

CHAPTER
1

1. Project Overview and Regulatory Responsibility

1.1. PROJECT OVERVIEW

1.1.1. Application under review

The Public Service Commission of Wisconsin (PSCW or Commission) has before it an application for a Certificate of Public Convenience and Necessity (CPCN) for a new 345 kilovolt (kV) electric transmission line and substation, submitted as part of the major CapX2020 Transmission Expansion Initiative (CapX2020) by three electric utilities that serve areas of western Wisconsin. The 345 kV line would extend from the Wisconsin border in the Mississippi River west of Alma, Wisconsin, in Buffalo County, through Trempealeau County to a new 345/161 kV substation to be built on the southwest side of Holmen, Wisconsin, in La Crosse County. The applicants have termed the proposed project “the La Crosse Transmission Project,” after the electrical study area that would be served (see Figure Vol. 2-2).

This environmental impact statement (EIS) uses “Alma–La Crosse 345 kV Transmission Project” (Alma-La Crosse) or the applicants’ term for the proposed project, the “La Crosse Transmission Project” (La Crosse Project.) It is also occasionally uses the term “CapX” when discussing the project in the context of its Wisconsin location and impacts.

The utilities’ stated purposes of the La Crosse Transmission Project are: (1) to serve increasing electric demand in the La Crosse, Wisconsin, and Winona and Rochester, Minnesota, areas; (2) to maintain the reliability of the regional electrical system; and (3) to support means for getting local electric generation output onto the electric grid. More recently, the utilities have also stated that another advantage of the new line is to enhance power transfers from states located west of the Mississippi River. A more detailed discussion of these needs and Commission staff’s analysis of them are discussed in Chapter 2.

The three utility applicants for the project are:

- Northern States Power Company–Wisconsin (NSPW)
- Dairyland Power Cooperative (DPC)
- WPPI Energy (WPPI)

NSPW is the lead utility for the proposed project as an electric utility subsidiary of Xcel Energy (Xcel), which owns and operates transmission facilities in Wisconsin, Minnesota, the Dakotas, Colorado, Kansas, Oklahoma, Texas, New Mexico, and a small portion of the upper peninsula of Michigan. DPC is a transmission-generation cooperative formed during the federal rural electrification movement to serve

electric cooperatives organized under the federal Rural Electrification Administration, now the U.S. Department of Agriculture (USDA) Rural Utilities Service (RUS). DPC is based in La Crosse and serves 25 cooperative member systems. WPPI is a regional power company based in Sun Prairie, Wisconsin, serving 51 customer-owned municipal electric utilities in Wisconsin, Iowa, and the upper peninsula of Michigan, and helping them share generation and other resources. The three utilities are members of a larger group of CapX2020 Utilities. The draft EIS refers to these utilities as utilities, companies, and applicants.

1.1.2. CapX2020 utilities and projects

The proposed La Crosse Project is part of a larger, multi-utility project called the “Hampton-Rochester-La Crosse 345 kV Transmission Project.” The majority of the Hampton-Rochester-La Crosse project is located in Minnesota. The Hampton-Rochester-La Crosse project, in turn, is part of the very large CapX2020, which would serve essentially the entire state of Minnesota plus portions of Iowa, the Dakotas, and Wisconsin. It is one of four major “Group 1 Projects” that are being pursued by the CapX2020 Utilities as part of that initiative. The four Group 1 Projects are:

- Hampton-Rochester-La Crosse 345 kV Transmission, about 150 miles long in Minnesota and Wisconsin
- Brookings County (South Dakota)-Hampton 345 kV Transmission, about 240 miles long in Minnesota and South Dakota
- Fargo (North Dakota)-St. Cloud-Monticello 345 kV Transmission, about 250 miles long in Minnesota and North Dakota
- Bemidji-Grand Rapids 230 kV Transmission, about 70 miles long in north central Minnesota

CapX2020 has been organized by a group of 11 electric utilities that examined the regional transmission infrastructure in order to address the variety of emerging and related transmission concerns that have arisen in the multi-state area. The CapX2020 Utilities are, in alphabetical order:

Central Minnesota Municipal Power Agency
DPC
Great River Energy
Minnesota Power
Minnkota Power Cooperative
Missouri River Energy Services
Otter Tail Power Company
Rochester Public Utilities
Southern Minnesota Municipal Power Agency
WPPI
Xcel

The various parts of the CapX2020 project are subject to regulations administered in several states plus certain federal agencies. The portion of the proposed Hampton-Rochester-La Crosse project that is outside of Wisconsin extends from the Mississippi River westward into Minnesota to Rochester and northward and is subject to Minnesota state laws. The proposed Alma-La Crosse project in Wisconsin extends from the same place in the Mississippi River in the opposite direction, eastward through Alma and to the southeast toward La Crosse. It is subject to Wisconsin state laws.

