

Minnesota Department of Natural Resources

500 Lafayette Road • St. Paul, MN • 55155-40__



May 10, 2011

Burl Haar, Executive Secretary
Minnesota Public Utilities Commission
121 7th Place E., Suite 350
Saint Paul, MN 55101-2147

Re: Office of Administrative Hearings (OAH) Report for the Fargo to St. Cloud 345 kV
Transmission Line Project [MPUC Docket ET-2, E-002/TL-09-1056]

Dear Mr. Haar:

The Minnesota Department of Natural Resources (DNR) has reviewed Administrative Law Judge's Findings of Fact, Conclusions and Recommendation, filed April 25, 2011 regarding the Fargo to St. Cloud 345 kV Transmission Line Project. The Office of Administrative Hearings (OAH) was accommodating to the DNR by accepting updated DNR comments during the hearing process and comment period. These important updates were included in portions of the Administrative Law Judge's report, but some clarifications are necessary regarding other portions of the report to accurately state DNR recommendations. The DNR provides the following exceptions and comments specific to individual Findings of Fact.

Finding #18: The last two sentences of Finding #18 appear to reference an outdated DNR comment letter and state some incorrect DNR recommendations. The enclosed January 5, 2011 DNR comment letter, attached maps, and January 7, 2011 memo should be referenced when summarizing DNR routing recommendations and for routing details and supporting information. Finding #18 is correct that for the *North Dakota to Alexandria Segment* the DNR recommends *Route A*. However, Finding #18 should be corrected to state that, for the *Alexandria to Sauk Centre Segment*, the DNR recommends following *Route A east to Option 6, and then following Option 6 to the Preferred Route* (see enclosure). On the expanded portion of the Preferred Route near the city of Sauk Centre, the DNR generally concurs with the alignment shown on sheets 50 and 51 (DEIS Appendix H), but encourages avoidance of the McCormick Lake WPA by changing alignment near the WPA. For the *Sauk Centre to St. Cloud Segment*, Finding #18 should be corrected to state that the DNR recommends following *Route G with Option 11* (see enclosure). The DNR does not recommend following Route D.

Finding #228: The third sentence of Finding #228 states that the applicant has developed an Avian Protection Plan. The DNR requests a copy of the Avian Protection Plan and an opportunity to provide input regarding how to mitigate for possible avian impacts resulting from project construction. Planning mitigation for avian impacts is recommended prior to issuance of the route permit to the extent possible.

Finding #338: For the Alexandria to Sauk Centre Segment, under the title Effects on Rare and Unique Natural Resources, Finding #338 states that the DNR and Office of Energy Security (OES) coordinated and that OES did not identify any areas of concern within this segment. A review of DNR project notes does not indicate coordination between the DNR and OES resulting in a determination of no concerns for this segment. The DNR has provided comments regarding the Alexandria to Sauk Centre Segment suggesting avoidance of sites of biodiversity significance and rare features (see enclosure). Without further clarification or a reference, the first sentence of Finding #338 should be considered an incorrect summary of correspondence from the DNR perspective.



Finding #346: The last sentence of Finding #346 appears to reference DNR input. However, it is unclear if this sentence reflects the DNR recommendation for this area. To clarify, for the Alexandria to Sauk Centre Segment, the DNR recommends following Route A to Option 6, then to avoid Minnesota County Biological Survey (MCBS) sites of biodiversity significance, rare features, and public lands, it is recommended to use Option 6 and then to follow the Preferred Route east to the beginning of the Sauk Centre to St. Cloud Segment. On the expanded portion of the Preferred Route near the city of Sauk Centre, the DNR concurs with the alignment shown on sheets 50 and 51 (DEIS Appendix H) to avoid habitat associated with a Wildlife Management Area (WMA) and NWI wetland. However, avoidance of the McCormick Lake Waterfowl Production Area (WPA) is recommended by changing alignment within the expanded Right-of-Way (ROW) to reduce possible effects to waterfowl.

Thank-you for your consideration of the above exceptions. Please contact me with any questions.

