United States Department of Agriculture
Rural Development
Washington, DC

December 3, 2009

TO: Interested Parties

RE: Bemidji-Grand Rapids 230 kV Transmission Line Project, Minnesota

Attached is the Scoping Decision/Report (Report) for the Bemidji-Grand Rapids 230 kV Transmission Line Project (the Project). The proposed Project is the subject of a joint federal and state Environmental Impact Statement (EIS).

The Minnesota Department of Commerce and the Rural Utilities Service (RUS) entered into a Memorandum of Understanding (July 24, 2007) for the purpose of preparing a joint environmental review document to evaluate the potential environmental impacts of the proposed Project to be constructed and owned by Minnkota Power Cooperative, Inc., Otter Tail Power Company, and Minnesota Power.

In accordance with the Council on Environmental Quality's Regulation for Implementing the Procedural Provisions of the National Environmental Policy Act (40 CFR 1500), RUS has agreed to be the lead federal agency with the following cooperating federal agencies and tribe: U.S. Army Corps of Engineers (USACE); the U.S. Forest Service (USFS) Chippewa National Forest; and the Leech Lake Band of Ojibwe (LLBO). RUS is finalizing ongoing discussions with the Bureau of Indian Affairs (BIA) to determine the level of their involvement in the EIS process. To minimize duplication of efforts, all of the agencies and tribe have agreed to work cooperatively to prepare the environmental review document so that it will comply with all federal and state laws.

Since the state EIS process differs slightly from the federal process, the Report discusses and documents a more extensive evaluation process regarding alternative analyses than is necessary in the state process. Of note is the continued evaluation (including recommendations for elimination from further consideration) of the Macro-Corridors (identified in the Macro-Corridor Study, September, 2008) within the EIS. As appropriate, information presented in the Report will be

integrated in the Draft EIS which is expected to be released to the public early January of 2010

If you have any questions or require additional information, please contact Ms. Stephanie Strength at USDA, Rural Utilities Service, 1400 Independence Ave., SW, Room 2244, Mail Stop 1571, Washington, D.C. 20250-1571, or via email at stephanie.strength@wdc.usda.gov.

Sincerely,

MARK S. PLANK
Director
Engineering and Environmental Staff
Rural Utilities Service

Enclosures

Scoping Decision/Report

for

Bemidji-Grand Rapids 230 kV Transmission Line Project

Prepared by

USDA Rural Development

December 2009

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1.0 INTRODUCTION

A group of three Minnesota electric service utilities ("Utilities") are proposing to construct an approximately 68-mile 230 kilo volt (kV) transmission line between Bemidji and Grand Rapids, Minnesota ("Project"). One of the utilities, Minnkota Power Cooperative, Inc., intends to obtain financing for its ownership portion of the Project from the Rural Utilities Service ("RUS") of the US Department of Agriculture. RUS financing of the Project constitutes a "federal action," which requires RUS to conduct an environmental review of the Project under the National Environmental Policy Act (NEPA).

The US Army Corps of Engineers (USACE), the US Forest Service (USFS) Chippewa National Forest (CNF).and the Leech Lake Band of Ojibwe Indians (LLBO) pursuant to 40 CFR § 1506.2, "elimination of duplication with state and local procedures," have agreed to cooperatively and jointly prepare an environmental review document that will comply with federal and state law with RUS acting as the Lead Agency (see Section 6.0). RUS is finalizing discussions with the Bureau of Indian Affairs (BIA) to determine their level of involvement in the EIS process.

The purpose of the "scoping" process is to identify the potential environmental issues associated with the Project. This involves actively soliciting input on the Project from members of the public, as well as from federal, tribal, state, and local authorities. The comments are discussed in Section 3.2.4. The information obtained through this process identifies environmental issues and impacts that need to be further analyzed in the EIS, as well as mitigation measures that may lessen or eliminate those issues/impacts.

This "scoping decision" identifies the issues and alternatives that the Federal and Tribal entities cooperating in the preparation of the EIS have determined are appropriate for further assessment in the Environmental Impact Statement (EIS).

2.0 BACKGROUND

2.1 Proposal

The Utilities propose constructing a 230 kV transmission line between Bemidji and Grand Rapids, in northcentral Minnesota. The primary purpose of the Project is to improve long-term reliability of the local and regional transmission system. The Project is also needed to meet projected future customer demand in the Bemidji area (northcentral Minnesota), see **Figure 1 – Project Overview Map**. Construction is proposed to begin in 2010, so the Project can be completed by December 2011 to meet the anticipated 2011/2012 winter peak demand in the Bemidji area.

The proposed Project would also provide an ancillary benefit: facilitating the addition of new generation sources in the region. Specifically, portions of the Red River Valley and eastern North Dakota have been identified as areas for the potential development of wind-energy generation sources, and the added transmission capacity from this Project would assist in the development of such resources.