The route maps in Figure Vol. 2-1 show the Alma-La Crosse Project over aerial photography at a scale of one inch to about one-half mile. Figure Vol. 2-6 illustrates the Alma-La Crosse Project in its proposed location amid different natural resources in the area. Figure Vol. 2-2 illustrates the proposed project in the context of the existing electric transmission system in the smaller area of western Wisconsin and eastern Minnesota.

1.1.3. Alma-La Crosse project

1.1.3.1. Project description in brief

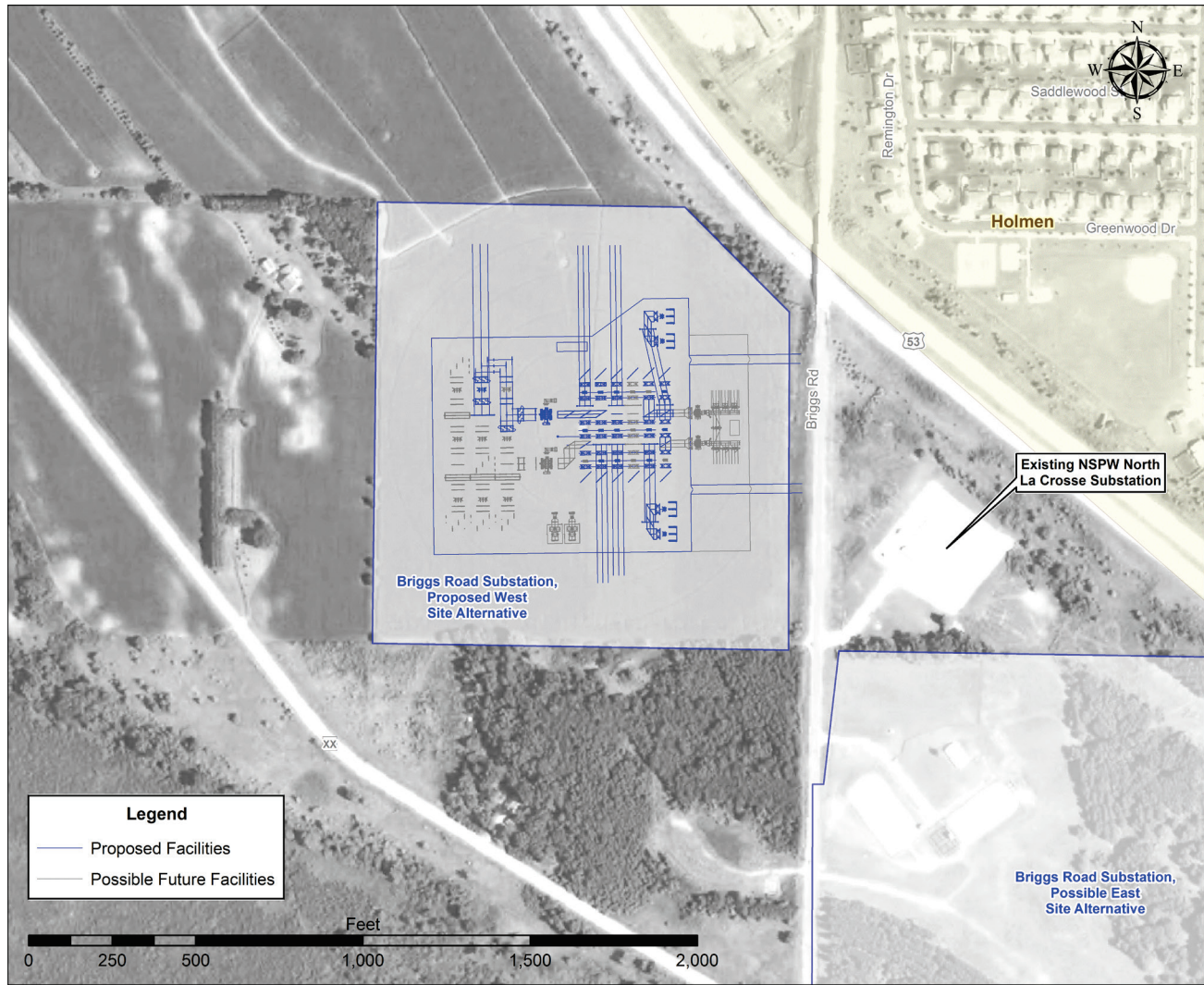
For the Alma-La Crosse project, the applicants propose to construct a 345 kV electric transmission line, about 40 to 55 miles long depending on the route. Route alternatives examined by staff are shown in Figure Vol. 2-1 Index. The proposed route alternatives mostly follow existing 161 or 69 kV transmission line corridors. The new line would in most places carry the new 345 kV circuit plus the existing 161 or 69 kV circuit on single poles. The right-of-way (ROW) would be widened to about 150 feet. Wider ROWs would be necessary for specialty poles such as those for the Mississippi River crossing or those needed for supporting long spans between hilltops in the coulee landscape.