Sincerely,



Jamie Schrenzel
Principal Planner
Environmental Review Unit
(651) 259-5115

Enclosures: 2

C: Judge Beverly Heydinger, OAH
David Birkholz, DOC
Tony Sullins, USFWS
Nathan Kestner, DNR
Melissa Doperalski, DNR
Dan Leshner, Great River Energy
Darrin Lahr, Xcel Energy

Minnesota Department of Natural Resources

500 Lafayette Road • St. Paul, MN • 55155-40



January 5, 2011

Judge Beverly Jones Heydinger
Office of Administrative Hearings
P.O. Box 64620
600 North Robert Street
St. Paul, Minnesota 55164-0620

Re: Fargo to St. Cloud Transmission Project
[PUC Docket No: E002, ET2/TL-09-1056; OAH Docket No. 15-2500-20995-2]

Dear Judge Heydinger:

The Minnesota Department of Natural Resources (DNR) has reviewed the Fargo to St. Cloud Transmission Project Route Application and Draft Environmental Impact Statement (DEIS). Written comments have been provided throughout the permitting and environmental review process. The DNR also provided testimony during a portion of the evidentiary hearing for the Fargo to St. Cloud Transmission Project on December 10, 2010 and provided subsequent written comments. The DNR encourages review of previous letters for development of a report from the Office of Administrative Hearings. Also, based on information provided during the environmental review and permitting process, administrative hearings, DNR databases, and DNR staff review, additional comments are provided to give an overview of which routes appear to have the least potential for adverse effects to natural resources.

The DNR received feedback during the evidentiary hearing indicating confusion regarding previous comments, particularly for the Sauk Centre to St. Cloud Section of the project. In response, DNR staff from this area have conducted an additional review of each portion of this route section and connecting portions of the Alexandria to Sauk Centre Section, primarily using DNR databases such as the Natural Heritage Information System, Geographic Information System (GIS) layers available through the DNR Data Deli, United States Fish and Wildlife Service (USFWS) "Thunderstorm" maps showing waterfowl habitat, and figures included in the appendices of the DEIS. Input remains the same as previous comment letters for the North Dakota to Alexandria Section of the project. Input remains the same for the Alexandria to Sauk Centre portion of the project (from west to east) until reaching the crossover route named Option 6. From Option 6 to the east, there are some changes in DNR recommendations. There are also changes to recommendations regarding the Sauk Centre to St. Cloud Section of the route. An overview of updated recommendations resulting from this additional review is included below for each project Section.

North Dakota to Alexandria Section

As stated previously in DNR comments, the I-94 route, named the Preferred Route in DEIS Figure 1, from North Dakota to Alexandria has the most potential for migratory bird issues due to area use for migration and staging for high concentrations of waterfowl and other migratory species. Use of Route A would help to avoid potential bird fatality associated with collisions with transmission lines.

Alexandria to Sauk Centre Section

Route A is recommended for avoidance of impacts to waterfowl and migratory birds from Alexandria east to Option 6. Then, to avoid Minnesota County Biological Survey (MCBS) sites of biodiversity significance, rare features, and public lands, it is recommended to use Option 6 and then to follow the Preferred Route east to the beginning of the Sauk Centre to St. Cloud Section (see enclosed map titled "Appendix H Alexandria – Sauk Centre Detailed Route Map Index"). On the expanded portion of the Preferred Route near the city of Sauk Centre, the DNR concurs with the alignment shown on sheets 50 and 51 (DEIS Appendix H) to avoid habitat associated with a WMA and a Wild and Scenic River District. However, avoidance of the McCormick Lake WPA is recommended by changing alignment within the expanded Right-of-Way (ROW) to reduce possible effects to waterfowl.

Sauk Centre to St. Cloud Section

The DNR recommends following the route labeled as Route G (pink) with Option 11 (orange), on the Figure in Appendix



H of the DEIS titled "Appendix H Route G Detailed Route Map Index Sauk Centre to St. Cloud (see enclosure)." Route G with Option 11 is generally recommended in this section for avoidance of effects to habitat and wildlife associated with MCBS sites of biodiversity significance and public waters. Key areas for avoidance, MCBS sites, and public waters are included on an enclosed map. Avoiding placement of transmission lines near these features would reduce risk of avian collision and habitat loss. Additional detailed routing rationale is provided below. Please note that if one follows the referenced index map (see enclosure titled "Appendix H Route G Detailed Route Map Index Sauk Centre to St. Cloud") to find detailed map sheets in Appendix H, the map sheets include different Route names. From this point on in this letter, the *same* route described above, and rationale for why it avoids natural resources, will be explained below by using the naming system included on the more detailed map sheets so that one may view natural resource features readily:

