

85 7th Place East, Suite 500 St. Paul, Minnesota 55101-2198 ph 651.296.4026 | fx 651.297.7891 http://mn.gov/commerce/energyfacilities

June 13, 2013

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

RE: Comments and Recommendations of Department of Commerce Energy Facility Permitting Staff Brookings County to Hampton 345 kV Transmission Line Project PUC Docket No. ET2/TL-08-1474

Dear Dr. Haar,

Attached are comments and recommendations of Department of Commerce, Energy Facility Permitting (EFP) staff in the above matter.

Great River Energy and Xcel Energy (permittees) have requested a minor alteration of the route permit for the Brookings County to Hampton 345 kV transmission line project. The permittees are seeking a change in the permitted route within segment six of the project – that segment between the Chub Lake substation and the Hampton substation.

The minor alteration application was filed on May 29, 2013, by:

Dan Lesher Great River Energy 12300 Elm Creek Boulevard Maple Grove, MN 55369

These comments are based on EFP staff's review of the permittees' application and the record to date. Staff is available to answer any questions the Commission may have.

Sincerely,

Ray Kirsch EFP Staff Page left intentionally blank.



BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS AND RECOMMENDATIONS OF MINNESOTA DEPARTMENT OF COMMERCE ENERGY FACILITY PERMITTING STAFF

DOCKET NO. E-002, ET-2/TL-08-1474

Date: June 13, 2013

In the Matter of the Route Permit Application for a 345 kV Transmission Line from Brookings County, South Dakota to Hampton, Minnesota

Issues Addressed: These comments address whether the Commission should authorize a minor alteration of the route permit for segment six of the Brookings County to Hampton 345 kV transmission line project.

Additional documents and information can be found on eDockets: https://www.edockets.state.mn.us/EFiling/search.jsp (08-1474) and on the Department's energy facilities permitting website: http://mn.gov/commerce/energyfacilities/Docket.html?Id=19860.

This document can be made available in alternative formats (i.e., large print or audio) by calling 651-296-0391 (voice).

Introduction and Background

On September 14, 2010, the Commission issued a route permit to Great River Energy and Northern States Power Company (permittees) for the Brookings County to Hampton 345 kV transmission line project.¹ On May 29, 2013, the permittees applied to the Commission for

¹ Route Permit for Construction of a High-Voltage Transmission Line and Associated Facilities in Lincoln, Lyon, Yellow Medicine, Chippewa, Redwood, Brown, Renville, Sibley, Le Sueur, Scott, and Dakota Counties Issued to Great River Energy and Northern States Power Company, Docket No. ET-2/TL-08-1474, September 14, 2010, eDockets Number 20109-54429-01 [hereinafter Route Permit]. The Commission subsequently issued a route permit addendum for a segment of the project between the Cedar Mountain substation and Helena substation. The addendum does not apply to the portion of the route at issue here.

approval of a minor alteration to the route permit for the project. The permittees are seeking a change in the permitted route within segment six of the project – that segment between the Chub Lake substation and the Hampton substation. The permittees contend that this proposed change in the route qualifies as a minor alteration, and that this change will reduce impacts to residences, trees, and the Vermillion River. On May 31, 2013, the Commission issued a notice soliciting comments on whether the permittees' proposed change in the permitted route is a minor alteration that should be approved by the Commission.

Regulatory Process and Procedures

A minor alteration is a change in a large electric power generating plant or high voltage transmission line that does not result in "significant changes in the human or environmental impact of the facility" (Minn. Rule 7850.4800). The Commission has interpreted a minor alteration to be available for existing facilities and for those which have been permitted by the Commission but not yet constructed.⁵

The Commission may authorize the minor alteration or determine that the alteration is not minor and requires a full permitting decision (Minn. Rule 7850.4800, Subp. 3). The Commission may authorize the minor alteration but impose reasonable conditions on the approval (Minn. Rule 7850.4800, Subp. 3).

EFP Staff Analysis and Comments

Department of Commerce, Energy Facility Permitting (EFP) staff has reviewed the permittees' minor alteration application and the record of public comments to date. Based on the application and record, EFP staff believes that the proposed change in the permitted route within segment six of the Brookings to Hampton project will not result in significant changes in the human or environmental impacts of the project and is eligible for authorization as a minor alteration.

Minnesota Rule 7850.4800 provides a succinct but relatively unavailing standard for evaluating minor alteration applications – whether the proposed project will result in significant changes in the human and environment impacts of the existing facility. Thus, to flesh out this standard, EFP staff utilized the routing factors of Minnesota Rule 7850.4100. These are the factors considered by the Commission in permitting a new high voltage transmission line. These factors provide appropriate detail for evaluating the significance of potential human and environmental impacts.