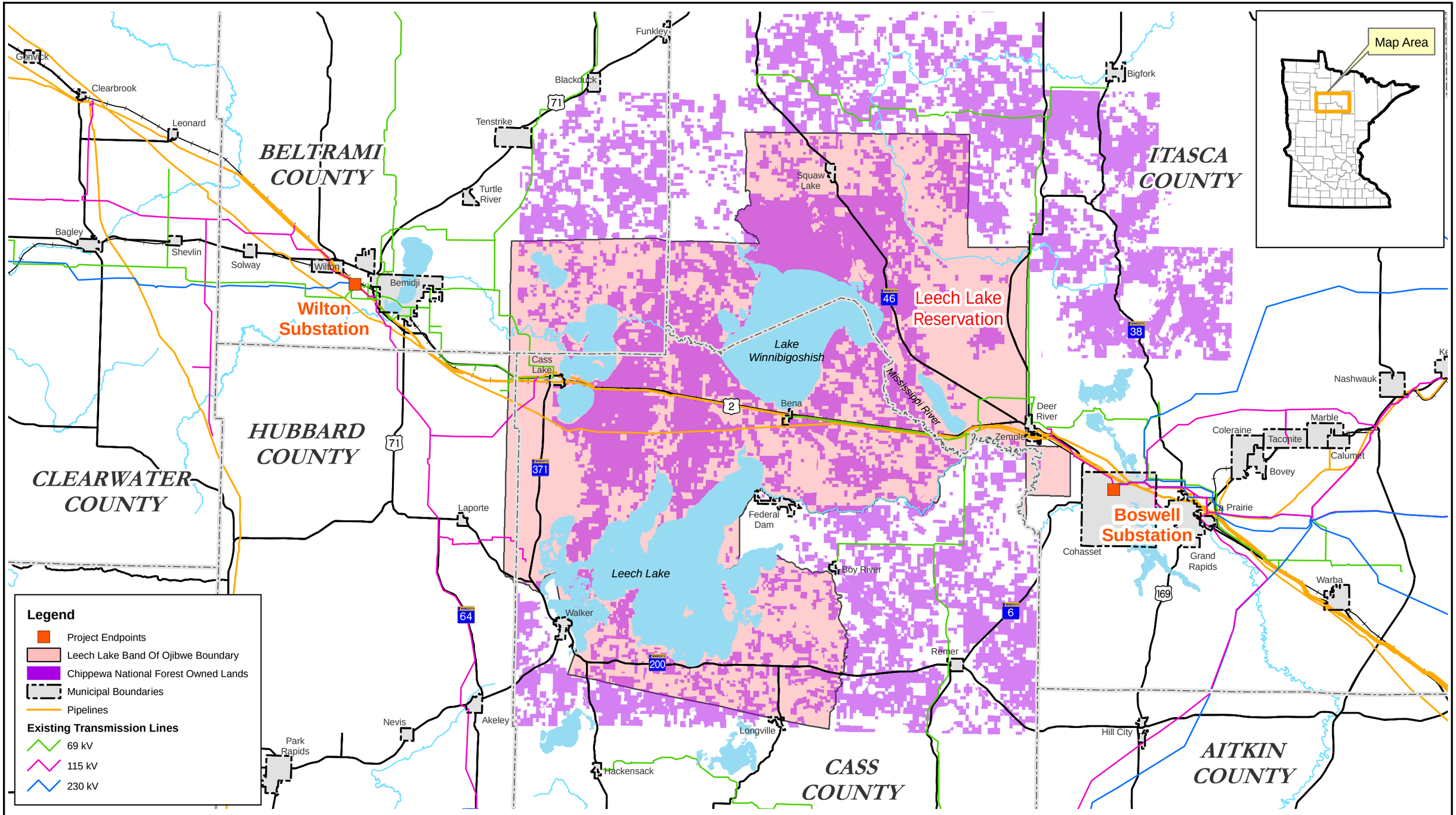

Figure 1 - Project Overview Map
230-kV Bemidji to Grand Rapids Transmission Line Project
Minnkota Power Cooperative, Otter Tail Power Company and Minnesota Power

CapX2020 Delivering electricity you can rely on

Bemidji-Grand Rapids 230-kV line

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This Project, as proposed by the Utilities would utilize the Wilton Substation (west of Bemidji) and Boswell Substation (Cohasset) as end points. The Utilities preferred (Central Macro-Corridor) is approximately 68 miles and is located primarily along existing rights-of-way (ROWs), running east from Bemidji to Grand Rapids (see **Figure 2 – Macro-Corridor & Route Map**). Two primary routes (1,000 feet wide) have been identified within the Macro-Corridor, as well as a number of alternative segments. Route 1 generally follows the Great Lakes Gas Transmission Company pipeline right-of-way from the Wilton Substation located west of Bemidji, to a point just east of Deer River where it then follows a Minnesota Power 115 kV transmission line to the Boswell Substation in Cohasset, Minnesota. Route 2 generally follows US Highway 2 and the pipeline rights-of-way of Enbridge Pipelines LLC. Routes 1A, 1B, 1C, and 2C include alternative segments proposed to avoid impacts to sensitive resources.