A new 345/161 kV substation, the Briggs Road Substation, would be built as the eastern endpoint for the project. Its proposed location, at the end of Segment 18H, is shown in Figure Vol. 2-1 Index and Figure 1.1-1. The substation, its site alternatives, and potential impacts are discussed in Chapter 4 of the draft EIS.

Three main route alternatives for the proposed 345 kV transmission line have been proposed by the applicants, with some shared or common segments among them. They are described in detail in Chapter 4. The routes are:

- Q1-Highway 35 Route (discussed in Chapter 7 in detail) – begins in the Mississippi River at Alma and generally follows the existing DPC “Q1” 161 kV transmission corridor between Alma and Holmen, diverging from that corridor in the Black River delta area to avoid wetlands managed by the U.S. Fish and Wildlife Service (USFWS).
- Q1-Galesville Route (discussed in Chapter 8 in detail) – begins in the Mississippi River at Alma and generally follows the Q1 corridor to a place south of State Highway (STH) 54, extending to the east from there past Centerville and Galesville to U.S. Highway (USH) 53 and south to Holmen.
- Arcadia Route (discussed in Chapter 10 in detail) – begins in the Mississippi River at Alma and extends east to a point near the village of Arcadia, south to a point west of Galesville, east from there along the south side of Galesville and then south of Galesville along USH 53 to Holmen.

Figure 1.1-2 Proposed Griggs Road Substation East and West Site alternatives



Two additional alternative routes are also under consideration. They are discussed in Chapters 9 and 11 of the draft EIS. The Q1-STH 88 Connector Alternative (Chapter 9) and the Arcadia-Ettrick Connector Alternative (Chapter 11) are results of concerns and suggestions made by the Wisconsin Department of Transportation (WisDOT) and the Wisconsin Department of Natural Resources (WDNR), respectively. Chapter 7 includes information on the “Q1 Route” originally proposed by the applicants, particularly the short section that crosses the USFWS-managed wetland.

1.1.3.2. Project cost and ownership

The overall cost of the project is expected to range from about \$195 million to about \$224 million, depending on the route selected by the Commission. Costs are discussed in detail in Chapter 4 of the draft EIS.

The owners of this project will be NSPW for Xcel, DPC, and WPPI. The Briggs Road Substation would be owned solely by Xcel, the parent company of NSPW.

The applicants state that final ownership percentages would be determined after the governmental regulatory decisions are made if the project is approved. The final ownership percentages determine final capital expenditure commitments.

The agreed-upon ownership percentages at this time are shown in Table 1.1-1. The percentages originate in a Project Development Agreement for the Hampton-Rochester-La Crosse Project signed by the applicants in 2007.⁶ These percentages can give an approximation of the relative levels of financial interest of each utility in the Alma-La Crosse project, which would be the Wisconsin portion.

Table 1.1-1 Potential project ownership percentages, based on the Hampton-Rochester-La Crosse Project Development Agreement

| Participating Utility | Project Ownership Percentage |
|---|------------------------------|
| Xcel* | 64 percent |
| Southern Minnesota Municipal Power Agency | 13 percent |
| DPC* | 11 percent |
| Rochester Public Utilities | 9 percent |
| WPPI* | 3 percent |
| Total Percentage | 100 percent |

* Includes ownership interest in Wisconsin.

For the Alma-La Crosse project, Xcel or NSPW have been designated by the applicants as the project manager, the lead utility for obtaining state and federal approvals, and the utility that would construct the project if it is approved.