EFP staff believes that for many of the factors of Minnesota Rule 7850.4100, the impacts of the

² Request for Approval of a Minor Alteration of the Route Permit for the Brookings County to Hampton 345 kV Transmission Line Project, Great River Energy and Northern States Power Company, Docket No. ET-2/TL-08-1474, May 29, 2013, eDockets Number 20135-87530-01 [hereinafter Minor Alteration Request].

³ Id.

⁴ Notice of Comment Period on the Request for a Minor Alteration to the Route Permit for a 345 kV Transmission Line from Brookings County, South Dakota to Hampton, Minnesota, Docket No. E-002, ET-2/TL-08-1474, May 31, 2013, eDockets Number 20121-70082-01

⁵ See Commission Order Approving Minor Alteration and Issuing a Route Permit Amendment, Section III, January 9, 2013, Docket No. E-002, ET-2/TL-09-1056, eDockets Number 20121-70082-01.

permittees' proposed change would be similar to those of the permitted route and would not result in significant changes in the human or environmental impacts of the project. These factors address impacts related to:

- Public health and safety,
- Land-based economies (agriculture, forestry, tourism, and mining), ⁶
- Archaeological and historic resources,
- Rare and unique natural resources,
- Design options that maximize energy efficiencies,
- Use of existing utility rights-of-way,
- Electrical system reliability,
- Costs.

There are two factors for which EFP staff believes the incremental impacts of the permittees' proposed change will be positive -(1) impacts on human settlements, and (2) impacts on the natural environment. There is one factor for which EFP staff believes impacts will be negative - the use or paralleling of existing rights-of-way.

Impacts on Human Settlements. The permittees' proposed change in the permitted route places the route at a greater distance from residences in the project area. This greater distance is achieved by taking a diagonal course across land (primarily, the Boyum property) behind residences in the area. The permitted route and anticipated alignment for the project placed the transmission line along a field edge within the Boyum property and approximately 80 feet from the Boyum residence. The permittees' proposed change places the alignment for the line at approximately 1,011 feet from the Boyum residence. The permittees relate that all affected landowners are agreeable to the proposed route. EFP staff believes these facts indicate that the proposed route will have a positive incremental aesthetic impact and thus a positive impact on human settlements.

Impacts on the Natural Environment. The permittees' proposed change in the permitted route will impact relatively more wetlands. ¹¹ However, the proposed route will reduce impacts to treed areas and will reduce impacts to the Vermillion River by crossing at a more favorable location. Thus, the incremental environmental impacts of the proposed route appear to be mixed. However, EFP staff notes that impacts to wetlands can be mitigated (e.g., spanning wetlands, use of matting, winter construction) and that mitigation is required by the route permit. ¹² Impacts to trees are difficult to mitigate other than through routing away from treed areas.

⁶ At an initial glance it might appear that a diagonal crossing of land parcels in an agricultural area (as is proposed here) would relatively increase impacts to agricultural activities. However, due the specific geography and land uses in the area of the proposed change in route, impacts to agricultural lands and activities are relatively unaffected by the proposed change. See Minor Alteration Request.

⁷ Minor Alteration Request, Table 1, Exhibit B.

⁸ Id.

⁹ Id.

¹⁰ T.

¹¹ Minor Alteration Request, Exhibit C.

¹² Route Permit Section IV.9.

Portions of the Vermillion River are a designated trout stream; the river is not so designated in the area under consideration here. Impacts to the river can be mitigated by spanning the river at a location that minimizes impacts to riverside flora and by placing structures at a distance from the river. The permittees' proposed change does just this. Thus, on whole, EFP staff believes that impacts to the natural environment for the permittees' proposed change in the permitted route will be mixed and slightly positive, and not a significant change.

Use of Existing Rights-of-Way. The permitted route parallels a county highway for approximately 43 percent of its length in this area. The proposed change in route proceeds cross country and does not utilize existing rights-of-way. This negative impact is the tradeoff for the positive impacts discussed above – moving the line away from residences, reducing impacts to trees, and minimizing impacts to the Vermillion River. On balance, EFP staff believes that the negative impact of proceeding cross country rather than along a county highway – in light of the positive impacts created by this routing solution, and in light of the work done by the permittees and landowners to reach agreement on this solution – is not a significant change from the anticipated impacts of the project as permitted.

EFP Staff Recommendation

EFP staff recommends that the Commission approve the permittees' requested change in the permitted route within segment six of the Brookings County to Hampton 345 kV transmission line project and authorize a minor alteration to the permittees' route permit.

¹³ Vermillion River Map, http://www.dnr.state.mn.us/areas/fisheries/eastmetro/troutstreams/vermillion map.html.

¹⁴ Minor Alteration Request, Exhibit B and Exhibit C.