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March 20, 2008

Affected Landowner
State of South Dakota

RE: Xcel Energy Transmission Line Project

Dear Affected Landowner:

On December 3, 2007, Xcel Energy sent you the enclosed packet of information via regular U.S. Postal Service.

Recently, we have learned that we neglected one piece of information that we should have included in that mailing; that being the address and phone number of the South Dakota Public Utilities Commission.

The address of the SD PUC is:
Public Utilities Commission
Capitol Building, 1st floor
500 East Capitol Avenue
Pierre, SD 57501-5070

SD PUC phone numbers are as follows:
605-773-3201 or 1-800-332-1782

Sincerely,

A handwritten signature in black ink that reads 'J Wilcox'.

Jim Wilcox

December 3, 2007

Affected Landowner
State of South Dakota

RE: Xcel Energy Southwest Minnesota Transmission Upgrade Project

Dear Affected Landowner:

Enclosed for your information are the following documents required by the South Dakota Public Utilities Commission for the Xcel Energy, also known as Northern States Power Company, Southwest Minnesota Transmission Upgrade Project:

1. South Dakota Public Utilities Commission Permit
2. South Dakota Public Utilities Commission Stipulations
3. Safety Bulletin
4. Procedures for Post Construction Crop Damages

If you have any questions or concerns, please feel free to contact me.

Sincerely,

Pam Rasmussen, Team Lead, Siting & Permitting
Xcel Energy
1414 West Hamilton Avenue
Eau Claire, WI 54702
(715) 839-2480
(715) 577-2739
pamela.jo.Rasmussen@xcelenergy.com

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE APPLICATION OF)	DECISION AND ORDER
XCEL ENERGY FOR A CONSTRUCTION)	APPROVING STIPULATION
PERMIT TO BUILD 9.6 MILES OF THE SPLIT)	AND GRANTING PERMIT TO
ROCK TO LAKEFIELD JUNCTION 345 KV)	CONSTRUCT
TRANSMISSION LINE AND ADD FACILITIES)	TRANSMISSION FACILITIES
TO THE SPLIT ROCK SUBSTATION)	EL05-023

On August 26, 2005, Northern States Power Company d/b/a Xcel Energy (Xcel) filed an application for a new 345 kilovolt Split Rock - Lakefield Junction transmission line and a substation upgrade east of Sioux Falls. Xcel is requesting a permit to construct a new 345 kV transmission line from its Split Rock Substation located near the Angus Anson generating station east of Sioux Falls north 0.6-mile to the north side of I-90, then east on the north side of I-90 for 4.6 miles to Western Area Power Administration's (WAPA) existing White-Sioux City 345 kV line and a new 345 kV line on the south side of I-90 from the WAPA White-Sioux City line east 4.5 miles to the Minnesota border. The project would also upgrade Xcel's existing Splitrock Substation east of Sioux Falls to accommodate the new 345 kV interconnection. The entirety of the new line construction and substation facilities to be upgraded are located in Minnehaha County east of Sioux Falls along or near I-90 from Exit 402 to the Minnesota line. The line will comprise the western portion of an 86-mile 345 kV transmission line between Split Rock Substation and the Lakefield Junction Substation east of Lakefield, Minnesota.

On September 1, 2005, the Commission electronically transmitted notice of the filing and the intervention deadline of October 25, 2005, to interested individuals and entities.

On September 13, 2005, at its regularly scheduled meeting, the Commission, pursuant to SDCL 49-41B-12, unanimously voted to assess Xcel a filing fee not to exceed \$19,750, with an initial deposit of \$8,000. On August 15, 2006, the Commission received an e-mail from Xcel stating that Xcel has had unanticipated problems with route approvals and stated that Xcel waives Commission compliance with the deadline in SDCL 49-41B-24 and requests that the Commission extend the time for resolution of this docket for a reasonable period of time to permit resolution of the routing issues presently being dealt with by Xcel.

At its regularly scheduled meeting of August 23, 2006, the Commission considered this matter. Commission Staff recommended that the additional period of time not be later than December 31, 2006. The Commission granted the request to waive the one year deadline pursuant to SDCL 49-41B-24 and granted the request for an additional period of time until December 31, 2006, for the Commission's final decision (Chairman Sahr abstained).

On December 11, 2006, the Commission received a Motion to Extend Final Approval Deadline to July 1, 2007, from Xcel. The Commission voted unanimously to grant the Motion to Extend Final Approval Deadline to July 1, 2007, for the Commission's final decision. On June 4, 2007, the Commission received a Motion to Extend Final Approval Deadline to December 31, 2007, from Xcel.

At its regularly scheduled meeting of June 26, 2007, the Commission considered this matter. The Commission voted unanimously to grant the Motion to Extend Final Approval Deadline to

December 31, 2007, for the Commission's final decision. On October 26, 2007, the Commission received a Stipulation signed by the parties.

The Commission asserts jurisdiction over this matter pursuant to SDCL Chapter 49-41B, specifically 49-41B-1, 49-41B-2, 49-41B-2.1, 49-41B-4, 49-41B-11, 49-41B-12, 49-41B-13, 49-41B-15, 49-41B-16, 49-41B-17, 49-41B-17.1, 49-41B-21, 49-41B-22, 49-41B-25, 49-41B-26, 49-41B-33, 49-41B-38, and ARSD Chapter 20:10:22.

At its regularly scheduled meeting of November 6, 2007, the Commission considered this matter. The Commission voted unanimously to approve the Stipulation and issue a permit to construct the project, subject to the terms and conditions of the Stipulation. It is therefore

ORDERED, that the Stipulation is hereby approved and shall be incorporated by reference into this Decision and Order the same as if it had been set forth in its entirety herein and a permit to construct the project, subject to the Findings of Fact and Conclusions of Law and terms and conditions of the Stipulation is hereby granted.

Dated at Pierre, South Dakota, this 13th day of November, 2007.

CERTIFICATE OF SERVICE
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically.
By: <u><i>Allison Kalbo</i></u>
Date: <u>11/13/07</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Dustin Johnson
DUSTIN M. JOHNSON, Chairman

Gary Hanson
GARY HANSON, Commissioner

Steve Kolbeck
STEVE KOLBECK, Commissioner

260 MW and is fully subscribed. More transmission capacity is needed to allow for increased wind generation in that region.

This Project is part of a series of transmission improvements that are designed to address this need. Once all the facilities are constructed by mid 2008, the area's transmission system will be able to move 825 MW of wind generation from Buffalo Ridge. Minnesota has reviewed this matter and issued approval of the Project need on March 11, 2003, (PUC Docket No. E002/CN-01-1958) and the Project route in Minnesota on June 16, 2005, (EQB Docket No. 03-73-TR-Xcel).

While this Project was not planned to address issues other than wind generation outlet capability, it does provide local support to the Sioux Falls area bulk load serving needs. Construction of the Project establishes a third 345 kV transmission line into the Sioux Falls area and the resulting configuration will address present load-serving concerns associated with failure of the existing double circuit 345 kV line. The Project also helps provide for future Sioux Falls area bulk supply needs. It will eliminate the current uneconomic operation of the Anson peaking plant that has been caused by load-serving inadequacy of the existing transmission system. The Project will also reduce the cost of transmission service to the Sioux Falls area by reducing electrical losses and allowing Applicant to discontinue purchasing supplemental transmission service from Western Area Power Administration.

3. DESCRIPTION OF FACILITY

The Project will be comprised of two (2) primary components:

(1) A new 9.6-mile 345 kilovolt (kV) line from the Split Rock Substation located west of Brandon, South Dakota to the Minnesota Border.

(2) Improvements to the Split Rock Substation to accommodate the new 345 kV interconnection. The substation expansion will require grading and fencing approximately one acre on the eastern end of the existing substation.

- a. **The Transmission Line.** The transmission line is part of an 86-mile 345 kV transmission line between the Split Rock Substation and the Lakefield Junction Substation near Lakefield, Minnesota. The South Dakota portion of the transmission line and the entire Split Rock to Lakefield Junction Transmission Line Route is attached as Exhibit 1.