The Project may also include the modification of the Wilton Substation west of Bemidji, and a 1.3 acre expansion of the Boswell Substation in Cohasset, just northwest of Grand Rapids. The Project also includes constructing either a 230 kV expansion (2.2 acres) of the Cass Lake 115 kV Substation or a entirely new substation (approximately 10 acres) in the Cass Lake area. If Route 1A is selected, a 115 kV breaker station would be constructed at Nary Junction, south of Bemidji. The project would affect portions of Beltrami, Hubbard, Cass and Itasca counties.

2.2 Alternatives

RUS environmental review of the Project is initated by submittal of a draft Macro-Corridor Study Report and an Alternative Evaluation Study (AES) to RUS. Upon review and modifications to the documents they were provided to the public and agencies to elicit comment on the Project. The AES assesses different technological alternatives such as no action, load management, conservation, baseload generation, intermediate generation, peaking generation and several transmission alternatives. The AES was released for public review and comment in June, 2008.

Since the outcome of the AES was the need for a new 230 kV transmission line between Bemidji and Grand Rapids, MN, the MCS was developed to identify Macro-Corridors within which the transmission line could be built. Upon consultation with a broad range of stakeholders, including local, state, and federal agencies, and tribes with an interest in the Project area, the Utilities identified a total of four Macro-Corridors. These are referred to as the "North Macro-Corridor," "South Macro-Corridor," "Non-CNF Macro-Corridor," and the Utilities' preferred "Central Macro-Corridor." The first two alternative Macro-Corridors were identified as potential locations for the Project because they mostly (South Macro-Corridor) or completely (North Macro-Corridor) avoid passing through the Leech Lake Reservation (LLR) of the LLBO. The Utilities identified the Non-CNF Macro-Corridor as an alternative for consideration that completely avoids the CNF. There are no practicable alternatives to impacting waters of the United States, wetlands, or floodplains.

For assessment purposes, five "Routes" were identified within the four Macro-Corridors (the Central Corridor contains two routes with additional segments). Route 1 within the Central Macro-Corridor has been identified as the Utilities preferred route. The MCS was released for public review and comment in June 2008 with a revised version released on September 2, 2008.