The DNR recommends following the Preferred Route (from west to east) from the beginning of the Sauk Centre to St. Cloud Section to Option 8. Then, it is recommended to remain along the Preferred Route instead of using Option 8 to avoid effects to a Wild and Scenic River District (Sheet 68 DEIS Appendix H). The Preferred Route is recommended from this point to Option 9. Again, it is recommended to remain along the Preferred Route instead of using Option 9 because Option 9 would appear to have a greater effect on a habitat complex including the convergence of the Sauk River and an Unnamed Stream (Sheet 68 DEIS Appendix H) and would cross more waterfowl habitat. The Preferred Route would then be followed to what is labeled as both Route E and Route G on Sheet 69 of DEIS Appendix H. Following this route south (out of the possible routes south) results in the most overall avoidance of impacts to public lands.

Following what is labeled as both Route E and Route G on Sheets 69 and 75 (Appendix H) is recommended until reaching Route G (as shown in the key labeled pink). Then it is recommended to continue south on Route G (pink) and continue on Route G east (Sheet 86, 87, 89 DEIS Appendix H). Please note that a fen is present just east of the ROW in Section 15 of Township 124 Range 32 on Sheet 86 that does not seem to be addressed in the record for this project. Avoidance of this fen and further coordination regarding avoidance of impacts to fen hydrology would be needed for this area. Route E would then be followed east (Sheet 89) to Option 11 (Sheet 90). Option 11 is then recommended to avoid higher quality waterfowl habitat and a native plant community. Option 11 then rejoins Route E (Sheet 90) and continues east. It is recommended to follow Route E (Sheet 98) to the end of the route. This routing at the end of the line appears to most avoid effects to rivers and lakes and associated habitat and wildlife. However, avoidance of forest clearing by adjusting alignment is recommended along Route E (Sheet 98).

Though routing suggestions reflect ways to avoid effects to natural and public resources, the routes described do include resources such as MCBS site of biodiversity significance, river crossings, and forested habitat. Coordination with the DNR regarding alignment within the ROW is recommended as part of the route permit process and may be required of applicants if threatened or endangered plants may be present or if a License to Cross Public Lands and Waters is needed. Earlier coordination regarding alignment may help the applicant avoid possible scheduling difficulties resulting from items such as the specific survey seasons and may also help better inform PUC permitting decisions.

Thank you for the opportunity to provide additional input regarding ways to avoid effects to natural and public resources when choosing routing for the Fargo to St. Cloud Transmission Project. Please contact me with any questions.