The transmission line route begins at the Split Rock Substation and consists of an 0.6-mile segment that will consist of new double circuit 345 kV structures constructed approximately 150 feet east of, and parallel to, the existing double circuit 345 kV structures to a new angle structure where the proposed line intersects the existing double circuit 345 kV transmission line on the south side of I-90. A second single circuit segment will begin at the existing angle structure on the existing double circuit 345 kV transmission line on the south side of I-90, cross I-90 and then continue eastward along the north side of I-90. Approximately 0.75 miles west of the Brandon I-90 exit, the line will meet an existing 115 kV transmission line, which will be placed on the same structures as the new line for approximately 0.25 miles. The transmission line will be placed on private property, adjacent to the I-90 fence in order to allow for corridor sharing with I-90. A new single, steel pole structure will be constructed within the right

of way (ROW) of the existing line to connect this segment with the White-Sioux City 345 kV transmission line.

After that point, the 345 kV line will continue on the north side of I-90 until it reaches the Western Area Power Administration White-Sioux City 345 kV line. At this point, the transmission line will continue on single circuit structures on the south side of I-90 eastward from Western’s White-Sioux City 345 kV transmission line for 4.5 miles to the Minnesota border where it will continue eastward to the Lakefield Junction Substation.

- b. **The Split Rock Substation.** The existing Split Rock Substation is located east of Sioux Falls, South Dakota in the SE 1/4 of Section 30, NE 1/4 of Section 31, and the NW 1/4 of Section 32 in Township 102N, Range 48W, in Minnehaha County. The substation is owned and operated by Applicant. Modifications to the substation will include upgrading the existing 345 kV, four-position ring-bus configuration into a five-position ring to provide a line termination for the new 345 kV transmission line and installing a line-termination dead end, one new breaker and associated switches and line relaying. The substation expansion will require grading and fencing approximately one acre on the eastern end of the existing substation. The control house will be expanded as well. A schematic of the proposed substation improvements is attached as Exhibit 2.

4. DEVIATIONS FROM DESCRIBED CENTERLINE

The specific location of the centerline of the transmission lines is set forth in Exhibit 1 to this Stipulation. It might be necessary to deviate slightly from the described centerline to accommodate engineering and applicable safety and construction requirements based upon actual conditions encountered during construction, such as the need to avoid underground utilities.

5. ESTIMATED COST OF FACILITY

The estimated total cost of the South Dakota portion of this Project is \$7.9 million, with the cost of separate Project components provided on the table shown on page 4:

Project Components	Costs	ROW Costs	Total Cost
Proposed Route	\$5,000,000	\$404,000	\$5,404,000
Split Rock Substation Modifications	\$2,500,000	N/A	\$2,500,000
Total Project Costs	\$7,500,000	\$404,000	\$7,904,000

6. DEMAND FOR THE FACILITIES

This Project is specifically designed to address transmission outlet capacity issues that have limited the amount of wind generation that can be carried on the transmission system in this region. As noted in Section 2 above, local load serving and transmission reliability benefits will also be realized if the proposed Project is constructed.

The immediate demand for the Project is necessitated by existing and proposed wind development in the region, primarily on Buffalo Ridge in Southwest Minnesota and Northeast South Dakota. In addition, the Project serves as part of a major regional transmission development to increase the import capability into Minnesota from the West, which includes a

significant increase in delivery capability from generation in the Buffalo Ridge region. This regional enhancement will also allow for the import into Minnesota of further generation resource development such as wind generation further west into South Dakota. This transmission line will also enhance the reliability of the transmission system serving the City of Sioux Falls and surrounding system.

A delay or termination of the Project will result in a major delay in development of wind generation on the Buffalo Ridge in Minnesota and South Dakota. Also, as this line is expected to be a significant component of the future regional transmission grid, significant delays in developing major future import capability, especially from the South Dakota region, will occur while new regional plans are developed and analyzed. Major delays in developing further wind generation in the South Dakota portion of the Buffalo Ridge would be encountered.

7. SITE DESCRIPTION

The Project is sited predominantly in cropped areas along I-90 that are compatible with the proposed Project. The 9.6 miles of transmission line will require approximately 95 acres of new ROW. Where the transmission line parallels the Interstate only, an 80-foot ROW of land will be required for easement rather than the typical 150 feet since the line will share corridor with I-90. The substation improvements will require approximately one acre of land already owned by the Applicant. The transmission line will cross 34 parcels of land, which are owned by 30 separate landowners. The location and general arrangement of the transmission line is shown on Exhibit 1. The information on the substation expansion is shown on Exhibit 2.

8. ALTERNATIVE SITES

Applicant did an extensive review of alternative routes for the transmission line from the Minnesota border to the Split Rock substation. Various considerations were included such as cost, landowner issues, topographic features, environmental considerations and regulations and engineering. A discussion of the alternative site evaluation is provided in Section 9.0 of the Applicant's Permit Application. The assessment of alternatives, coupled with efforts to address specific landowner issues, established the centerline proposed for the transmission line, as shown in Exhibit 1. Applicant believes the proposed Project represents the best alternative in terms of meeting customer, landowner, legal and regulatory concerns, while minimizing impacts to the environment and existing land use.

9. ENVIRONMENTAL FACTORS AND PHYSICAL ENVIRONMENT

Applicant has provided environmental information as part of its Permit Application. The existing environment and estimates of changes and impacts to the existing environment are found in sections 10.1 to 19.1 of the Application.

The proposed alignment for the transmission line will minimize changes and impacts to the existing environment by following existing property boundaries, paralleling I-90 and existing utility rights of way where possible, siting in areas with compatible land use and minimizing the need to cross environmentally sensitive or significant features. The Application demonstrates that the proposed Project will have an insignificant impact on all factors evaluated. It is not anticipated that this Project will create any significant direct, cumulative or synergistic hazards to the health and welfare of human, plant or animal communities.

- a. **Topography.** The topography through the Project area is fairly flat on the east end of the Project, with rolling hills in the last few miles of the route as it approaches the Split Rock substation. The Project passes over two main water bodies: Split Rock Creek and the Big Sioux River.
- b. **Geologic Features.** The surficial geology of most of the corridor as it approaches the substation consists of ground moraine deposited during the Illinoian glacial advance. The surficial geology of some areas of the corridor west of the Split Rock Creek consists of deposits from the Middle and Early Cary Outwash. The Outwash is described as stratified deposits of coarse, poorly sorted sands and gravels. These deposits range in thickness of 50 feet to over 100 feet in areas.
- c. **Economic Deposits.** No economic mineral deposits are identified in the Project area.
- d. **Soil Type.** The transmission line site crosses 32 soil series and is dominated by Davis and Delmont loams, Nora and Moody silty clay loams and the Crofton silt loam. Approximately half of the soil within the Project area is listed as prime farmland, and approximately a quarter of the soil is listed as prime farmland when drained.
- e. **Potential for Erosion and Sedimentation.** Impacts to soils from the proposed Project will be insignificant. Approximately 22 acres of surface soil could be disturbed during construction of pole foundations. The Minnehaha County Soil Survey does not contain information regarding the potential for erosion or sedimentation associated with specific soil series. In general, areas with steep slopes, dry soils and/or minimal vegetative cover are at the greatest risk of erosion. Within the Project area, the potential for erosion would be highest along steep stream banks along the Big Sioux River and its tributaries.

Direct impacts to geologic resources and soils within the proposed corridor could include localized increases in potential for erosion from wind, water runoff, compaction and rutting. The potential for erosion near the Big Sioux River will be minimized since construction equipment will not cross the river. In addition, the construction plans will be developed to keep equipment away from these areas. Best management practices (BMPs), such as sediment fences and re-vegetation within steep areas are proposed to minimize erosion and sedimentation resulting from the Project.