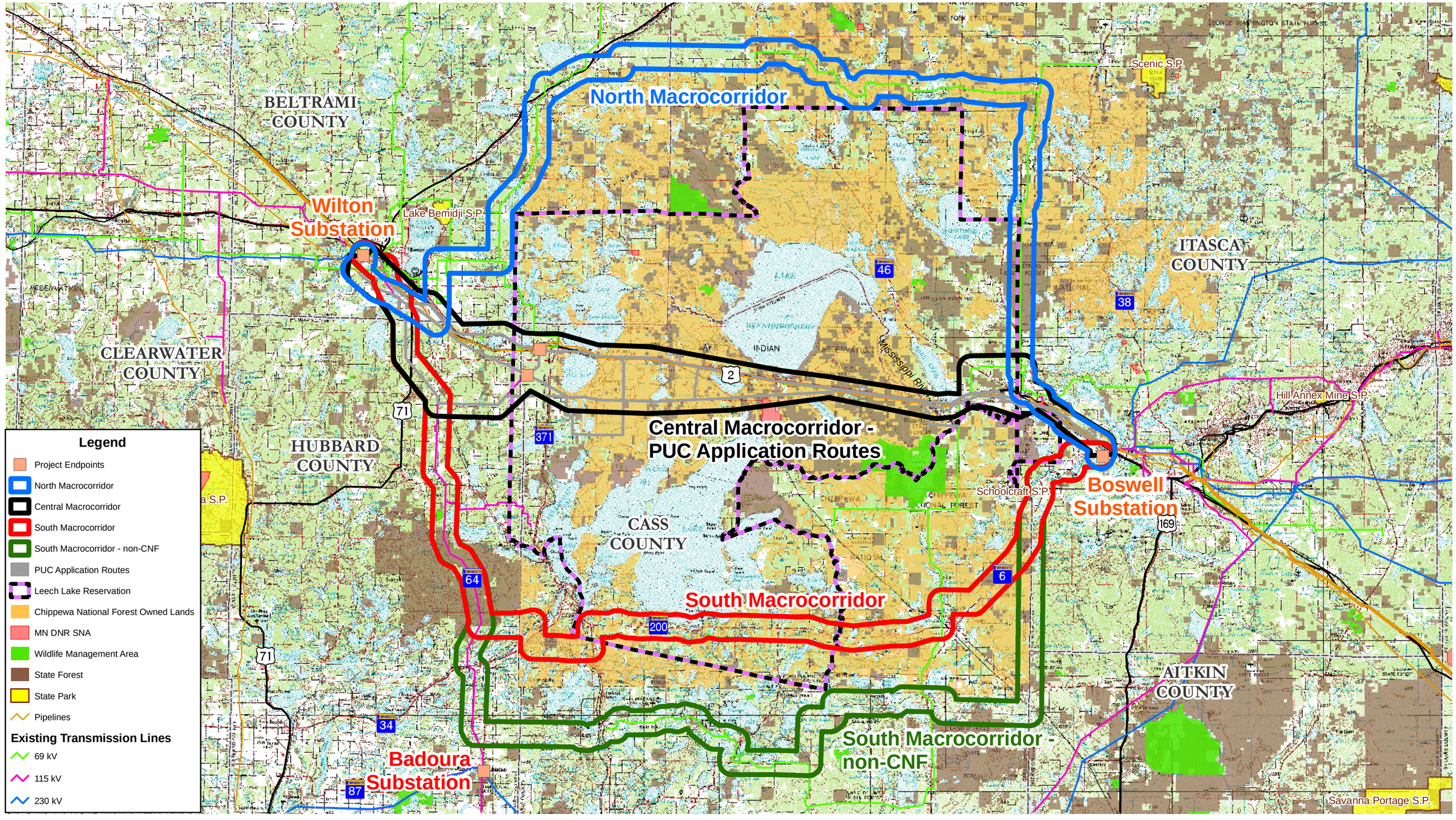

Figure 2 - Macrocorridor and Route Map
230 kV Bemidji to Grand Rapids Transmission Line Project
Minnkota Power Cooperative, Otter Tail Power Company and Minnesota Power

CapX2020
Delivering electricity you can rely on

Bemidji-Grand Rapids 230-kV line

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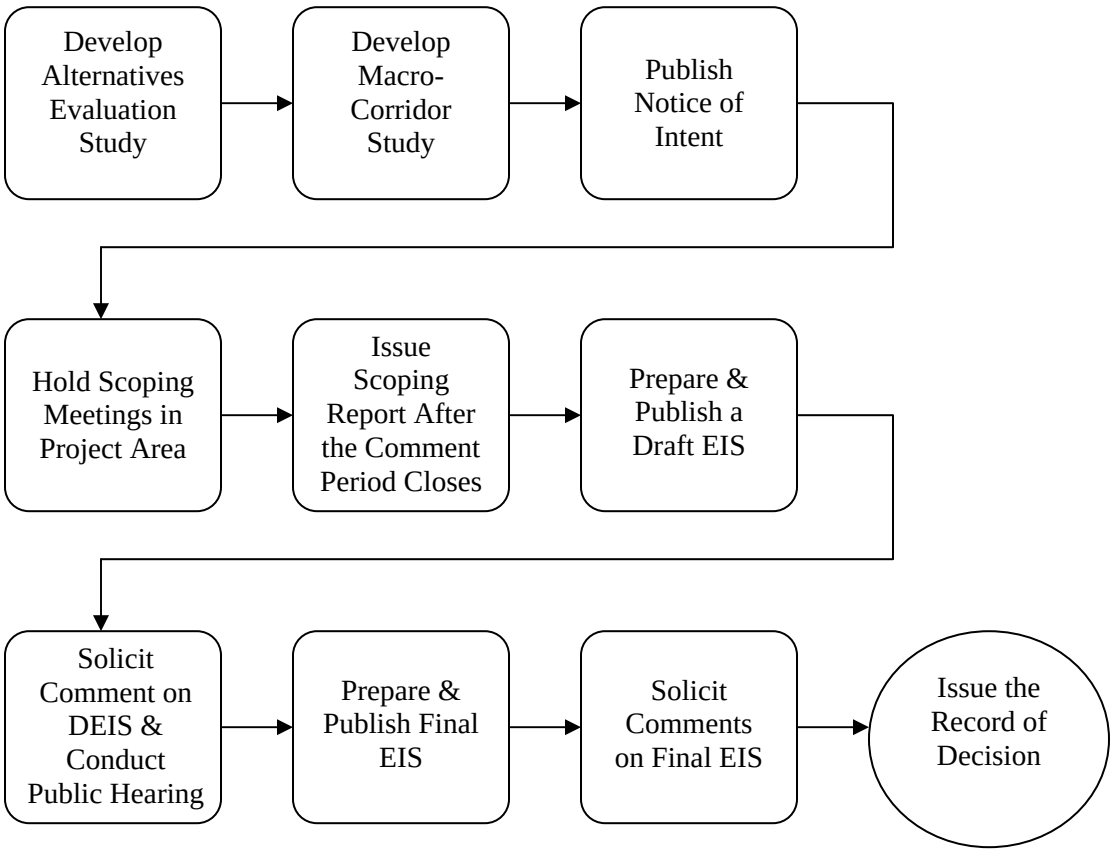
2.3 Regulatory/Environmental Review Process

Federal agencies are required to comply with NEPA. RUS' regulations developed to facilitate compliance with NEPA requirements, classifies the Project as requiring an Environmental Assessment with Scoping (7 C.F.R. § 1794.24(b)(1)). However, based on consultation with federal and state agencies, an Environmental Impact Statement (EIS) is being prepared in accordance with 7 C.F.R. §§ 1794.60 to 1794.64.

