



Energy Environmental Review and Analysis  
85 7th Place East, Suite 500  
St. Paul, Minnesota 55101-2198  
ph 651.539.1855 | fax 651.539.0109  
<http://mn.gov/commerce/energyfacilities>

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October 8, 2014

Dr. Burl W. Haar  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, MN 55101-2147

RE: Comments and Recommendations of Department of Commerce  
Energy Environmental Review and Analysis  
Docket No. ET2, E015/CN-14-787

Dear Dr. Haar,

Attached are comments and recommendations of Department of Commerce, Energy Environmental Review and Analysis (EERA) staff in the following matter:

Notice Plan Petition for the Application of Great River Energy and Minnesota Power for a Certificate of Need for the Menahga Area 115 kV Transmission Line Project in Hubbard, Wadena, and Becker Counties, Minnesota

The notice plan petition was filed on September 8, 2014, by:

Donna Stephenson  
Great River Energy  
12300 Elm Creek Blvd.  
Maple Grove, MN 55369

EERA staff recommends approval of the notice plan with modifications. Staff is available to answer any questions the Commission may have.

Sincerely,

A handwritten signature in black ink that reads "Ray Kirsch". The signature is written in a cursive, flowing style.

Ray Kirsch  
EERA Staff

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**BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

**COMMENTS AND RECOMMENDATIONS OF  
MINNESOTA DEPARTMENT OF COMMERCE  
ENERGY ENVIRONMENTAL REVIEW AND ANALYSIS STAFF**

DOCKET No. ET2, E015/CN-14-787

Date: October 8, 2014

EERA Staff: Ray Kirsch.....651-539-1841

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**In the Matter of the Notice Plan Petition by Great River Energy and Minnesota Power for a Certificate of Need for the Menahga Area 115 kV Transmission Line Project in Hubbard, Wadena, and Becker Counties, Minnesota**

**Issues Addressed:** These comments and recommendations discuss the notice plan proposed for project.

**Documents Attached:** (1) EERA Edits to Notice Content

Additional documents and information can be found on eDockets:  
<https://www.edockets.state.mn.us/EFiling/search.jsp> (14-787).

This document can be made available in alternative formats (i.e., large print or audio) by calling 651-539-1530 (voice).

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**Introduction and Background**

On September 18, 2014, Great River Energy (GRE), on behalf of GRE and Minnesota Power (applicants), submitted a notice plan petition for the Menahga Area 115 kilovolt (kV) transmission line project for review and approval by the Commission.<sup>1</sup> The petition provides the applicants' proposed notice plan for a 115 kV transmission line, approximately 22.5 miles in length, to be constructed in the Minnesota counties of Hubbard, Wadena, and Becker. The petition includes a draft notice for landowners and residents, a draft notice for governmental entities, and a draft newspaper notice.

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<sup>1</sup> Notice Plan Petition for the Application of Great River Energy and Minnesota Power for a Certificate of Need for the Menahga Area 115 kV Transmission Line Project in Hubbard, Wadena, and Becker Counties, Minnesota, September 18, 2014, eDockets Number [20149-103151-01](https://www.edockets.state.mn.us/EFiling/search.jsp) [hereinafter Notice Plan Petition].

## **Regulatory Process and Procedures**

Prior to filing an application for a certificate of need for a high voltage transmission line, an applicant must file a proposed notice plan with the Commission that describes how notice of the project will be provided to “all persons reasonably likely to be affected” by the transmission line project.<sup>2</sup> The notice plan must provide for direct mail notice to landowners, residents, and governmental entities, and also for newspaper notice.<sup>3</sup> The notice plan must contain the information required by Minnesota Rule 7829.2550, Subp. 4, including a description of the project, a map of the project, and information regarding the project mailing list.<sup>4</sup>

## **EERA Staff Analysis and Comments**

EERA staff has reviewed the applicants’ proposed notice plan and finds that, in general, the plan is consistent with the requirements of Minnesota Rule 7829.2550. EERA staff recommends modifications to the notice plan (1) to complete and correct notices that will be distributed via the plan and (2) to expand the distribution of notices to governmental entities.

### ***Content of Notices***

The applicants’ notice plan petition includes proposed direct mail notices and a proposed newspaper notice. These are Attachments C, D, and H of the notice plan petition. EERA staff recommends editing these attachments to:

- Provide docket numbers and website locations,
- Clarify that there are two applicants,
- Correct EERA staff contact information, and
- Correct project notification information.