Decisions on the appropriateness of the implementation of various BMPs will be determined by site specific conditions and guidance set forth in the *EPA Storm Water Management for Construction Activities: Developing Pollution Prevention Plans and Best Management Practices*, (US EPA, 1993) and the guidance provided in the "General Permit for Storm Water Discharges Associated with Construction Activities" for South Dakota (Effective July 1, 2002).

Once construction is complete, chisel plowing will be used to smooth the cultivated areas. In non-cultivated areas, rough grading will be conducted to reasonably resemble preconstruction contours. Non-cultivated vegetated areas disturbed by construction will be seeded with similar vegetation as was disturbed and mulched as necessary to stabilize seeds during germination.

No significant impacts related to the increase in potential for erosion are therefore expected as a result of construction of the transmission line if these measures are implemented.

- f. **Seismic Risks, Subsidence Potential and Slope Instability.** Seismic hazards in the study area are rated as very low. The seismic activity in South Dakota, especially in the eastern portions of the state, is fairly low. An earthquake registering 4.1 on the Richter Scale was recorded in the vicinity of the proposed corridor near Sioux Falls, South Dakota in October 1938. In March 1921, a small earthquake, measuring less than three on the Richter Scale, was registered south of the site along the Minnehaha and Lincoln County border.

The proposed Project will be designed and constructed in accordance with all applicable codes and standards to address potential structural difficulties associated with seismic, subsidence or slope instability. In general, soils in the Project area are expected to provide adequate foundation for transmission line structures without concern of subsidence, and the Split Rock Substation is located in a flat area where slope instability will not be an issue.

- g. **Geological Constraints.** There does not appear to be any geological characteristics that present unusual constraints to the design, construction or operation of the proposed facilities. Applicant does not expect that the area geology will impose significant constraints on the design or operation of the Project.
- h. **Hydrology.** The Big Sioux River flows east and south through the proposed Project area. Ultimately the river joins the Missouri River in Sioux City, Iowa. The Big Sioux River and Split Rock Creek will not be crossed with construction equipment and other streams will not be crossed with construction equipment unless absolutely necessary. Alternate access points to the Project area will be identified so as to avoid stream and the majority of wetland crossings.

Construction equipment will not cross the majority of streams. Alternate access points to the Project area will be identified to avoid stream and wetland crossings. Applicant will avoid major disturbance of individual wetlands and drainage systems during construction. The transmission lines will span the majority of the wetlands along the Facility corridor. There are two wetlands that cannot be spanned and Applicant is acquiring nationwide permits from the U.S. Corps of Engineers.

If a streambed crossing is necessary, it will only occur in the winter months when the ground is frozen, and Applicant will coordinate with the appropriate agencies to obtain any necessary permits.

- i. **Effect on Current Planned Water Uses.** The proposed Project will not use either municipal or private water and therefore will have no impacts on planned water uses by communities, agriculture, recreation, fish or wildlife.
- j. **Surface and Groundwater Use by Proposed Facility.** The proposed Project will not require consumptive use of or discharge to any surface water body or groundwater. However, should groundwater be encountered during foundation installation a minimal

amount of groundwater will be discharged to the surface. Appropriate permits will be obtained for dewatering activities.

- k. **Aquifer Use by Proposed Facility.** The proposed Project will not require the use of groundwater as a source of potable water supply or process water.
- l. **Water Storage, Reprocessing and Cooling by Proposed Facility.** No water storage or reprocessing will be required for the construction or operation of the proposed Project.
- m. **Deep Well Injection Use by Proposed Facility.** No deep well injection will be required for the construction or operation of the proposed Project.
- n. **Effect on Terrestrial Ecosystems.** Detailed information resulting from biological field surveys conducted to identify and quantify the terrestrial fauna and flora potentially affected by the proposed Project are contained in Section 12.0 and Exhibit E of the Permit Application. It is anticipated that construction and operation of the proposed Project will have little, if any adverse impact on the terrestrial biotic environment.
- o. **Effect on Terrestrial Fauna.** The proposed Project construction is not expected to significantly disrupt wildlife in the area. The area in and around the proposed transmission Project is dominated by cropland habitats. Wildlife in these habitats is made up of species adapted to urban, grassland and riparian areas such as deer, ducks, geese, pheasants, hawks, eagles and songbirds. Domesticated animals raised in the region include cattle, sheep and hogs.

There is a bald eagle (*Haliaeetus leucocephalus*) nest located near the Split Rock Substation, approximately 500 feet south of the railroad tracks, one-quarter mile south of I-90, and about 200 feet west from the existing transmission lines. Applicant has worked with the United States Fish and Wildlife Service (USFWS) to develop an Eagle Protection Plan (EPP), which was implemented during the recent construction of the second unit at the Angus Anson plant. This plan has been modified to address specific construction requirements for the transmission line and substation facilities. The USFWS has reviewed the modified plan and concurred that the plan is in compliance with their National Bald Eagle Management Guidelines. Applicant will provide copies of this plan to Staff.

There are no other endangered or protected wildlife species identified in the area that may be affected by the transmission line.

- p. **Effect on Terrestrial Flora.** Impacts to vegetation in the Project area are anticipated to be minor. Short-term impacts (that affect vegetation for one year or less) could include disturbance, removal and soil compaction caused by: (a) conducting ground control surveys; (b) performing geotechnical investigations; (c) preparing equipment yards and construction trailer sites; and (d) clearing, grubbing, grading and drilling hole foundations for installation of transmission poles.

Long-term impacts could be caused by installation of power poles, as well as ongoing maintenance along the route of the power line. Removal of the vegetation could increase

erosion and temporarily reduce the diversity in plant species. Shrubs and trees are slower to establish; therefore, a diverse vegetative cover will be re-established within a decade.

Construction associated with the Project may have minor indirect effects on vegetation in the Project area by increasing the potential for establishment of noxious weeds. Disturbed soil creates a hospitable environment for invasion of weeds and Project-related traffic may provide a transport mechanism for seeds of noxious weeds to the area. Removal of vegetation may increase erosion and sedimentation. Increased runoff on bare and compacted soils could create gullies and change the overall landscape.

Cumulative impacts to vegetation are anticipated to be minor and include the effects from farming and ranching. The primary land use in the Project area is industrial, business, residential and agricultural. These practices have been changing the landscape for many years. Future urban development in Sioux Falls and Brandon may continue to change the landscape. This and future Projects should have an insignificant impact on vegetation, as most areas have been altered from their natural state.

Construction will be sequenced to limit disruption to any area at one time to reduce the impact of construction on vegetation. After construction is complete, any compacted soil would be tilled and the area would be reseeded if not in agricultural use.

There are no expected impacts to any endangered or protected terrestrial flora species. The only protected flora species identified was the western prairie fringed orchid (*Platanthera praeclara*), however, the location of the plant is in the Cactus Hills area approximately two miles southwest of the proposed Project. In addition, there was a survey for protected plants conducted in the area and none were identified.

- q. **Effect on Aquatic Ecosystems.** The proposed Project is expected to have minimal effect on wetlands. The majority of the wetlands and associated buffer areas crossed by or near the proposed transmission line corridor are small and can be spanned by the transmission lines, which will have average spans of 950 feet. As noted previously, there are two wetlands that cannot be spanned and Applicant is acquiring nationwide permits from the U.S. Corps of Engineers. No construction will occur within the Big Sioux River and Split Rock Creek. The transmission lines will span these waterways.

The Topeka Shiner (*Notropis topeka*), a federally endangered species and the trout-perch (*Percopsis omiscomaycus*), a state threatened species have been identified in Split Rock Creek within the past ten years. The transmission line route will cross the Big Sioux River and two Beaver Creek tributaries that are considered critical habitat for the Topeka Shiner. Impacts to these aquatic species can be avoided by preventing equipment from entering the streams and limiting construction activities near the banks of the streams. Applicant has developed a Topeka Shiner Management Plan along with the USFWS to protect the Topeka shiner habitat at the locations where the transmission line crosses the above mentioned streams. The USFWS has reviewed the management plan and determined that the Project “is not likely to adversely affect any federally listed or proposed threatened or endangered species, or adversely modify their critical habitat.” Copies of the plan and the USFWS determination will be forwarded to Staff.