RUS is the lead federal agency in the preparation of the EIS for the Project (see **Figure 3 – Federal Environmental Review Process**). To avoid duplication of efforts, RUS will prepare the EIS jointly with the State of Minnesota, which also requires an EIS for the Project. See Section 2.4 below. The USDA Forest Service, Chippewa National Forest ("CNF") , the US Army Corps of Engineers (USACE"), the Leech Lake Band of Ojibwe (LLBO) and potentially Bureau of Indian Affairs (BIA) are cooperating agencies in the preparation of the EIS with RUS as the lead agency. RUS is also consulting with tribes that have an interest in the Project area, including the LLBO because a portion of the Project is proposed to be within the boundary of their reservation, thereby initiating CNF's Trust Responsibilities.

Figure 3 - Federal Environmental Review Process



2.3.1 Cooperating Agency Decisions/Action

The EIS on this Project will be used by various federal, tribal and state agencies in making determinations about permits and licenses required for the construction, operation, and maintenance of this Project. RUS will consider the EIS in making its determination whether to extend funding to Minnkota Power Cooperative for its ownership portion of the Project. The MPUC will consider the EIS in making its determination regarding what route and conditions should be permitted for the Project. Other federal, tribal and state agency permits or licenses for the Project that will involve consideration of the EIS in whole or in part are listed in Section 6.0.

Rural Utilities Service (RUS)
The Utility has approached RUS for financial assistance for the proposed action. The initial step in RUS' determination to finance the Project is the assessment of potential environmental impacts in accordance with NEPA and RUS's regulations 7 CFR § 1794, as well as Section 106 of the National Historic Preservation Act and its implementing regulations 36 CFR Part 800. Once the environmental review process is complete [(in an EIS level project, completion is upon publication of a Record of Decision (ROD), and likely a Programmatic Agreement for S.106)] the Project may be considered for financing assistance. The overall consideration includes detailed engineering review, load forecast studies and loan/financial review.

RUS's decision is to consider providing financial assistance for the construction and operation of the Project.

Army Corps of Engineers (USACE)
USACE is a cooperating agency in the preparation of the EIS. The USACE's evaluation of a Section 404 permit application involves multiple analyses, the project may require a Section 10 permit and a Section 404 permit evaluating the Project's impacts in accordance with the National Environmental Policy Act (NEPA) (33 CFR Part 325), determining whether the Project is contrary to the public interest (33 CFR § 320.4), and in the case of a Section 404 permit, determining whether the Project complies with the Section 404(b)(1) Guidelines (Guidelines) (40 CFR Part 230).

USDA Forest Service, Chippewa National Forest (CNF)
The Applicants have applied to the CNF for a special use permit to construct and operate the Project on National Forest System (NFS) lands. The Forest Supervisor of the CNF must determine whether or not to issue a special use permit for the Project. This decision will be made through a ROD. The Forest Supervisor is responsible for management and evaluation of NFS lands uses and may grant a special use permit in accordance with the Federal Land Policy And Management Act, as Amended. In addition the decision must be consistent with the objectives of the CNF Land and Resource Management Plan (Forest Plan) as revised in 2004.

The Forest Supervisor is required to base his decision of whether or not to issue a special use permit on the EIS. The Forest Supervisor's jurisdiction to make such a decision is limited to those parcels of land that are managed by the CNF.

Leech Lake Band of Ojibwe
The Applicants have requested that the Leech Lake Reservation Tribal Council (RTC) permit the Project to cross the proclamation boundaries of the Leech Lake Reservation. The Tribe retains treaty rights on all lands within the Leech Lake Reservation boundaries. The Leech Lake Band of Ojibwe is responsible for issuing the appropriate approval and authorizations for activities to cross lands upon which it retains treaty rights and easements or authorizations for activities on lands under its jurisdiction. The Leech Lake Division of Resource Management (DRM) is responsible for overseeing the development of land leases and easements for Tribal and Band lands approved by the RTC and the Bureau of Indian Affairs (BIA). The DRM works with the BIA and owners of tribal titled lands that the project will cross to obtain heir consent and easements or other agreements. The DRM Director is also responsible for management and evaluation of the occupation and use of Tribal and Band lands and may grant an easement on those lands in accordance with BIA procedures. The Director of the DRM has authority to participate in the environmental review of projects and prepare joint or separate EA or EIS documents for these projects that occur on lands within the Leech Lake Reservation (LLR) boundaries. The DRM Director has decided to be a full cooperating agency in the preparation of this EIS. This EIS and the other environmental documents issued in connection with the Project will assist DRM Director in making a decision on the merits of this project and whether or not to sign a decision notice for the project, and prepare any necessary easements and other permits needed to cross the reservation.

