, MN 56633

Leo Wieland
PO Box 1389
Cass Lake, MN 56633

Barbara Henkeneyer
PO Box 1399
Cass Lake, MN 56633

Jack Gustafson
6089 North Portage Lane
Cass Lake, MN 56633

Sharon and Curtis Hinkemeyer
6446 156th Street N.W.
PO Box 1399
CassLake, MN 56633

Feather EagleRock
6936 Little Wolf Road
Gamiskwawakakog Indian Territory
Cass Lake, MN 56633

Dale and Bonnie Lembke
7122 140th Street N.W.
Cass Lake, MN 56633

Hank Zierhut
13460 60th Avenue N.W.
Cass Lake, MN 56633

Jeanne Bixby
Morse Township
33435 County Rd. 164
Deer River, MN 56636

Pamala Gielen
37300 Little John Rd.
Deer River, MN 56636

Nancy Evans
34494 County Road 44
Deer River, MN 56636

Richard Fideldy
29910 County Road 18
Deer River, MN 56636

Joe Novicki
40815 U.S. Highway No. 2
Deer River, MN 56636

Jerry Naslund
726 2nd Street West
Deer River, MN 56636

Doug Trout
Box 236
Deer River, MN 56636

Bill Evens
30919 Alctic Road
Deer River, MN 56636

Jarriet Evans
4738 Jimis Lane
Deer River, MN 56636

Mark Fossum
35550 Hwy 6
Deer River, MN 56636

Dick Brerl
30751 County Road 178
Deer River, MN 56636

Denise Benson
41804 County Road 308
Deer River, MN 56636

Paul Jerry
409 4th Avenue S.E.
Deer River, MN 56636

Douglas Juelson
17085 Popplewood Rd NE
Hines, MN 56647

Mike Wooden
PO Box 87
Longville, MN 56655

K. Cash Luck
6091 Fort Thunder Dr
Remer, MN 56672

Harold Fenske
25541 Haycreek Road N.E.
Tenstrike, MN 56683

John Knudson
4516 Belmont Road
Grand Forks, ND 58201

Donell Murphy
ARCADIS
35 E Wacker Drive
Suite 1000
Chicago, IL 60601

Michael Schrader
Ariztar Development LLC.
4616 East Pebble Ridge Road
Paradise Valley, AZ 85253