In order to avoid impacts to these two protected species, Applicant will avoid construction within 100 feet of Split Rock Creek and Beaver Creek, a tributary of Split Rock Creek, between April 1 and August 31. Applicant will also implement appropriate BMPs to minimize the amount of erosion and sedimentation that could potentially impact wetlands and waterways. Temporary erosion and sediment control methods will be properly placed, monitored and maintained adjacent to water resources. These erosion control methods will remain in place until work areas become re-vegetated or are stable. BMPs may include silt fencing, mulching, seeding and hay bales. Where appropriate, Applicant will re-vegetate disturbed areas.

r. **Water Quality.** Construction of the proposed transmission line will comply with all applicable federal, state and local permits required for alteration of wetlands, streams or rivers resulting from the Project. The following are specific measures that will be taken to protect water quality in the proposed Project corridor:

- Best management practices will be implemented to minimize erosion and sedimentation, runoff and surface instability during construction.
- Construction will be conducted to minimize disturbances around surface water bodies to the extent possible.
- A storm water permit will be obtained from the State of South Dakota for the work at the Split Rock Substation.
- Current drainage patterns in areas affected by construction will be maintained to the extent possible.
- Staging areas for Project-related construction equipment will be located in areas that are not environmentally sensitive to control erosion.
- Staging and laydown yards for Project-related construction will be established at least 100 feet from waterways or wetlands, if permitted by topography. No vegetation will be cleared between the yard and the waterway or wetland.
- Construction equipment will not be serviced within 100 feet of waterways or wetlands. Equipment will not be fueled within 100 feet of the waterways or wetlands.
- Any spills of fuels or other hazardous materials during construction or system maintenance will be promptly contained and cleaned up.
- Any herbicides used in ROW maintenance will be approved by the U.S. Environmental Protection Agency and applied by licensed professionals. Application of herbicides will be limited to the extent necessary for regular maintenance of the Project.

Once the Project is completed, it will have no impact on surface water quality. Maintaining water quality throughout the Project will minimize potential impacts to rare and common aquatic organisms and the aquatic environment.

s. **Air Quality.** Particulate emissions associated with construction of the utility line and substation will be mitigated using dust-suppression techniques. Examples of measures for control of particulates are, if necessary:

- Covering open haul trucks with tarps both on site and off site.
- Ensuring that construction vehicles use paved roads wherever possible to access the construction ROW.

- Removing any soil or mud deposited by construction equipment on paved roads near the egress from unpaved areas, when necessary.
- Stabilizing disturbed areas in compliance with the re-vegetation plan after construction is complete.

With implementation of these mitigation measures, particulate emissions from construction will be substantially reduced. Accordingly, particulate emissions from construction of the Project, as mitigated, will not be significant. No significant emissions are expected from the operation of the Project or from the operation of equipment to construct the transmission line.

- t. **Health and Welfare.** The proposed alignment for the transmission line will minimize changes and impacts to the existing environment by following existing property boundaries, paralleling township and county roads, siting in areas with compatible land use and minimizing the need to cross environmentally sensitive or significant features. The application demonstrates that the proposed Project will not have a significant impact on all factors evaluated. It is not anticipated that this Project will create any significant direct, cumulative or synergistic hazards to the health and welfare of human, plant or animal communities.

10. LAND USE

- a. **Existing Land Use.** The Project will be located primarily on private land that is zoned as agricultural and regulated by Minnehaha County land use plans and ordinances. The only publicly owned land affected by the Project is the Beaver Creek rest stop, located on the south side of I-90 just west of the Minnesota border. The Minnesota Department of Transportation (MNDOT) owns this parcel. The transmission line will go around this MNDOT parcel of land. The Project will not require any rezoning and will not result in any land use changes beyond the immediate footprint of the Project.

The Project is compatible with the existing land uses in the area. The entire length of the proposed route parallels existing linear corridors, 0.6 miles of new double circuit transmission structures parallels the existing 345 kV structures and the remaining 9.0 miles parallels I-90 to the Minnesota Border. The proposed route does not require any new cross-country ROW. Impacts to land uses adjacent to the transmission line will be minimized by using single, steel poles.

There will be some short-term impacts to agriculture from construction. Once the line is in operation, only approximately 0.07 acres will be permanently removed from agricultural production in order to accommodate the foundations for the structures. Agricultural impacts are discussed in Section 19.2.2 of the Application.

- b. **Homes, Businesses and Persons Displaced.** There will be no homes, businesses or persons displaced as a result of the construction, operation or maintenance of the proposed Project. The proposed route comes within 1,000 feet of eight homes; the nearest of these homes is approximately 310 feet from the transmission line and approximately 3,000 feet from the Split Rock Substation.

- c. **Land Use Compatibility.** The proposed Project is compatible with the present land uses of the surrounding area. The majority of the proposed transmission line traverses private land that is zoned agricultural. The Project area is characterized by relative flat landscapes to the east and rolling hills on the west side of the Project. The addition of power lines to the area will have minimal direct or indirect impacts on the already linear features of the landscape, including the existing transmission lines, roads, fencing and power lines that transect the area. Construction will only temporarily alter the area.
- d. **Effect on Land Use.** The proposed Project will have a minimal impact on land use. The majority of the proposed transmission line traverses private land that is zoned agricultural and is regulated by Minnehaha County land use plans and ordinances. In addition to the agricultural and rural residential land uses that dominate the Project area, there are pockets of commercial land use at the Highway 11 exit. The Split Rock Substation and Angus Anson Power Plant are zoned for industrial use. The Brandon Industrial Park is located north of I-90 at Highway 11. The Project is compatible with the existing land uses in the area. The entire length of the proposed route parallels existing linear corridors, 0.6 miles of new double circuit transmission structures parallels the existing 345 kV structures and the remaining 9.0 miles parallels I-90 to the Minnesota Border. The proposed route does not require any new cross-country ROW. Impacts to land uses adjacent to the transmission line will be minimized by using single, steel poles.

The short-term impacts may include temporary disruption of vegetation and farming caused by:

- Preparing equipment yards and construction trailer sites. It is expected that these sites will all be located on Applicant's land at the Split Rock substation.
- Clearing, grubbing and grading for expansion of the Split Rock substation.
- Clearing, grubbing, grading and drilling hole foundations for installation of transmission poles.
- Temporary closure of access to livestock and farm irrigation, tilling and harvesting operations.

With the exception of the Split Rock substation expansion, the short-term disturbances to vegetation will be repaired soon after construction is completed. Active construction at each pole location will be of short duration. However, there will be a time lag (up to 5 months) between the time the foundations are installed and the towers are erected. In addition, the Applicant does not expect that steel poles would be left in the ROW for long periods of time, but would be brought to the foundation location at the time they will be erected. When crews do need to access the site, the disturbances to farming are expected to be infrequent and last only a few days per disruption. Closure of access to livestock and farm irrigation, tilling and harvesting operations will be minimized to reduce local occupational disruption.

The long-term impacts could include disruption of vegetation and farming caused by:

- Ongoing maintenance along the route of the power line, although this is expected to be infrequent given the lack of trees and the use of steel poles
- Loss of crops, hay or livestock forage within the ROW

The cumulative impact of the construction and operation of the Project will have minimal effect on land use. The primary land use in this Project area consists of farming and urban uses. These practices have been changing the landscape for many years. Future practices may continue to change land use. This Project should have minimal impacts on land use.