This EIS will be used by LLBO to provide information sufficient to make a decision on the request to obtain permission to cross the reservation, and any easements on Tribal or Band lands, and to receive a Reservation Resolution.

2.4 State Environmental Review Process

Pursuant to the Minnesota Power Plant Siting Act, the Minnesota Public Utilities Commission ("MPUC") must approve a route permit for the construction of a new high-voltage transmission line in the state of Minnesota (Minn. Stat. § 216E.03, subd. 3). Before a route permit can be issued, the Office of Energy Security ("OES") of the Minnesota Department of Commerce must prepare an EIS on the proposed transmission line (Minn. Stat. § 216E.03, subd 5). As noted in Section 2.3, OES will prepare the state-mandated EIS for the Project jointly with the Federal Agencies, with RUS acting as the lead federal agency.

3.0 PUBLIC SCOPING PROCESS

3.1 Scoping Meeting Notices

3.1.1 Federal Notices

RUS published a Notice of Intent to Hold Public Scoping Meetings and Prepare an EIS in the Federal Register on July 18, 2008 on behalf of the cooperating agencies. The Notice included a notification of the agency's preparation of an EIS, as well as a summary of the Project; the public scoping meeting information; the 30 day public comment period; and contact information for RUS, OES, and the Utilities. The Notice is in Appendix A.

On behalf of the cooperating agencies, RUS also mailed notices containing the same information to a variety of individuals and entities located near or with an interest in the Project area. These included public libraries, federal, state, and local officials, tribal authorities, private companies, trade associations, and interested parties. These letters are included in Appendix A.

3.1.2 OES Notices

OES published a Notice of Public Information Meetings on July 28, 2008 in the EQB Monitor. The notice stated that the meetings were being jointly held with RUS's public scoping meetings for the purpose of identifying issues and alternatives to study through the EIS process. The Notice included a notification of the agency's preparation of an EIS, as well as a summary of the Project; the public scoping meeting information; the 30 day public comment period; and contact information for RUS, OES, and the Utilities. This notice is included in Appendix B.

OES also mailed notices containing the same information to the MPUC's general service list and all recorded landowners in the Project area. These letter notices are in Appendix B.

3.1.3 Newspaper Notices

In addition to the scoping meeting notices published and mailed by RUS and OES, a Notice of Public Information Meetings was published in eleven (11) newspapers in the Project area. These notices are in Appendix C.

3.2 Scoping Meetings

3.2.1 Public Scoping Meetings

The locations and dates for the public scoping meetings are shown in Table 1 below.

Table 1 – Public Scoping Meetings

Location	Date and Time
Blackduck, Minnesota	August 11, 2008 at 6 pm
Cass Lake, Minnesota	August 12, 2008 at 6 pm
Deer River, Minnesota	August 13, 2008 at 6 pm
Bemidji, Minnesota	August 14, 2008 at 2 & 6 pm
Walker, Minnesota	August 15, 2008 at 10 am

The public scoping meetings were conducted in an open house format, followed by a presentation by the OES and RUS staff, on the environmental review process for the Project, with oral questions and comments from the audience. Attendees were provided information on the Project through handouts as well as large posters of aerial photos of the Project area with the

route alternatives identified. Members of the Utilities' Project Team, as well as representatives from RUS, OES, and cooperating agencies, were available to answer attendees' questions and listen to their concerns about the Project. Approximately 120 people attended the public information meetings. In addition to the oral comments received at the public information meetings, more than 120 written comments were received by the close of the public comment period on September 30, 2008. These comments will be incorporated into the scope of the EIS and will be addressed in the EIS to the extent practicable. The handouts, posters, sign-in sheets, and attendance numbers are provided in Appendix D. The comments are summarized in Appendix E and the written comments are provided in full in Appendix F. The comments are not summarized within the body of this report since the topics raised are numerous and wide ranging; summarizing the comments further could lead to a loss or misinterpretation of the topics raised.

A court reporter recorded the presentation by OES and follow-up comments from the audience. The OES and RUS presentations, as well as the transcripts of the presentations and audience comments are included in Appendix D.

3.2.2 Interagency Scoping Meetings

Various federal and state interagency meetings were conducted to share Project information and determine the scope of the EIS. Table 2 below summarizes these meetings.