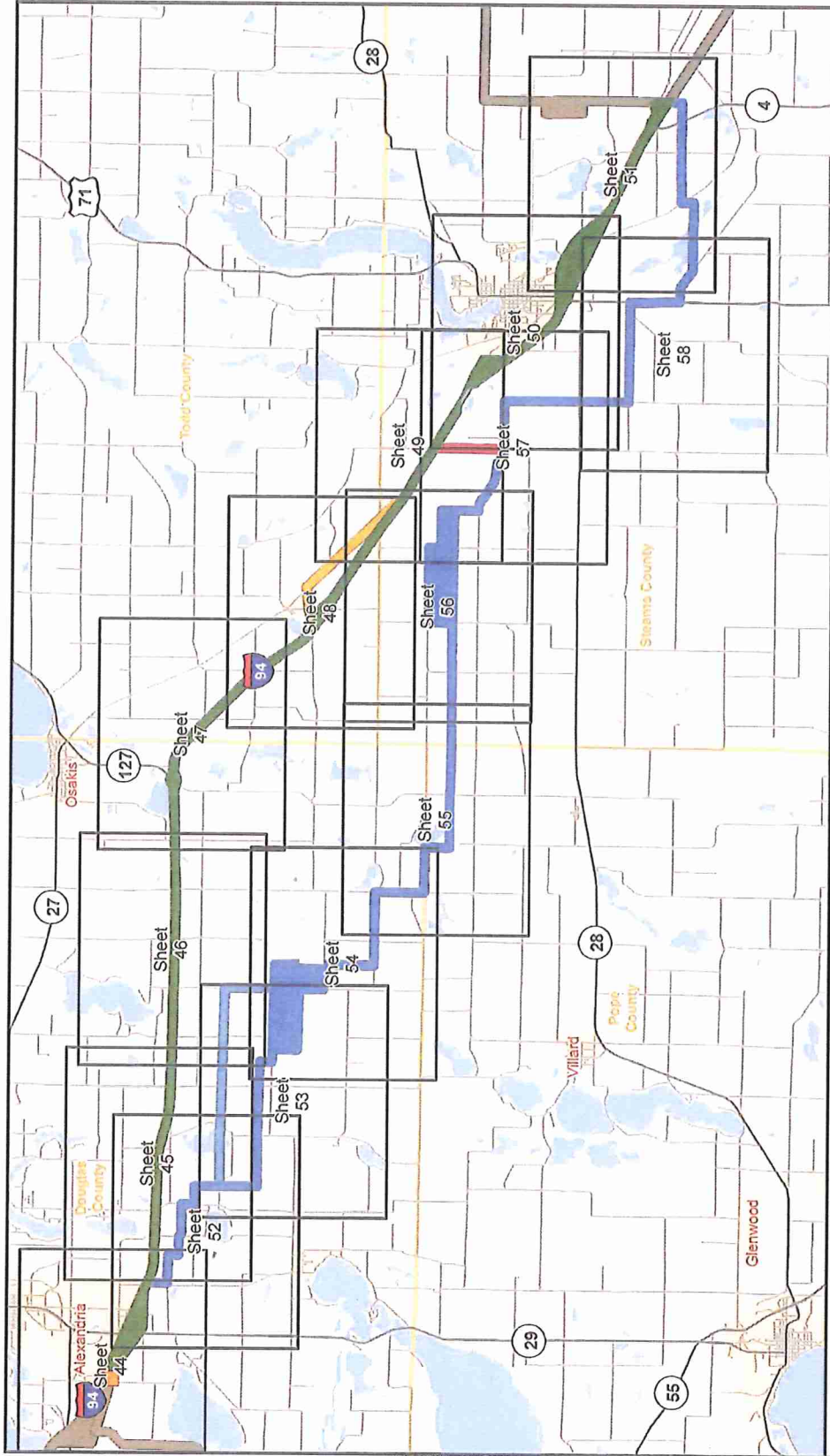
Sincerely,



Jamie Schrenzel
Principal Planner
Environmental Review Unit
651-259-5115

Enclosures: 3

C: David Birkholz, Office of Energy Security

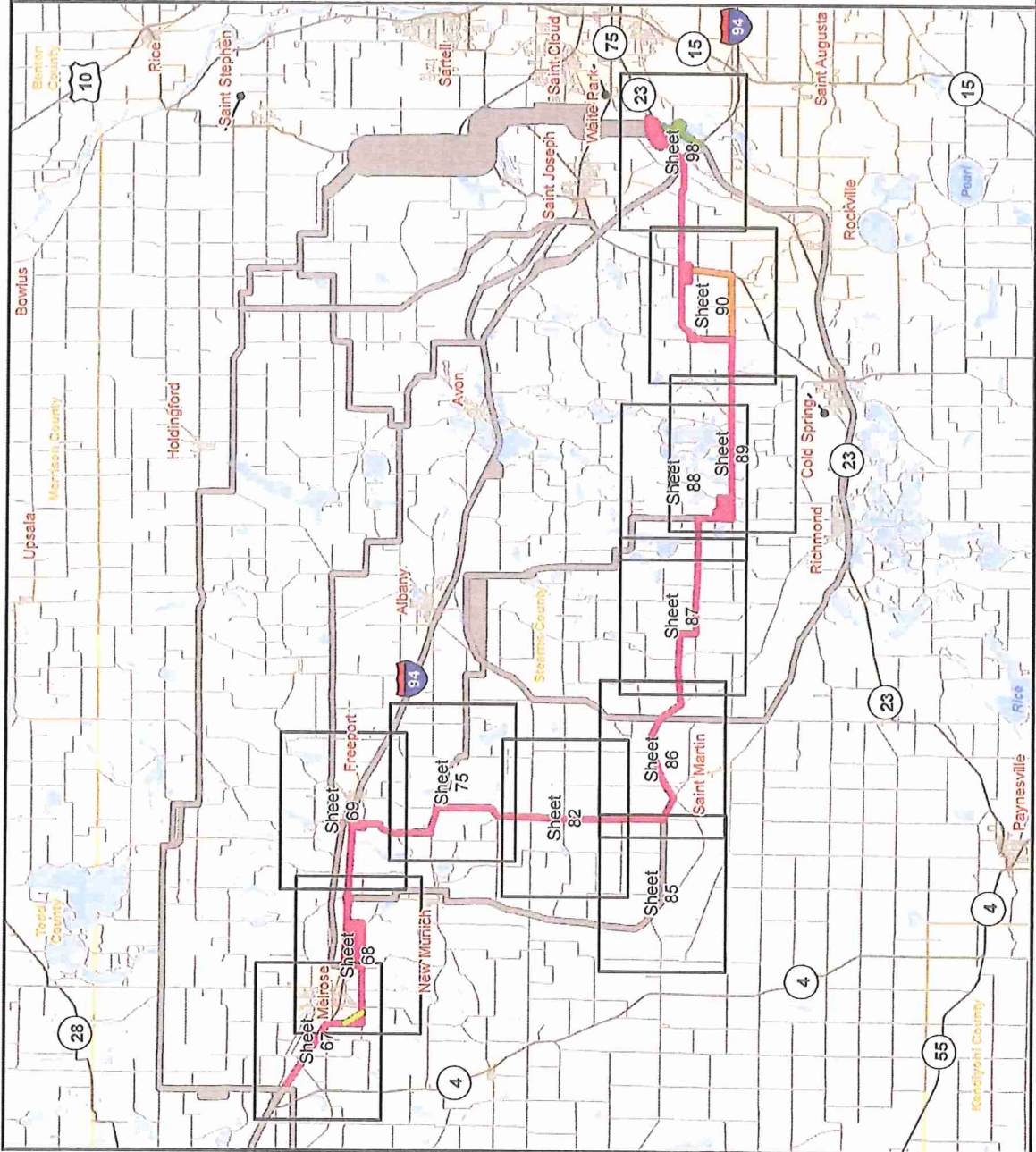
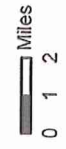


- Substation
- Preferred Route
- Route A
- Option 4
- Option 5
- Option 6
- Other Route
- Highway
- County Boundary
- Lake
- Municipal Boundary
- Appendix G Page

Appendix H
 Alexandria - Sauk Centre
 Detailed Route Map Index
 Fargo to St. Cloud
 345 kV Transmission Line