- e. **Noise.** The noise levels from the Project are comparable to the existing noise environment and will not have a significant impact on humans or the environment. Improvements to the Split Rock Substation will add a single line termination and circuit breaker. These improvements will not produce any appreciable change in sound levels.
- f. **Local Land Use Controls.** The proposed Project is located predominantly on private land that is zoned agricultural and is regulated by Minnehaha County land use plans and ordinances. There are no zoning or building permits required by Minnehaha County for the construction, use and maintenance of the proposed Project.
- g. **Radio and Television Interference.** The proposed Project is not expected to cause any radio or television interference. If it is determined that the presence or operation of the Project may be causing a problem, the Applicant will investigate the concern and correct those problems caused by Applicant, in accord with Federal Communications Commission (FCC) Rules regarding operation of such facilities.
- h. **Aesthetics.** The Project will be a contrast to the open agricultural areas and will be visible to travelers along I-90, some township and country roads and to residents along the route. However, the degree to which the poles are visible will vary by location. Applicant has tried to minimize aesthetic impacts from the Project by routing along I-90, a previously disturbed corridor. This route is already impacted by the presence of existing transmission lines. There are no unique aesthetic resources in the area that will be impacted by this Project.

11. TIME SCHEDULE

The time schedule for this Project is graphically depicted on the Project Schedule attached hereto as Exhibit 3. The construction of the Split Rock to Lakefield Junction 345 kV Transmission Line began in June 2006 near Worthington, Minnesota. The Project completion is expected by December 2008, including restoration of lands impacted by construction activities. The work at the Split Rock substation is scheduled to be complete by June 2008.

12. COMMUNITY IMPACT

- a. **Forecast of Socioeconomic Impact.** No significant adverse socioeconomic impacts to the local communities and governmental facilities or services are anticipated as a result of the construction and maintenance of the proposed Project. This Project will improve the capability of local wind generators to transport energy generated in the region. This in turn may increase the amount of wind development in the area and may contribute to the local economy through easement dollars and taxes generated due to wind farm construction and operation. It is also expected that the Project will provide socioeconomic benefit by providing additional power for the rapidly expanding area of

Minnehaha County. The Project will not have a significant short-term impact on population, income, occupational distribution or the integration or cohesion of communities in the Project area.

- b. **Forecast of Taxation Impacts.** No significant immediate or long-term adverse impact on property and other taxes of the affected taxing jurisdictions are anticipated as a result of the construction and maintenance of the proposed Project. Although Applicant will pay taxes on the Project and the Project will increase Minnehaha County's tax base, the Project will not result in any significant impact to the affected taxing jurisdiction. The estimated annual tax dollar value of the Project in South Dakota is a minimum of \$75,000.
- c. **Forecast of Agricultural Impacts.** Short-term impacts to agriculture are minimal and will occur primarily due to foundation construction and pole erection. These impacts are not expected to last for more than a few days per disruption and would primarily impact access to farm tilling and harvesting operations. During construction, temporary impacts such as soil compaction and crop damages within the ROW are likely to occur. Approximately 22 acres of agricultural land will be impacted temporarily by the Project. This impact is from a temporary road located along the length of the route to allow construction access to the Project. Permanent impacts to agricultural lands will result in areas where poles are placed and are estimated at approximately 0.07 acres. The Project will have minimal impact on the overall crop production within the proposed Project corridor.
- d. **Forecast of Population and Community Impacts.** The proposed Project is not expected to substantially impact the population, income, occupational distribution or the integration and cohesion of the adjacent communities. The population of Minnehaha County in 2000 was estimated at 148,281 (Census 2000) and is not expected to change on a short-term basis as a result of this Project. However, reliable electric power availability in the area could facilitate long-term economic and potential population growth.
- e. **Forecast of Transportation Impacts.** No significant direct, indirect or cumulative impacts are expected to the transportation systems of cities, counties and the state. Short-term impacts may include minor traffic delays caused when wires are strung across roads. Any such short-term roadway or railway closings would be scheduled with appropriate authorities and marked clearly, and detour routes would be provided as necessary. Construction of the proposed Project will be expected to cause only insignificant adverse transportation effects to public access as a result of roadway congestion from workers' vehicles.
- f. **Forecast of Cultural Resource Impacts.** Applicant has conducted a records search and an on-site cultural resources inventory of the Project area. The results of the cultural resources study are discussed in Section 19.1.4 of the Applicant's Permit Application. The proposed Project corridor contains 27 previously recorded archaeological sites within one mile of the Project. The one isolated find was not eligible for inclusion on the National Register of Historic Places ("NRHP") and the eligibility of the prehistoric occupation is listed as unknown. The remaining sites have not been evaluated for NRHP eligibility. The proposed Project is expected to have minimal impact on these cultural resources of the area as long as construction does not disturb the sites discussed in

Section 19.1.4 of the Application. The Applicant has assessed the potential impacts to a cultural resources site that could not be avoided (site 39MH163). A level III cultural resources survey was conducted at the site and a determination was made that there will be no adverse impacts to the site from construction activities if certain conditions were met. Those conditions include: 1) All construction activities should be undertaken only while the ground surface is either frozen or completely dry to avoid rutting by construction vehicles; 2) All staging areas and storage yards for construction supplies should be located outside the identified boundaries on site 39Mh163. Construction equipment and vehicles should remain outside the site area unless actively engaged in construction activities; and 3) The foundation identified in the report near the construction area will be flagged prior to construction to avoid accidental damage. Applicant will follow these conditions and has forwarded copies of this report to Staff for information purposes and to the South Dakota State Historical Preservation Office for review.

13. EMPLOYMENT ESTIMATES

The Project construction will employ 63 to 74 workers for a period of 6 to 12 months. According to the South Dakota Governor's Office of Economic Development, in 1999 there were 1,998 workers employed in the mining and construction industry. An additional 60 workers for one year would be approximately a three percent increase in the mining and construction industry sector. It is expected that only a small portion of the construction work force will be native to the Minnehaha County area. Applicant's employees will maintain the proposed Project, if necessary. No permanent additional employment is expected.

14. FUTURE ADDITIONS AND MODIFICATIONS

Applicant does not request approval of any future additions or modifications under this permit Application. Applicant does not have plans for any additions or modifications to the Project in the foreseeable future.

15. TRANSMISSION FACILITY LAYOUT AND CONSTRUCTION

- a. **Vegetation Clearing.** The land types that the transmission line will cross are primarily cropland, and as such no extensive tree clearing or removal will be needed during the construction of the line. Only trees that would affect the transmission line directly will be removed. Minor vegetation clearing will be necessary along the ROW for construction and maintenance of the line. After construction is complete, any compacted soil locations will be addressed by compensating the farmer to repair the ground or by using contractors to come in and chisel plow the site. Normally, a declining scale of payments is set up over a period of a few years.
- b. **Soils.** Excavated soils from drilled pier foundations for the single-pole structures will be hauled off-site, unless the landowners ask to take possession of the soil. After construction is complete, any compacted soil locations will be addressed as desired by the landowners. Reseeding areas disturbed by construction activities will be done with vegetation similar to what was removed. In cases of agricultural lands, no reseeded will occur unless specified by the landowner. During the several months interval between the times the foundations are installed and the towers are erected, Applicant will ensure that

all areas disturbed by construction and construction access are stabilized to prevent erosion of soils.

All areas disturbed by construction of the expansion area of the Split Rock Substation will have the topsoil removed and stockpiled for future use. BMP will be used to minimize any sedimentation and provide for erosion control. In addition, Applicant will install measures to minimize soil erosion as specified in the storm water construction permit.