1.1.3.3. Proposed construction schedule

In the application, the applicants state their hope that construction for the project would begin in January 2013, after state approval, project design, and ROW acquisition. In order to meet this goal, the companies have asked for approval in early 2012. ROW acquisition would then occur in the second half of 2012. If the applicants gained approval for the project and it began according to the proposed schedule, their expected in-service date for the line would be December 2015.

The Commission has the final authority to certify whether and how the project may be built (see Section 1.2 below). The Commission determined that the project application was complete in June 2011, about six months after the application was originally submitted. With the statutorily mandated limit of 360 days for review,⁷ final action on the application would be required of the Commission by June 2012 instead of early 2012. If the project is approved, based on the expected timeframe for other milestones, an in-service date closer to June 2016 would be likely.

⁶ Submitted as Appendix G in the CPCN application.

⁷ Under Wis. Stat. § 196.491(3)(g), the Commission must take final action on the application within 180 days after the application is determined to be complete unless it successfully petitions the circuit court for Dane County to receive a 180-day extension. Without the extension, if the Commission fails to take action within 180 days, it is considered to have issued the CPCN with respect to the application. The Commission has requested and received that extension.

1.2. ROLE OF THE PUBLIC SERVICE COMMISSION OF WISCONSIN

1.2.1. Approval, denial, or modification of this proposed project

The Commission has the authority to approve, deny, or modify any and all facilities proposed in the Alma–La Crosse Project application. If the project is approved, the Commission will select the route and design for the proposed transmission line and the site and layout of the proposed substation.

1.2.2. What the Commission must consider

Compared to other state agencies, the regulatory interests of the Commission in reviewing this proposed transmission project are quite broad. These interests cover the need for the project, the project cost and electrical performance, and the project’s short- and long-term environmental and social impacts (other than those specifically under WDNR permit).

1.2.2.1. Certificate of Public Convenience and Necessity law

Wisconsin Statute (Wis. Stat.) § 196.491(3) requires the Commission to make all of the following determinations before approving construction of a major transmission line:

- Under Wis. Stat. § 196.491(3)(d)2, the proposed facilities must satisfy the reasonable needs of the public for an adequate supply of electric energy.
- Under Wis. Stat. § 196.491(3)(d)3, the facilities must be in the public interest, considering: alternative sources of supply, alternative locations or routes, individual hardships, engineering factors, economic factors, safety, reliability, and environmental factors.
- Under Wis. Stat. § 196.491(3)(d)3r, if the high-voltage transmission line is proposed to increase the transmission import capability into this state, existing ROW must be used to the extent practicable, and the routing and design must minimize environmental impact in a manner that is consistent with achieving reasonable electric rates.
- Under Wis. Stat. § 196.491(3)(d)3t, the 345 kV line must provide usage, service, or increased regional reliability benefits to the wholesale and retail customers or members in this state, and the benefits of the line must be reasonable in relation to the cost of the line.
- Under Wis. Stat. § 196.491(3)(d)4, the facilities must not have undue adverse impact on environmental values such as, but not limited to: ecological balance, public health and welfare, historic sites, geological formations, aesthetics of land and water, and recreational use.
- Under Wis. Stat. §§ 196.491(3)(d)5 and 196.49(3)(b), the facilities must not substantially impair the efficiency of the applicants’ service or reasonably exceed the applicants’ probable future requirements, and the value or available quantity of service the facilities provide must be proportionate to their cost.
- Under Wis. Stat. § 196.491(3)(d)6, the facilities must not unreasonably interfere with the orderly land use and development plans for the area involved.
- Under Wis. Stat. § 196.491(3)(d)7, the facilities must not have a material adverse impact on competition in the relevant wholesale electric service market.

1.2.2.2. Required priorities for meeting energy demands

In addition to the above statutory determinations, the Commission must address the priorities in Wis. Stat. §§ 1.12 and 196.025. These laws require the Commission to give priority to specific methods of meeting energy demands to the extent these methods are “cost-effective and technically feasible.” The

Commission must consider options based on the following priorities, in the order listed, for all energy-related decisions:

- Energy conservation and efficiency
- Noncombustible renewable energy resources
- Combustible renewable energy resources
- Nonrenewable combustible energy resources, again in the order listed:
 - Natural gas
 - Oil or coal with a sulfur content of less than one percent
 - All other carbon-based fuels

If the Commission finds that any of these statutorily preferred options, or a combination of these options, constitutes a cost-effective and technically feasible alternative to the project, the Commission must reject all or a portion of the project as proposed.