Table 2 – Interagency Scoping Meetings

Date	Location	Participants
Feb. 24, 2009	Conference Call	USACE, CNF, LLBO, MnSHPO, RUS
Jan. 28, 2009	Walker, MN	USACE, CNF, ERM, LLBO, OES, RUS, USEPA, DNR
Sept. 11, 2008	Cass Lake, MN	USACE, CNF, ERM, LLBO, OES, RUS, USEPA
Aug. 15, 2008	Walker, MN	USACE, CNF, ERM, FWS, LLBO, OES, RUS
Aug. 12, 2008	Bemidji, MN	USACE, CNF, LLBO, OES, RUS
Aug. 11, 2008	Bemidji, MN	LLBO, FWS, RUS, USACE
Aug. 6, 2008	Conference Call	USACE, CNF, FWS, LLBO, RUS, USFS
Jul. 23, 2008	Conference Call	BIA,, LLBO, OES, RUS, USFS, Utilities
Mar. 18, 2008	Cass Lake, MN	FWS, DNR, LLBO, OES, RUS, USCAE, USFS
Mar. 6, 2008	Washington, DC	CNF, RUS, Utilities
Mar. 6, 2008	Washington, DC	RUS, OES, Utilities
Feb. 28, 2008	HDR	FWS, MISO, DNR, OES, MPUC, RUS, USACE, USFS, Utilities
Jan. 24, 2008	Bemidji, MN	RUS, USACE, Utilities
Nov. 20, 2007	Cass Lake, MN	RUS, USACE, Utilities
Nov. 20, 2007	Cass Lake, MN	FWS, LLDRM, DNR, OES, RUS, USACE, USFS, Utilities

Date	Location	Participants
	Cass Lake, MN	CNF, FWS, LLBO, LLDRM, DNR, DNR Ecological Resources, DNR FAW, RUS, USACE
Oct. 23, 2007	Northern Lights Casino, MN	CNF, LLBO, LLDRM, OES, MPUC, Utilities
Sept. 10, 2007	Cass Lake, MN	LLBO, USACE, Utilities
Sept. 10, 2007	Cass Lake, MN	LLBO, USACE, Utilities
Jul. 25, 2007	Cass Lake, MN	CNF, LLBO, DNR, USACE, Utilities
May. 17, 2007	St. Paul, MN	LLBO, OES, RUS
Nov. 29, 2006	State Offices- Mpls	CNF, OES, MPUC, RUS, Utilities
Nov. 28, 2006	Minneapolis, MN	CNF, FWS, LLBO, RUS, USACE, USFS

3.2.3 Scoping Comments

The Notices for the public scoping period specified August 29, 2008 as the deadline for submitting written comments into the scoping period for the EIS on the Project. RUS and OES subsequently extended the deadline for written scoping comments by one month, to September 30, 2008. The Notices of extension were distributed in the same manner as the NOI, as described in Section 3.1. The Notices of the extension of the scoping comment period are included in Appendix G. The written comment form, and all written comments received on the Project are included in Appendix F.

4.0 SCOPE OF THE EIS

As noted in Section 1.0 above, RUS is the lead federal agency in preparing the EIS on the Project. CNF, USACE and LLBO have all agreed to be cooperating federal agencies in this process. RUS is finalizing discussions with the BIA to determine their level of involvement in the EIS process. RUS will prepare the federal EIS jointly with OES which, as discussed in Sections 2.3 & 2.4, is required under Minnesota law to also prepare an EIS on the Project.

Environmental Resources Management ("ERM"), an environmental consulting firm, has been retained by the agencies to assist in the preparation of the EIS. ERM will prepare the EIS based on Project area environmental data already in US government, State of Minnesota and tribal databases, and from field surveys of the Project area conducted during 2008 and 2009.

See Figure 3 for the summary of the EIS process.

This "scoping decision" identifies the issues and alternatives that the Federal and Tribal entities cooperating in the preparation of the EIS have determined are appropriate for further assessment in the EIS.

4.1 Items Addressed within the Scope of the EIS

The entirety of the proposed transmission line, any changes to existing substations and any new substations will be assessed in the EIS for the Project. The following topics must be assessed for the Project:

Project Description
Purpose and Need for the Project
Alternatives to the Proposed Project
Environmental Information: Information must be reported separately for the Leech Lake Reservation for resources such as wetlands and streams. The Environmental Information section must include a description of the affected environment and the potential environmental impacts (impacts shall be addressed in terms of short term, long term, direct, indirect, and cumulative impacts) addressing the following topics:

- Aesthetics
- Air Quality
- Geology & Prime/Important Soils
- Water Quality & Resources
- Floodplains
- Wetlands
- Biological Resources (including Threatened & Endangered Species, Fish & Wildlife Resources, and Vegetation)
- Cultural Resources
- Land Use (including Agriculture, Forestry, Mining, and Residential)
- Land Ownership/Eminent Domain
- Socioeconomics & Community Services
- Tribal Treaty Rights (Subsistence-based Economy [including habitat loss, fragmentation and effects of pesticide and herbicide use in gathering areas], Cumulative Impacts)
- Climate Change
- Environmental Justice
- Recreation & Tourism
- Utility Systems
- Transportation & Traffic
- Human Health & Safety (including Superfund Site)
- Noise, Radio, & Television Interference

Mitigation and Monitoring
Correspondence and Project Coordination
Newspaper Advertisements and Legal Notices

4.2 Alternatives Eliminated from Further Consideration in the EIS

Based on information provided in the preliminary documents (see Section 2.2), environmental and cultural resource reports (Appendices H, I and J) and public and agency comments; several alternatives to the proposed Project have been eliminated from

further review. The alternatives were eliminated through consensus of the cooperating agencies as a result of the interagency meetings held in January and February of 2009.