- c. **Herbicides and Sterilants (Weed Control).** Because the primary land use along the transmission line corridor is cropland, it will not be necessary to use herbicides or sterilants for construction of the proposed transmission line. All areas within the expansion of the Split Rock Substation fence line will be surfaced with a four-inch layer of gravel. Upon completion of construction of the work at the substation, a soil-applied herbicide will be applied to all gravel surfacing for vegetation control. Any herbicides used in ROW maintenance will be approved by the U.S. Environmental Protection Agency and applied by licensed professionals. Application of herbicides will be limited to the extent necessary for regular maintenance of the Project.
- d. **Construction Site Access.** An existing road will provide access to the work at the Split Rock Substation. All other access will be on existing approaches or existing roads. BMPs will be implemented to minimize erosion and sedimentation, runoff and surface instability during construction. Should any temporary access roads be required, the necessary approvals from Minnehaha County will be obtained prior to commencement of construction and removal of these temporary roads.
- e. **Waste Disposal.** All waste generated during the construction of the Project will be disposed of in an approved landfill on a regular basis. Trash and scrap will be deposited in waste containers or otherwise controlled and managed on site prior to ultimate disposal. Personal litter, including bottles, cans and paper from construction activities shall be removed on a daily basis.
- f. **Restoration and Re-vegetation.** All disturbed areas will be seeded, mulched and re-vegetated as soon as possible after all construction has been completed in any particular area. In cases of agricultural lands, no reseeded will occur unless specified by the landowner. Landowner desires will be considered in determining seed type depending on the adjacent land use.

16. INFORMATION CONCERNING TRANSMISSION FACILITIES

- a. **Configuration of Poles.** Two basic structure types will be used for the proposed transmission line. Typical structure configuration drawings with dimensions proposed for the tangent structures (excludes structures required at angle points) are provided as Figures 8 and 9 of the Application. Single pole, single circuit steel structures depicted in Figure 8 will be used from the Minnesota Border to the point where the line turns south at I-90 to meet the Split Rock substation. A single pole, double circuit 345 kV/345 kV steel structure will be used for the section of line heading south to the Split Rock substation depicted in Figure 9.

Two additional structure types will be used in specific areas of the Project route. A single pole, double circuit 345 kV/115 kV steel structure, as depicted in attached Exhibit 4, will be used for a short section of the route in Brandon where the line follows an existing 115 kV ROW. Self-supporting (un-guyed) structures will be used for all other angle structures in the Project. The steel structures will range from approximately 120 to 150 feet in height. Structures will be spaced approximately 950 feet apart, but this distance will vary significantly based upon terrain. The foundations will be six to eight foot diameter, approximately 30 to 40 feet deep. Excess soil will be removed from the site unless otherwise requested by the landowner. Single pole, single circuit steel vertical configuration structures will be used where the transmission line route passes around the Beaver Creek Rest stop (shown in Exhibit 4). In order to minimize any potential vertical conflicts around the Beaver Creek Rest Stop, all of the arms will be placed on one side of the structure, facing away from the MNDOT parcel.

There will be one structure that is not galvanized. The structure's size is too large to place in a galvanizing tank. Structure 7 as marked on the plan and profile will be made of weathering steel and will be located on the north side of I-90 directly north of the Split Rock substation.

- b. **Conductor Configuration.** The Applicant will install double bundled (two conductors) 954 thousand circular mils Type 13, Cardinal, aluminum core steel supported, trapezoidal wire for each phase of the three-phase configuration. In addition, two single 3/8-inch extra high strength overhead shield wires will be supported from the pole tops.
- c. **Reliability and Safety.** The Project will be constructed in full compliance with all applicable National Electrical Safety Code electrical performance and safety codes and will not present significant impacts posed by safety or electrical hazard to the general public.

Transmission line facilities in this area need to be designed to handle stresses created by high winds or heavy ice loadings. Since icing conditions in southeastern South Dakota exceed that of other parts of the Applicant territory, the criterion "Heavy ice with reduced wind condition" has been modified to provide additional pole and wire attachment strength. Applicant's typical heavy ice case is for a 40 mph wind and 0.5 inches of ice. For this Project, Applicant will design for a 50 mph wind and 1.5 inches of ice. The Applicant's criteria to address these stresses to the transmission structures are more conservative than the typical criteria used for transmission line design and will address this issue.

The flow of electricity produces electric and magnetic fields (commonly referred to as EMF). Numerous sources of EMF exist in nature and in the occupational and residential environment. In nearly all instances, these fields pose no obvious threat to human health or safety. While certain epidemiological studies have indicated potential risk factors from exposure to EMF, many similar studies report no statistically significant correlation.

Thus, although a substantial amount of research on EMF has been completed and is continuing, the body of research on health effects is still inconclusive. In general, however, there is general scientific consensus that there is little evidence that magnetic

fields from transmission lines negatively impact human or animal health. Nevertheless, it is difficult to prove conclusively that there is no impact.

The tables provided below and on the next page provide modeled magnetic fields at certain line loadings for the 345 kV transmission line and modeled electric fields. The information provided includes the expected levels under the line and at various increments from the centerline.

Line Type	Loading Condition	Amps	345 kV Split Rock to Lakefield Magnetic Field Calculations								
			-300'	-200'	-100'	-50'	0'	50'	100'	200'	300'
Single Circuit 345 kV line	Avg.	540	1.1	2.6	9.9	31	65	28	11	3.1	1.4
	Peak	900	1.9	4.3	16	51	108	47	18	5.1	2.4
345/345 kV Single Steel Pole Davit Arm	Avg.	540/	0.4	1.1	6.4	24	64	24	6.2	1.1	0.4
	Peak	900/	0.6	1.8	11	40	106	39	10	1.8	0.6

Line Type	345 kV Split Rock to Lakefield Electric Field Calculations				
	-75'	-50'	0'	50'	75'
Single Circuit 345 kV line (delta)	1.1	1.92	2.2	2.1	1.1
345/345 kV Single Steel Pole Davit Arm	0.37	1.35	2.22	1.3	2.22

Currently there are no federal or state health-based exposure standards for magnetic fields. This is due to the fact that there is inadequate scientific evidence to develop a health-based standard. Two states (Florida and New York) have set standards for magnetic field strengths at the edges of ROW. Six states (Florida, Minnesota, Montana, New Jersey, New York, and Oregon) have established standards for electric field strengths on the ROW and at the edge of the ROW. The table below lists those standards.

The proposed transmission line will meet the electric and magnetic field design standards adopted by these other states. Applicant will provide measurements for landowners, customers and employees who request them.

State Transmission Line Standards and Guidelines				
State	Electric Field		Magnetic Field	
	On ROW*	Edge ROW	On ROW	Edge ROW
Florida	8 kV/m ^a 10 kV/m ^b	2 kV/m	-	150 mG ^a (max. load) 200 mG ^b (max. load) 250 mG ^c (max. load)
Minnesota	8 kV/m	-	-	-
Montana	7 kV/m	1 kV/m ^e	-	-
New Jersey	-	3 kV/m	-	-
New York	11.8 kV/m 11.0 kV/m ^f 7.0 kV/m ^d	1.6 kV/m	-	200 mG (max. load)
Oregon	9 kV/m	-	-	-

*ROW = right-of-way (or in the Florida standard, certain additional areas adjoining the right-of-way).
kV/m = kilovolt per meter. One kilovolt = 1,000 volts.
^a For lines of 69-230 kV.
^b For 500 kV lines.
^c For 500 kV lines on certain existing ROW
^d Maximum for highway crossings.
^e May be waived by the landowner.
^f Maximum for private road crossings.

- d. **Right-of-Way or Condemnation Requirements.** The Applicant already owns the land necessary for the Split Rock substation expansion. Eighty two percent (28 of 34) pg. 4 states 33 of the easements required for the transmission line ROW have been acquired. Land rights agents have contacted all landowners. It is hoped that negotiations for acquisition on a mutually agreed basis will be successful. However, condemnation proceedings or other litigation might be required if those negotiations are not successful.

Since the transmission line will be paralleling I-90, part of the line will share corridor with I-90. Approvals for Permission to survey on I-90 ROW and for portions of the transmission structures to overhang the I-90 ROW are required by the South Dakota Department of Transportation (SD DOT). The SD DOT has granted both permits and the Federal Highway Administration (FHWA) has concurred with the issuance of these permits. Copies of permits issued to the Applicant by the SD DOT will be forwarded to Staff prior to construction of the Project.