1.2.2.3. Required priorities for electric transmission corridors

Wisconsin Stat. § 1.12(6) also directs the Commission to consider corridor sharing opportunities when reviewing transmission facility projects. The statute states that, when siting new electric transmission facilities, it is the policy of the state to attempt to share existing corridors to the greatest extent feasible. However, when selecting existing corridors to share, the Commission must determine that corridor sharing is consistent with economic and engineering considerations, reliability of the electric system, and protection of the environment. When feasible, corridors should be utilized in the following order of priority:

- a. Existing utility corridors
- b. Highway and railroad corridors
- c. Recreational trails, to the extent that the facilities may be constructed below ground and that the facilities do not significantly impact environmentally sensitive areas
- d. New corridors

1.2.3. Interagency relationships in the PSCW process

While other governmental regulatory agencies are involved in the various aspects of the proposed project, Commission staff consultations with certain Wisconsin state governmental offices have been needed, particularly in the preparation of the draft EIS. These include WDNR, which is by law a co-author of the EIS, WisDOT, the Wisconsin Department of Agriculture, Trade and Consumer Protection (WDATCP), and the Wisconsin Historical Society (WHS). The related responsibilities of these agencies are described briefly in Section 1.3 and integrated into the impact discussions later in the document where appropriate.

1.2.4. Intervenor in the PSCW process

A number of organizations, local government offices, local utilities, and community groups have requested to “intervene” to become parties to the docket before the Commission. The intervenors in this docket are the Citizens’ Utility Board (CUB), American Transmission Company LLC and ATC Management Inc. (ATC), Citizens’ Energy Task Force (CETF), NoCapX 2020 (NoCapX), WisDOT, Patricia A. Conway, and Clean Wisconsin. CUB’s purpose is to guard against unreasonable financial impacts on ratepayers. ATC is the transmission company that builds and controls high-voltage lines in the eastern part of Wisconsin. It is currently developing a project that would interconnect with the La Crosse Transmission Project if it is approved. CETF and NoCapX are citizen organizations organized in opposition to the

project. WisDOT is concerned about impacts to Wisconsin's Great River Road (GRR) and state-owned scenic easements associated with it. Ms. Conway has stated concerns about the need for this project and also a project being planned by ATC called "Badger-Coulee." Clean Wisconsin is an environmental advocacy organization that seeks appropriate treatment of area natural resources.

Under Wis. Stat. § 196.31 and Wis. Admin. Code ch. PSC 3, the Commission may compensate any organization or individual for the cost of participating in its proceedings if all of the following conditions are met:

- The intervening organization or individual is a customer of the utility that is the subject of the proceeding or is someone who may be materially affected by the proceeding's outcome.
- The intervening organization or individual must have been granted full party status and will participate as such in the proceeding.
- Without compensation, the intervenor would experience "significant financial hardship."
- Without compensation for the intervenor, an interest that is material to the proceeding would not be adequately represented.
- The intervenor's interest and position must be represented to result in a fair determination in the proceeding.

1.2.5. Public involvement opportunities in the PSCW process

1.2.5.1. Public involvement possibilities in transmission projects

Public involvement and comments throughout the review process also contribute to the Commission's analysis of the impacts of a proposed project. Public input is solicited through:

- Written and spoken comments from public information meetings sponsored by the applicants or the Commission
- Phone calls and written comments received prior to completion of the final EIS
- Written and oral comments on the draft and final EIS
- Testimony at public hearings

1.2.5.2. Applicant-sponsored meetings

The applicants sponsored public information meetings as part of developing their CapX2020 project application. Early meetings conducted by the applicants served to introduce area landowners to the project being developed. The applicants informed the Commission staff about these meetings and about their results. Those meetings were not attended by Commission staff.

The meetings had different locations and emphases depending on the phase of project development. They began in southeastern Minnesota in the fall of 2007 to get public input on whether the Hampton-Rochester-La Crosse project was needed. In the spring of 2008, open houses were held in five locations to update the public and to get input on newly developed "macrocorridors" for the line. One of those five locations was in Trempealeau, Wisconsin, and the rest were in Minnesota. In December 2008, another series of open houses were held to discuss developing route options within those macrocorridors. Two of those seven open houses were held in Alma and Trempealeau, Wisconsin, and one was held in

La Crescent, Minnesota because a crossing of the Mississippi River at La Crosse was still being considered.⁸