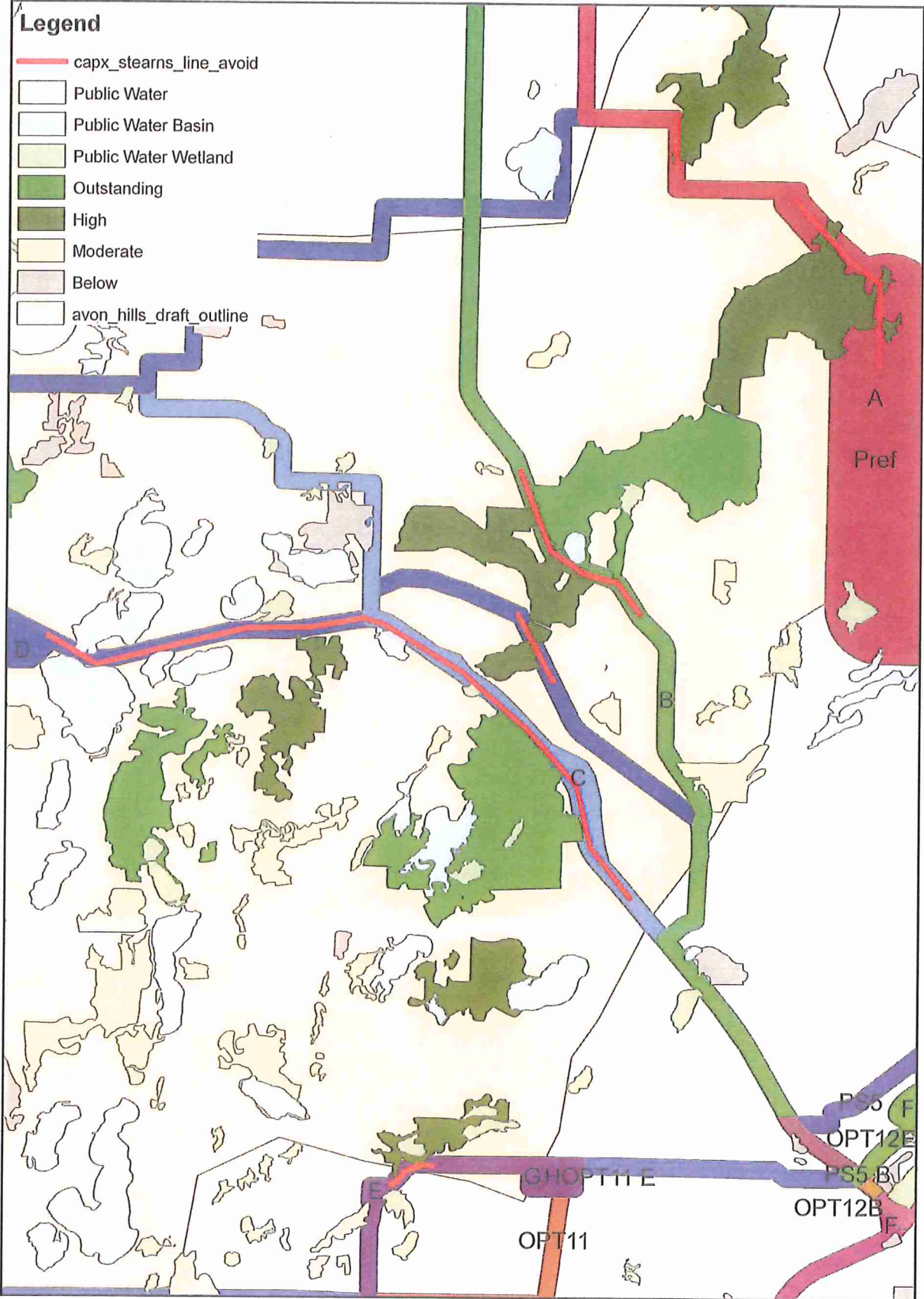
Appendix H
Route G
Detailed Route Map Index
Sauk Centre to St. Cloud
Fargo to St. Cloud
345 kV Transmission Line

- Route G
- Option 8
- Option 11
- Option 12
- Other Routes
- Lake
- Municipal Boundary
- County Boundary
- Appendix G Page



Legend

- capx_stearns_line_avoid
- Public Water
- Public Water Basin
- Public Water Wetland
- Outstanding
- High
- Moderate
- Below
- avon_hills_draft_outline



DEPARTMENT OF NATURAL RESOURCES
Division of Ecological Resources

STATE OF MINNESOTA
Memorandum

DATE: January 7, 2011

PHONE: (651) 259-5115

TO: Judge Beverly Jones Heydinger
Minnesota Office of Administrative Hearings

FROM: Jamie Schrenzel
MDNR, Division of Ecological Resources

SUBJECT: Fargo to St. Cloud Transmission Project
[PUC Docket No: E002, ET2/TL-09-1056; OAH Docket No. 15-2500-20995-2]

The Minnesota Department of Natural Resources submitted comments regarding the Fargo to St. Cloud Transmission Project January 5, 2011. Please note the following minor corrections to those comments:

Page 1, Paragraph 4: "On the expanded portion of the Preferred Route near the city of Sauk Centre, the DNR concurs with the alignment shown on sheets 50 and 51 (DEIS Appendix H) to avoid habitat associated with a WMA and a Wild and Scenic River District."

"Wild and Scenic River District" should be replaced with "NWI Wetland" as labeled on Sheets 50 and 51.

Page 2, Paragraph 2: "Then, it is recommended to remain along the Preferred Route instead of using Option 8 to avoid effects to a Wild and Scenic River District (Sheet 68 DEIS Appendix H)."

"Wild and Scenic River District" should also be replaced here with "NWI Wetland" to match labeling on sheet 68.

Thank you for noting these corrections.