Landowners have been provided information on the Project as it proceeds through the permitting process, through periodic newsletters. As the design of the Project is further developed, contacts with the owners of affected properties will continue and the negotiation and acquisition phase will continue for Applicant to obtain the necessary land or easement rights for the Project.

During the acquisition phase, individual property owners are to be advised as to the construction schedules, needed access to the site and any vegetation clearing required for the Project. The ROW will be cleared of the amount of vegetation necessary to construct, operate and maintain the proposed transmission lines as discussed in Section 22.0 of the Applicant's Permit Application and the requirements contained in this Stipulation.

Many structure locations require soil investigation to assist with the design of the foundations. Applicant informed the landowners at the initial survey consultation that soil borings might occur. This work is now complete. Applicant also worked with local utilities and the South Dakota One-Call system to identify underground utilities along the route. This minimizes conflicts or impacts to existing utilities along the Project route.

Where possible, staging and lay down areas will be located within the ROW and limited to previously disturbed or developed areas. When additional property is temporarily required for construction, temporary limited easements (TLE) may be obtained from landowners for the duration of construction. TLEs will be limited to special construction access needs or additional staging, fabrication or lay down areas required outside of the proposed transmission line ROW.

- e. **Necessary Clearing Activities.** No significant clearing activities are anticipated for the proposed Project, although several large cottonwood trees located on Applicant's property will have to be removed.

No clearing of vegetation will be required for the work at the Split Rock substation.

- f. **Configuration of Underground Facilities.** No underground facilities will be required for the proposed Project.

- g. **Maintenance of Transmission Line.** Maintenance for the transmission line will consist primarily of monthly flyovers searching for damaged equipment. The need for clearing of vegetation along the right-of-way to maintain safe operation will be done on a three-year rotational basis. If any repairs of the transmission line due to damage result in damage to the landowner's property or crops, they will be compensated accordingly.

AMENDMENT OF AND ADDITION TO PERMIT APPLICATION

Amendments. The Application filed August 26, 2005, is hereby amended as follows:

1. The transmission line route attached to the Application as Exhibit C is hereby amended to conform to the description set forth on Exhibit 1 to this Stipulation.

CONCLUSIONS OF LAW

1.

The Commission has jurisdiction over the subject matter and parties to this proceeding pursuant to SDCL Chapter 49-41B and ARSD 20:10:22. Subject to the findings made on the four elements of proof under SDCL 49-41B-22, the Commission has authority to grant, deny or grant upon such terms, conditions or modifications of the construction, operation or maintenance of the Project as it may deem appropriate.

2.

To the extent that any of the above made findings of fact are determined to be conclusions of law or mixed findings of fact and conclusions of law the same are incorporated herein by this reference as a conclusion as if set forth in full.

3.

Administrative rules have the force of law and are presumed valid. *Feltrop v. Department of Social Svcs.*, 559 NW2d 883, 884 (SD 1997). An administrative agency is bound by its own rules. *Mulder v. Department of Social Svcs.*, 675 NW2d 212, 216 (SD 2004).

4.

The proposed transmission line is a “transmission facility” as defined in SDCL 49-41B-2.1.

5.

The Applicant’s Permit Application, as amended and supplemented by responses to Staff data requests, complies with the applicable requirements of SDCL Chapter 49-41B and ARSD 20:10:22.

6.

The Project as defined herein will comply with all applicable laws and rules, including all requirements of SDCL Chapter 49-41B and ARSD 20:10:22.

7.

The Project, if constructed in accordance with the terms and conditions of this permit, will not pose a threat of serious injury to the environment nor to the social and economic condition of inhabitants or expected inhabitants in the siting area.

8.

The Project, if constructed in accordance with the terms and conditions of this permit, will not substantially impair the health, safety or welfare of the inhabitants in the siting area.

9.

The Project, if constructed in accordance with the terms and conditions of this permit, will not unduly interfere with the orderly development of the region with due consideration having been given the views of governing bodies of affected local units of government.

10.

The Commission has the authority to revoke or suspend any permit granted under the South Dakota Energy Facility Permit Act for failure to comply with the terms and conditions of the permit pursuant to SDCL 49-41B-33.

11.

Northern States Power Company d/b/a Xcel Energy will be the permitted owner of the Project.

12.

The burden of proof on the parties on which they have the burden is by the preponderance of the evidence.

13.

The Commission concludes that it needs no other information to assess the impact of the Project to determine if Applicant has met its burden of proof.

14.

The Commission concludes that the Application and all required filings have been filed with the Commission in conformity with South Dakota law. All procedural requirements required under South Dakota law have been met. All data, exhibits, and related testimony have been filed.

15.

The Commission concludes that the Application is supported by the Application, Responses to Staff's Data Requests and documentary evidence and satisfies all applicable requirements by South Dakota Codified Law.

16.

The Commission concludes that the Application, as amended and supplemented, is legally and procedurally appropriate and complete. All formatting and timing requirements have been complied with. All public hearing requirements have been met.

17.

The Applicants have met their burden of proof pursuant to SDCL 49-41B-22 and are entitled to a permit as provided in SDCL 49-41B-24, subject to the following:

STIPULATE TO THE FOLLOWING TERMS AND CONDITIONS:

1.

The Applicant will obtain all governmental permits that may be required by any township, county, state or federal agency or any other governmental unit for construction activity covered by that permit. Copies of any permits obtained by the Applicant shall be sent to the Commission.

2.

If it becomes necessary to deviate from the described centerline to accommodate engineering and applicable safety and construction requirements based upon actual conditions encountered during construction, all landowners affected by the deviation and the Commission must be notified in writing five working days before the deviation may occur. The Commission must approve all deviations from the Project.

3.

In order to ensure compliance with the terms and conditions of this permit pursuant to SDCL 49-41B-33, it is necessary for the enforcement of this Order that all employees,

contractors and agents of the Applicant, to the extent of its interest, involved in this Project be made aware of the terms and conditions of this permit.

4.

The Applicant shall ensure that its employees, contractors and agents involved in ROW negotiations and acquisitions, ROW clearing, line construction and ROW and line maintenance understand fully and comply with the terms and conditions of this permit.

5.

In order to avoid impacts to known archeological sites, Applicant will comply with the conditions set forth in the Findings of Fact. In addition, if during construction, the Applicant or its agents discover what may be an archaeological resource, the Applicant or its agents shall immediately cease work at that portion of the site and notify the Commission and the State Archaeologist. If such an archaeological resource is discovered, the Applicant shall develop a plan that is acceptable to the State Archaeologist to salvage, avoid or protect the archaeological resource. If such a plan will require a different route than that approved by the Commission, the Applicant must seek Commission approval for the new route before proceeding with any further construction.

6.

In order to mitigate interference with agricultural operations during and after construction, the Applicant shall locate all structures, to the extent feasible and prudent, to minimize adverse impacts and interferences with agricultural operations, shelterbelts and other land uses or activities. The Applicant shall take appropriate precautions to protect livestock and

crops during construction. The Applicant shall repair all fences and gates removed or damaged during construction or maintenance unless negotiated with the landowner or designee. The Applicant shall be responsible for the repair of private roads and lanes damaged when moving equipment or when obtaining access to the ROW.

7.

The Applicant shall provide each landowner across whose property the Project is to be constructed with the following information:

- A copy of the Commission's Order.
- Detailed safety information describing (a) reasonable safety precautions for existing activities on or near the ROW; (b) known activities or uses that are presently prohibited within the ROW; and (c) other potential dangers or limitations within the ROW.
- Construction/maintenance damage compensation policies and procedures.
- The Commission's address and phone number.

The Applicant shall also comply with all other terms and conditions as set forth in the Findings of Fact.

8.

The terms and conditions of the permit shall be made a uniform condition of construction, subject only to an affirmative written request for an exemption addressed to the Commission. A request for an exemption shall clearly state which particular condition should not be applied to the property in question and the reason for the requested exemption. The Commission shall evaluate such requests on a case-by-case basis.

9.