The applicants also had a presence in meetings held by other agencies. In June 2009, a series of scoping meetings by the federal USDA RUS⁹ were held, including meetings in Trempealeau and Fountain City, Wisconsin, and La Crescent, Minnesota. In May 2010, three scoping meetings were held in Minnesota locations for the separate EIS being prepared by the Minnesota Office of Energy Security (OES) as part of its review process for the Minnesota portion of the CapX Hampton-Rochester-La Crosse project. At each of the meetings over those two years, developing project and process information was shared with the public, and public input on the project was solicited and received.¹⁰

1.2.5.3. Commission-sponsored meetings and hearings

The PSCW and WDNR held a series of public open-house meetings as part of their scoping process for preparation of this draft EIS. During the meetings, Commission staff worked to clarify the state review processes for the application materials and requested comments from the public about the project. The Commission also solicited comments in a letter sent on July 5, 2011, to interested and affected persons, towns, counties, and municipalities. Throughout the time Commission staff was preparing this draft EIS, comments and questions have been received at the Commission by first-class mail, e-mail, telephone, and the comment button on the PSCW internet site.

Following the release of this draft EIS, a 45-day comment period will begin. Written or verbal comments may be made to staff until the comment period closes, in December 2011 or January 2012. After the 45-day comment period, Commission staff will prepare a final EIS considering comments received on the draft EIS.

The Commission review process focuses on gathering, organizing, and analyzing information for technical and public hearings. A period of at least 30 days will occur between the issuance of the final EIS and the opening of the public hearing for this case. This period will allow the public and government agencies the opportunity to review the final EIS prior to the hearings so that they can prepare appropriate, informed, and useful written or oral testimony.

Testimony received during the public hearings will become part of the case record. The Commission will approve, reject, or modify the applicants' proposal based on its reading and discussion of the case record. At the hearing sessions, a court reporter will record the oral and written testimony presented by Commission staff, utility staff, staff of other agencies, representatives of intervening organizations, and the public. The final EIS will be entered into the hearing record as a portion of Commission staff's testimony. At this time, the technical and public hearings for this project proposal are expected to occur in late winter/early spring of 2012. An official notice that includes specific times for these hearings will be mailed to members of the entire project mailing list when the final EIS is issued.

1.3. RELATED WISCONSIN AGENCIES' RESPONSIBILITIES

During its review of this project, the Commission has consulted with other state, federal, and local agencies to gain information about resources in the project area and to assess the potential impact of the

⁸ The evolution of the proposed project, including the Mississippi River crossings that were contemplated, is discussed in Chapter 3 of this draft EIS.

⁹ Related to the upcoming separate EIS that is part of the USDA RUS review of DPC's participation in the project. See Appendix E.

¹⁰ CapX2020 CPCN Application, Section 2.2.4, "Public Outreach," pp. 97-103.

project on these resources. As stated above, four state agencies have important responsibilities as part of the overall review of the proposed project.

1.3.1. Wisconsin Department of Natural Resources

WDNR enforces provisions of Wis. Stat. ch. 30 on navigable waters, harbors, and navigation and will review an application from the utilities for impacts to waterways and wetlands plus construction site erosion control. Connected with this permitting, WDNR is also processing Incidental Take Authorizations for Endangered or Threatened Species as needed.

WDNR works with the U.S. Army Corps of Engineers (USACE) and USFWS as well as the Commission.

With the Chapter 30 permits, the PSCW and WDNR are required under Wis. Stat. § 196.025(2m)(b)1. and 3. to prepare this draft EIS cooperatively and include all of the information needed by both agencies to carry out their respective duties under Wis. Stat. § 1.11 (governmental consideration of environmental impact.) These two agencies are co-authors of this draft EIS, with the Commission as the lead agency.

1.3.2. Wisconsin Department of Agriculture and Trade and Consumer Protection

WDATCP has responsibilities to the farm landowners that begin after a CPCN is issued and easement negotiations have commenced. Under Wis. Stat. § 32.035(4), WDATCP must prepare an agricultural impact statement (AIS) if the project involves the potential exercise of the power of eminent domain and if more than five acres of any farm operation could be taken. The AIS must include a list of the acreage and description of all land lost to agricultural production and all other land with reduced productive capacity, plus WDATCP's analyses, conclusions, and recommendations concerning the agricultural impact of the project. When an AIS is prepared, it is made available to farm land owners to aid them in easement negotiations.

WDATCP and PSCW staffs have consulted and cooperated during the review of this project. A place for the Executive Summary of the AIS is included in this draft EIS as Appendix C.