These edits are included in Attachment 1 (EERA Edits to Notice Content).<sup>5</sup>

EERA staff also recommends that the maps associated with Attachments C, D, and H, be modified to include Minnesota Pipeline Company’s Line 4 – the pipeline that is, in part, responsible for project’s need. This pipeline is discussed in the notices but is not indicated on the maps. EERA staff believes that indicating the pipeline on the maps would aid citizens’ understanding of the project.

### ***Distribution of Notices***

The applicants’ notice plan petition proposes a notice area width of 1000 feet for the project – 500 feet on either side of the anticipated alignment of the transmission line.<sup>6</sup> EERA staff believes that this notice area width is acceptable provided that the route width requested in the route permit application for the project is considerably smaller. That is, those persons reasonably

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<sup>2</sup> Minnesota Rule 7829.2550.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

<sup>5</sup> EERA staff has provided edits only for Attachment C. Edits for Attachments D and H would be similar.

<sup>6</sup> Notice Plan Petition, Attachment B and Attachment 1 to Notice Letter.

likely to be affected by the project must include more persons than those within the requested route width for the project. Persons very near the project, but outside of the route width, would likely be affected by the project (e.g., aesthetic impacts).

For the Elko – New Market – Cleary Area 115 kV transmission line project, GRE proposed a notice area of 1000 feet and requested a route width of 300 feet.<sup>7</sup> If the applicants here suggest a similar approach, EERA staff believes a notice area width of 1000 feet is acceptable. If the applicants suggest a larger route width for the project, e.g., 500 feet or more, EERA staff believes the notice area width should be similarly enlarged.

The applicants propose notifying nine governmental entities – three counties, one city, and five townships.<sup>8</sup> Because the project is very near several county and township lines, and because existing electrical infrastructure in the project area could be utilized as a route for the project, EERA staff recommends expanding this list to include:

- Otter Tail County
- Paddock Township, Otter Tail County
- Shell River Township and Meadow Township, Wadena County
- Green Valley Township, Becker County

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<sup>7</sup> Notice Plan for the Application of Great River Energy for a Certificate of Need for its 115 kV Transmission Line Project in the Elko New Market and Cleary Lake Areas in Scott and Rice Counties, Minnesota, November 9, 2012, CN-12-1235, eDockets Number [201211-80525-01](#); and Application for a Certificate of Need and Route Permit by Great River Energy, Elko New Market and Cleary Lake Areas 115 kV Transmission Project, June 20, 2013, CN-12-1235, TL-12-1245, eDockets Numbers [20136-88345-01](#), [20136-88345-02](#), [20136-88345-03](#), [20136-88345-04](#).

<sup>8</sup> Notice Plan Petition, Attachment E.

\_\_\_\_, 2014

**RE: Notice of Certificate of Need Application for Great River Energy and Minnesota Power's 115 kV Transmission Line Menahga Area Project in Hubbard, Wadena and Becker Counties, Minnesota**  
**MPUC Docket No.: ET2, E015/CN-14-787**

Dear Stakeholder:

Great River Energy and Minnesota Power are proposing a 115 kV transmission line project in the townships of Hubbard and Straight River in Hubbard County; the townships of Blueberry and Red Eye in Wadena County; and in Runeberg Township in Becker County, Minnesota. Great River Energy and Minnesota Power will jointly file a combined Certificate of Need and Route Permit application with the Public Utilities Commission ("Commission") and request permission to:

- Construct an east-west transmission line between the existing Great River Energy Hubbard Substation and the existing Minnesota Power Pipeline Substation, of which approximately 4.5 miles will be double-circuit 115 kV line and approximately 2.5 miles will be single-circuit 115 kV line.
- Construct a generally north-south transmission line between the existing Minnesota Power Pipeline Substation and the proposed new Todd-Wadena Electric Cooperative ("Todd-Wadena") Red Eye distribution substation, which will be approximately 15.5 miles of primarily single-circuit 115 kV line.
- Construct the proposed new Great River Energy Blueberry Substation in the vicinity of the existing Menahga Substation; construct the proposed new Todd-Wadena Red Eye Substation to serve the proposed Minnesota Pipe Line Company ("MPL") Sebeka pumping station; and modify the existing Todd-Wadena Menahga Substation and the Minnesota Power Pipeline Substation.

The area under consideration for the location of the Project is depicted in **Attachment 1**.

This notice is being provided to those who fall within one or more of the categories listed below as they relate to the 1000-foot wide area ("Notice Area") shown on Attachment 1:

- Landowners with property within the Notice Area;
- Residents within the Notice Area;
- Local units of government in and around the Notice Area;
- Local and State elected officials; or
- State and local government agencies and offices.