The Applicant updated its Eagle Protection Plan (EPP) to address construction activities near the bald eagle (*Haliaeetus leucocephalus*) nest located near the Split Rock Substation. The USFWS has reviewed the modified plan and concurred that the plan is in compliance with their National Bald Eagle Management Guidelines. Applicant will provide copies of this plan and USFWS prior to transmission line construction in this area.

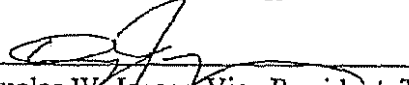
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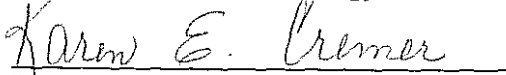
Before commencing construction, the Applicant shall furnish an indemnity bond in the amount of Fifty Thousand Dollars (\$50,000.00) to comply with the requirements of SDCL 49-41B-38.

If the presence or operation of the Project causes interference with radio, television, or any legal communication device, the Applicant shall take all appropriate action to minimize any such interference and make a good faith effort to restore or provide reception levels equivalent to reception levels in the immediate areas just prior to construction of the Project. This mitigation requirement shall apply to homes or other structures in place at the time of construction but shall not apply to any dwellings or other structures built after construction of the Project approved in this Permit that have been completed.

Dated: October 26, 2007

Northern States Power Company, a Minnesota corporation, d/b/a Xcel Energy

By: 
Douglas W. Jaeger, Vice President, Transmission, Xcel Energy Services, Inc., authorized agent for Northern States Power Company, a Minnesota corporation, d/b/a Xcel Energy


Karen E. Cremer
Staff Attorney,
South Dakota Public Utilities Commission

SAFETY BULLETIN

Xcel Energy and Associated Construction Companies working on the SWTU Project feel that Safety is of the utmost importance, not only for the construction worker, but equally for the public. For this reason we are extending the following safety bulletin and ask for your cooperation during the construction phase of this project.

We ask that Property Owners/Tenants/Others:

1. 'Not' access purchased easements or construction zones at any time (during or after work hours), whether by vehicle, bicycle, foot or other.
2. All family members be warned of hazards that may exist on purchased easements, as noted at bottom of page.
3. Special attention should be provided to small children to ensure that they do not wander onto purchased easements and construction zones.
4. Make necessary arrangements to ensure household pets are kept out of purchased easement areas and construction zones.
5. Private vehicles or privately owned equipment may not be parked on purchased easements during construction.
6. Farming machinery should refrain from entering purchased easements and construction zones.
 - a) If crossing an easement is absolutely necessary, then crossing shall be conducted away from any active construction areas occupied by construction equipment and/or personnel. Be sure to look in all directions to ensure a clear path before crossing. Get assistance if necessary.
7. Anyone approaching purchased easement access areas and easement exit areas should be alert for construction traffic. Be courteous and provide ample room for larger vehicles.
8. No hunting or fishing is allowed within the easement area and the immediate vicinity of the easement.
 - a) **DO NOT FIRE GUNS IN DIRECTION OF ANY CONSTRUCTION AREA WHETHER OCCUPIED OR NOT.**
9. Construction personnel should not be engaged in conversation or be distracted, unless an emergency or other pertinent situation exists.
10. If an owner has a complaint, question, warning or suggestion, he/she should notify Todd Hunt or Larry Bonilla at the Worthington office, phone #507-372-4728.

Known Hazards:

- | | |
|---------------------------------|---------------------|
| a) Blind Spots/Obstructed Views | g) Airborne Debris |
| b) Moving Equipment, Traffic | h) Stored Materials |
| c) Overhead Work | i) Lumber & Nails |
| d) Falling Objects | j) Noise |
| e) Electrical Hazards | |
| f) Ground Projections | |

Procedure For Post Construction Crop Damages

Post construction crop damages shall be paid to each farmer who has incurred crop or other damage during the construction of transmission lines that exceed the amount paid in up-front damages (pre-construction).

1. Construction Coordinators (CC) or R/W Agents will measure those areas of crop damage which were damaged during construction of the electric transmission line. They shall then determine the square footage of total crop damage by multiplying the area width x length.
2. The Construction Coordinators or R/W Agents then shall consider and measure the crop-damaged areas around each structure.
3. The Construction Coordinators or R/W Agents then shall visually inspect other areas outside of the normal construction path that may have suffered crop damage. The CC's and Agents may also discuss peripheral crop damage with the farmer or tenant that farmed that land, and may factor other peripheral areas into the damaged crop formula if it is evident that damage was done. This may include property damage to culverts, fences, gates, or other attached property that may have suffered damage during construction.
4. The CC or R/W Agent shall enter the square footage of measured crop damage onto a compensation work sheet for permanent record, and shall follow the established formula for determining the total square footage of crops, and the type of crop damaged. The agent shall itemize all other damages compensated for on the worksheet. The farmers stated price/unit (if reasonable), county yield numbers or current published cash crop price per bushel, printed in the local newspaper or obtained from a local elevator, Conservation Service or other government entity that provides crop pricing shall be used and noted. The CC or Agent shall use the highest printed price for that crop if more than one price is noted. If the price for that specific crop is not available, the CC or Agent shall contact a local elevator to determine the current price for that specific crop. The amount stated by the elevator, or printed in the newspaper should then be entered into the established formula on the FINAL SETTLEMENT WORKSHEET form to determine the total amount of crop loss. The total crop and damage loss should then be compared to the amount of up-front crop damage paid, and if:

- a. The total crop and damage loss figure is less than the amount paid for up-front crop damage, no additional crop loss funds should be paid to the farmer/tenant.
- b. The total crop and damage loss is more than the amount paid for up-front crop damage, subtract the up-front crop damage payment from the total amount of crop damage as determined, and pay the farmer/tenant the difference in monies.
- c. The property owner should always sign an Xcel Release Form, prior to actual payment for crop damage. The release form releases Xcel from any and all damages itemized (except drain tile damage and unidentified damage) sustained on that property (except drain tile damage) up to the time and date of signing the Release Form. Any damages sustained after that date will be negotiated anew.

Xcel Energy/Northern States Power Company Standard Practices for Drainage Tile

Construction of the Lakefield to Split Rock 345 kV Transmission Line, Nobles County Substation & Nobles County to Chanarambie 115 kV Transmission Line

There is a significant amount of drainage tile in the farmfields of Southwest Minnesota. It is likely that NSP will encounter drain tile during the design, construction and maintenance of its transmission line projects. It will be difficult to avoid impacts to some of the tile given the amount in the area and the limited mapping for some of the facilities. Therefore, NSP will not guarantee that we will not impact tile. However, the following items note our policy for dealing with this issue.

Design:

- During the survey process we will attempt to identify locations of tile along our project route and access points.
- Each County in the project area will be contacted and the maps for the tiles in those areas will be gathered and the tile locations along the route mapped on the plan and profile drawings as best as practicable.
- Request to landowners will be made to identify the known locations of drain tiles. The locations will be documented on the landowner contact sheets developed by the right-of-way agents and mapped on the plan and profile drawings as best as practicable.
- The transmission line and substation designers will take the known tile locations into consideration and will avoid all tiles as practicable. If it is determined we cannot avoid the tile, we will either work with the landowner on a repair plan to fix or relocate the tile after construction is complete.

Preconstruction:

- Prior to construction, the crews will identify access points for their work and locate where tile has been identified on the maps provided to them.
- NSP will work with the counties to identify their tile along the route and work to avoid it during construction.

Contacts

During Construction:

Contact Xcel Energy Project Manager:
Mark Anderson
Phone: 612-330-6468
Cell: 612-940-2456

After Construction is Complete (After 12/31/07)

Xcel Energy is aware there may be instances after construction is complete that a landowner finds a problem with tile several years later. The Company will work with that landowner to determine if our work caused the damage. If so, the Company will repair the tile. Please contact Xcel Energy's Siting & Land Rights Department at 1-800-238-7968.

May 15, 2006