1.3.3. Wisconsin Department of Transportation

WisDOT controls whether and how utility facilities may be constructed on highway ROW and also regulates permitting for access driveways. Under Wis. Stat. § 86.16, utilities may locate their facilities along and across highway ROW with the written consent of the highway jurisdiction. The highway jurisdiction would be WisDOT and its regional offices. WisDOT has federal obligations also.

WisDOT and PSCW have a Cooperative Agreement and liaison procedures to ensure that, whenever practical, existing transportation or transmission corridors are used for new electric transmission facilities rather than creating new corridors.

An important issue for WisDOT in this case is the potential impacts of the proposed project on the Great River Road Scenic Byway, which is STH 35 in Buffalo, Trempealeau, and La Crosse Counties. WisDOT has become an intervenor in the Commission's review process as acknowledged in Section 1.2.4 of the draft EIS. It also retains Wis. Stat. § 86.16 jurisdiction over facilities locating along or across STH 35 ROW. WisDOT has also facilitated consultation between Commission staff and representatives of GRR Scenic Byway Commission during the pre-application process and the preparation of the draft EIS.

1.3.4. Wisconsin Historical Society

Under Wis. Stat. § 44.40, the Commission must determine if a requested action is going to affect historic properties listed with WHS. Historic properties include archeological, architectural, and other historical cultural resources. The Commission, like all Wisconsin state agencies, must report to WHS on potential impacts of the proposed project to listed historic properties. WHS determines if those impacts would be adverse and provides direction to the Commission for avoiding or reducing the impacts. If sites must be protected or their impacts mitigated as part of a proposed project, the Commission must enforce those mitigation measures in any certification of the project.

WHS also has federal obligations. WHS is the home of the Wisconsin State Historic Preservation Officer (WSHPO), who provides direction to federal agencies complying with Section 106 of the National Historic Preservation Act (NHPA) in Wisconsin. There is federal agency interest in this project, as described in the next section of the draft EIS. The requirements of Section 106 for the federal agencies supersede but do not eliminate the requirements of Wis. Stat. § 44.40 for the Commission. They often are more stringent than state law requirements and are enforced directly by the federal agency that has the interest, in this case the USDA RUS. (See Section 1.4.) WHS may require a field survey of any federal area of potential effect. If something is found, it may require a more detailed survey to determine the significance of the find and its eligibility for entry into the National Register of Historic Places. After significance is determined, the federal agency and the applicant must negotiate with WHS to avoid or reduce adverse effects of the project on that historic resource. Other persons or entities with an interest in the historic resource must be identified so that they can join the Section 106 process as consulting parties. Resolution of all Section 106 requirements might not be completed at the time of the hearing on this project.

1.4. FEDERAL AGENCIES' RESPONSIBILITIES

USDA RUS, USFWS, and USACE each have responsibilities related to construction of the proposed project.

RUS is a federal financing agency that provides funding assistance to rural electric utility cooperatives for the installation and modernization of rural electric systems. In cooperation with USACE and USFWS, RUS is preparing a federal EIS to comply with the National Environmental Policy Act (NEPA). Commission staff has monitored RUS' work in preparation of the PSCW draft EIS.

RUS funds and coordinates the work of electric utility cooperatives originally organized under the Rural Electrification Administration (REA). DPC, the generation entity that was created as part of the REA cooperatives, must have RUS approval and funding for its role in the CapX2020 projects. At this time, DPC is responsible for 11 percent of the CapX2020 project costs, including those for the Alma-La Crosse Project in Wisconsin. Because of the size of the enterprise, RUS has determined under NEPA that it must prepare an EIS on this proposed action. It is also responsible for historic properties review under Section 106 of the National Historic Preservation Act, which supersedes state law where applied. The federal draft EIS has not been issued as of this time, but if available, the Executive Summary will be included in Wisconsin's EIS as Appendix E to show how the Wisconsin project fits into the overall project scope.

USFWS is responsible for the care and protection of the Upper Mississippi River National Wildlife and Fish Refuge (Refuge) and is a cooperating agency on the RUS EIS under NEPA. A Special Use Permit is required where the project crosses a wildlife refuge, and USFWS also requires compliance with Section 7

of the Endangered Species Act, the Bald and Golden Eagle Protection Act, and the Migratory Bird Treaty Act. The Alma-La Crosse Project would cross the Refuge and the Mississippi River Flyway in the river at Alma. Refuge crossing has been the subject of negotiations between the utilities and USFWS. There were originally several river crossings examined during the utilities' project development. In addition, one project route considered by the utilities crosses the Refuge along the existing ROW for an existing DPC 161 kV electric transmission line crossing the outfall of the Black River into the Mississippi River. USFWS has maintained opposition to this route at this location, as is discussed later in this draft EIS.