## **Regulatory Process Overview**

For the Project, the Commission must determine whether the Project is needed (Certificate of Need) and where the Project should be located (Route Permit). Before the Project can be constructed, the Commission must first certify that the Project is needed. Certification of the Project is governed by Minnesota law, including Minnesota Statutes Section 216B.243, and Minnesota Rules Chapters 7829 and 7849, specifically Rules 7849.0010 to 7849.0400 and 7849.1000 to 7849.2100. In the Certificate of Need proceeding, the Commission will analyze whether Great River Energy and Minnesota Power have proposed the most appropriate size, type, and timing for the Project. The Certificate of Need application, once submitted, can be obtained by visiting the Commission's website at [www.mn.gov/puc](http://www.mn.gov/puc) ~~www.puc.state.mn.us~~ in Docket No. ET2, E015/CN-14-787.

In addition to certifying the Project, the Commission must also grant a Route Permit for the Project. Routing of the Project is governed by Minnesota law, including Minnesota Statutes Chapter 216E and Minnesota Rules Chapter 7850, specifically Rules 7850.29800 to 7850.463900, as they pertain to the alternative permitting process. Information on the Route Permit application, once filed, can be obtained by visiting the Commission's website (Docket No. ET2, E015/TL-14-797) and the Minnesota Department of Commerce Energy Environmental Review and Analysis ("EERA") website at <http://mn.gov/commerce/energyfacilities>.

EERA staff is responsible for conducting environmental review of the Project. EERA staff is responsible for preparing both an environmental report ("ER") for the Certificate of Need proceeding and an environmental assessment ("EA") for the Route Permit proceeding. EERA staff may elect to combine these two documents and issue one document, an EA in lieu of an ER, which satisfies the environmental review requirements for the Certificate of Need and Route Permit proceedings.

Great River Energy and Minnesota Power will be submitting an application for a Route Permit and will identify a proposed route and routes that were evaluated but rejected. More detail on the route Great River Energy and Minnesota Power intend to propose for the Project in their Route Permit Application is shown on **Attachment 2**. Other routes can be proposed during the EA scoping process to be completed by EERA. As part of its analysis, EERA will evaluate the route proposed by Great River Energy and Minnesota Power in its Route Permit application and any other routes proposed during the scoping process that will aid in the Commission's decision on the Route Permit application. The Commission may determine that a route submitted by Great River Energy and Minnesota Power, or a route proposed during the scoping process, or some combination of such routes is the most appropriate route for the Project. Selection of a final route by the Commission will be based on evaluation of the routes, guided by the Factors identified in Minnesota Statutes Section 216E.03, subdivision 7, Minnesota Rule 7850.4100, and stakeholder input received during the regulatory process.

Great River Energy and Minnesota Power anticipate that a 100-foot wide right-of-way ("ROW") will be required for the Project. Before beginning construction, Great River Energy will acquire

property rights for the ROW, typically through an easement that will be negotiated with the landowner for each parcel.

The proposed structures for the Project are primarily single pole, wood structures approximately 60 to 90 feet above ground using spans of approximately 275 to 400 feet between poles. Additionally, specialty structures, other than the single pole wood structures discussed above, may be used through areas of environmental sensitivity or where construction conditions require their use.

### **Need for the Project**

The Menahga Area Project is needed by 2017 to address circuit overloads that already exist on the Hubbard – Verndale 34.5 kV system and to meet the MPL in-service date for the Sebeka pumping station, as discussed below.

### **Load-serving Need**

The 34.5 kV sub-transmission system sourced from the Great River Energy Hubbard 230/115/34.5 kV Substation and the Minnesota Power Verndale 115/34.5 kV Substation is at risk of experiencing transmission system overloads. These system issues were first detected in 2007. As a temporary measure, Minnesota Power installed a 2.4 MVAR capacitor at Sebeka Regulator Station in 2008 to relieve these voltage issues. However, the capacitor bank was viewed as a short-term solution, because the transmission line and transformers were close to the thermal limits.

With continuing risk of transmission system overloads and a new pumping station load, it is now necessary to remove a large load (Menahga), from the 34.5 kV system and place it on a new 115 kV circuit. This will require construction of a new 115 kV transmission line between the existing Great River Energy Hubbard Substation and the existing Todd-Wadena Menahga Substation, and then south to the proposed new Todd-Wadena Red Eye distribution substation to serve the new MPL pumping station.