USACE is responsible for permits to place fill in wetlands and waterways and so is responsible for locations where transmission structures would be placed in wetlands. Several locations in the project area could be subject to USACE permit under Section 404 of the Clean Water Act, and a Section 10 permit for compliance with the River and Harbors Act. The USACE is also a cooperating agency on the RUS EIS under NEPA.

1.5. MINNESOTA AGENCY RELATED RESPONSIBILITIES

The portion of the Hampton-Rochester-La Crosse CapX2020 project located west of the Mississippi River is under the jurisdiction of the Minnesota Public Utilities Commission (MPUC). Need for the project in that state has already been determined,¹¹ but the CapX2020 applicants in Minnesota must also obtain a route permit from MPUC. As part of the route permitting process, the Minnesota Office of Energy Security (Minnesota OES) prepared an EIS for the CapX2020 project up to where the Wisconsin project begins in the river. Its Executive Summary is included as Appendix D in this draft EIS to show how the Wisconsin project is connected to the larger portion of the CapX2020 project.

In Minnesota, contested case hearings were held in locations along the proposed routes and in St. Paul. Public hearings on the Minnesota Route Permit application took place June 14-16, 2011, in Plainview, Pine Island, and Cannon Falls; evidentiary hearings were June 20-21 and 25, 2011, in St. Paul.

A final EIS has been issued, and the administrative law judge's route recommendation from the hearings is expected in fall 2011, with the MPUC's route decision by the end of 2011.

1.6. COUNTY AND LOCAL GOVERNMENT RESPONSIBILITIES

County and local governments have numerous responsibilities that have led to concerns that can be addressed during the PSCW project review. Local governments have written seeking to minimize adverse impacts on the local communities that they are charged to manage and protect. They attempt to ensure that the routes and design of the proposed transmission facilities meet local agency standards and permitting requirements and conform to local ordinances and zoning regulations. They also provide information including land use plans, county forest plans, watershed management plans, recreational plans, and agricultural extension programs.

¹¹ According to page 1 of the Minnesota EIS Executive Summary, the utility-stated need of the project is "to improve regional reliability of the transmission system, to improve community reliability of the transmission system in specified communities, and to increase generation outlet." On May 22, 2009 and August 10, 2009, the Minnesota Commission found that the project was needed to address these goals.

Before the CPCN can be issued, the Commission, under Wis. Stat. § 196.491(3)(d)6, must determine that, “The proposed facility will not unreasonably interfere with the orderly land use and development plans for the area involved.”¹² However, after a project is approved, under Wis. Stat. § 196.491(3)(i),

“If installation or utilization of a facility for which a certificate of convenience and necessity has been granted is precluded or inhibited by a local ordinance, the installation and utilization of the facility may nevertheless proceed.”

This statute restricts the ability of local governments to block a project through a local ordinance if the project has received a CPCN. The first statutory reference indicates that the Commission must be aware of potential conflicts with existing local ordinances, zoning, or land use plans when making its final decisions about the project.

As part of PSCW application requirements, the applicants have provided information about local governmental responsibilities and concerns. Several local governmental offices have commented to the applicants as they were preparing the application, and several have also commented to Commission staff as they prepared this draft EIS. Those comments are discussed in the appropriate route chapters later in the document.

The applicants state that they contacted all local units of government by letter and offered opportunities for informational meetings. In 2008, meetings were held in La Crosse that included representatives from La Crosse County, La Crosse County Zoning and Planning Department, the city of La Crosse, the city of Onalaska, and the town of Onalaska Planning and Zoning Department. Other meetings in 2008 occurred with:

- Alma City Council
- La Crosse County Planning, Resource and Development Committee
- Trempealeau County Supervisors
- Town of Arcadia
- Village of Holmen
- City of Galesville
- Mississippi River Parkway Commission

The applicants have stated that they would coordinate work with the local government offices that expressed concerns to them about construction-related permits. The concerns included permitted construction in ROWs, temporary storage of poles in road ROWs, oversize load limitations, weight restrictions, local road crossings, and driveway permits along county or local roads. There would also be a need for general coordination for local utilities and potential electricity supply disruptions. These concerns are discussed in specific route chapters in this draft EIS.

¹² Wis. Stat. § 196.491(3)(d)6.