### **Minnesota Pipe Line Company Need**

MPL is proposing to construct six new pumping stations along its newest pipeline (Line 4) to ensure that Minnesota refineries continue to have access to reliable and sufficient crude oil supplies to meet demand for transportation fuels. MPL plans to use available capacity on Line 4 to ensure reliability of its pipeline system, which is the primary crude oil pipeline system supplying Minnesota's two refineries. In addition to the local load-serving need discussed above, the Menahga Area 115 kV Project is needed to provide electrical service to the new Todd-Wadena Red Eye distribution substation, which will serve one of these six proposed pumping stations (the Sebeka Pumping Station), ~~which will be located at the southern terminus of the Project.~~ MPL submitted a Certificate of Need application for the Minnesota Pipe Line Reliability Project on July 25, 2014 (MPUC Docket No. PL-5/CN-14-320).



## **Biennial Transmission Planning**

Minnesota statutes include a requirement that each electric transmission-owning utility in the state file a biennial transmission planning report with the Commission in the fall of odd years. These reports provide an excellent source of background information on the transmission planning process used by utilities in Minnesota. The 2013 Biennial Transmission Planning Report is available at: [www.minnelectrans.com](http://www.minnelectrans.com).

## **Project Notifications**

To subscribe to the Project Certificate of Need docket and receive email notifications when information is filed that is related to the Certificate of Need for the Project, please visit ~~www.puc.state.mn.us~~ [www.mn.gov/puc](http://www.mn.gov/puc), click on the "Subscribe to a Docket" button, enter your email address and select "Docket Number" from the Type of Subscription dropdown box, then select "14" from the first Docket Number dropdown box and enter "787" in the second box before clicking on the "Add to List" button. You must then click the "Save" button at the bottom of the page to confirm your subscription to the Project Docket. These same steps can be followed to subscribe to the Project Route Permit docket (Docket No. ET2, E015/TL-14-797).

Please visit <http://greatriverenergy.com/deliveringelectricity/currentprojects/> for more information on the Project. If you have questions about the process, you may contact the Minnesota regulatory staff listed below:

<b>Minnesota Public Utilities Commission</b>	<b>Minnesota Department of Commerce</b>
Bret Eknes 121 7 <sup>th</sup> Place East, Suite 350 St. Paul, Minnesota 55101 651.296.7124 800.657.3782 <a href="mailto:bret.eknes@state.mn.us">bret.eknes@state.mn.us</a> <a href="http://www.puc.state.mn.us">www.puc.state.mn.us</a>	<del>Deborah Pile</del> Ray Kirsch, <del>State Permit</del> <u>Environmental Review</u> Manager 85 7 <sup>th</sup> Place East, Suite 500 St. Paul, Minnesota 55101 651. <del>297.2375</del> <u>539.1841</u> 800.657.3794 <del>deborah.pile@state.mn.us</del> <a href="mailto:raymond.kirsch@state.mn.us">raymond.kirsch@state.mn.us</a>

If you would like to have your name added to the Project Route Permit mailing list (Docket No. ET2, E015/TL-14-797), contact the Consumer Affairs Office at the Commission, consumer.puc@state.mn.us, 651-296-0406 or 1-800-657-3782. ~~you may register by visiting the Department of Commerce webpage at [mn.gov/commerce/energyfacilities/](http://mn.gov/commerce/energyfacilities/), clicking on the "Transmission Lines" tab, selecting the link for the 115 kV Transmission Line Project in the Menahga Area from the listed projects, and then clicking the links next to the "Mailing List" heading. Alternately, you may contact Department of Commerce staff at the address above.~~

A separate service list is maintained for the Certificate of Need proceeding. To be **placed on the Project Certificate of Need mailing list** (Docket No. ET2, E015/CN-14-787), mail, fax, or email Robin Benson at Minnesota Public Utilities Commission, 121 7th Place E., Suite 350, St. Paul, MN 55101-2147, Fax: 651-297-7073 or [robin.benson@state.mn.us](mailto:robin.benson@state.mn.us).

The Great River Energy contacts for questions about this Project are:

Carole L. Schmidt  
Supervisor, Transmission Permitting and  
Compliance  
Great River Energy  
12300 Elm Creek Blvd  
Maple Gove, MN 55369  
763.445.5214  
[cschmidt@GREnergy.com](mailto:cschmidt@GREnergy.com)

Michelle Lommel  
Senior Field Representative  
Great River Energy  
12300 Elm Creek Blvd  
Maple Grove, MN 55369  
763.445.5977  
612.309.6839  
[mlommel@GREnergy.com](mailto:mlommel@GREnergy.com)

Sincerely,

Carole L Schmidt  
Supervisor, Transmission Permitting and Compliance