4.2.1 Route 4:

Route 4 (see Figure 2) was identified as an alternative to the routes in the Central Macro-Corridor which bisect the LLR and cross the CNF in an area of high recreation use and scenic value. Route 4 is eliminated from further consideration in the EIS process as it does not avoid the LLR, or the CNF. Additionally, Route 4 has potential for high scenic impacts, and due to the extent of new ROW is likely to have higher wetland impacts than Route 3 (the extensive existing corridors in Route 3 may have already been converted forested wetlands, and wetlands may be able to be spanned without impact).

Pro	Con
Based on preliminary information Route 4 contains the fewest acres of wetlands for all routes considered.	Route 4 crosses the LLR.
	Route fragments LLR and subsistence habitat.
	Potential for visual/scenic impacts along Route 4 (mitigation limited due to extensive clearing required along road).
	Wetland impacts may be greater than anticipated due to the second highest length of new corridor needed.

4.2.2 Route 5:

Route 5 (see Figure 2) was identified as an alternative to avoid crossing the LLR and CNF. Route 5 is eliminated from further consideration in the EIS process as it potentially impacts the greatest number of wetlands, including forested wetlands, is the longest in length and requires the greatest amount of acres to be cleared.

Pro	Con
Route 5 does not cross LLR	Route 5 has the potential to cross 1200 acres of forest wetlands.
Route does not cross CNF	Highest amount of new corridor needed.
	Longest corridor, therefore the least energy efficient with the least reduction in CO_2.
	While Route 5 avoids CNF lands, it would require the clearing of other forests (in particular forested wetlands).
	Based on preliminary information, Route 5 crosses the greatest number of unspannable wetlands.
	Based on preliminary information, Route 5 may impact the greatest amount of wetlands due to the extent of new corridor.

4.3 Alternatives to be Evaluated in the EIS

Based on information provided in the preliminary documents (see Section 2.2), environmental and cultural resource reports (Appendices H, I, and J) and public and agency comments; several alternatives to the proposed Project have been eliminated from further review as described in Section 4.2. The alternatives to be evaluated further in the EIS process were identified through consensus of the cooperating agencies as a result of the interagency meetings held in January and February of 2009.

4.3.1 Route 1:

Route 1 (see Figure 2) is carried forward as provided by Minn. Statute 216E.03, subd. 5, which requires the evaluation of alternatives proposed by the Utilities. Route 1 was identified by the Utilities within the Central Macro-Corridor which is the shortest corridor. Using the information used to evaluate and eliminate Routes 4 &5, Route 1 would also be eliminated. However, Route 1 will be carried forward for consideration in the EIS.

Pro	Con
Route 1 has less impact on structures and residents.	Potentially significant impacts to traditional LLBO cultural, biological and socioeconomic resources.
Shortest route, therefore more energy efficient and resulting in the production of less CO_2.	Fragmentation of LLR.
	Crosses and impacts wetlands highly valued by LLBO.
	Impacts sensitive species and potential impact to Threatened and Endangered Species.
	Impacts traditional gathering areas and Traditional Cultural Properties located in those areas.
	Impacts to “10 Section” area, potentially significant impacts that would require a Forest Plan Amendment.
	Impacts to experimental forest area; potentially significant impact and would require a permit from the Northern Research Station of U.S. Forest Service.
	Introduces a new corridor; while the route parallels an existing natural gas pipeline, the clearing for the pipeline is limited to a ten-foot

	area directly over the pipeline and therefore has much less of a maintained, cleared footprint than would a transmission line.
	Creates another easement for existing landowners already encumbered by multiple easements.
	Visual impacts to residents and recreational/bike trail, Migizi Trail.
	Exotic/invasive species spreading is a concern due to opening a new corridor in proximity to the peat/bog wetland.
	Impacts an area with little existing disturbance/development.
	Impacts to areas of high scenic value.
	Socioeconomic impact needs to be analyzed in detail with specific focus on the tribal sustenance economy and fragmentation of the LLBO reservation
	Potential environmental justice issue.

Alternative 1a:

Pro	Con
No Comment.	No Comment.

Alternative 1b:

Pro	Con
Avoids "10 Section" area, thereby negating the need for a Forest Plan Amendment.	Potential for impact on areas of high scenic value (residents/recreation/traditional gathering areas).
Avoids the experimental forest area.	Alternative 1B creates a new corridor (fragmentation of habitat, invasives).
	Alternative lengthens Route 1.
	Crosses an area of cultural importance to LLBO.

Alternative 1c:

Pro	Con
	Crosses an area of cultural importance to LLBO.

4.3.2 Route 2:

This alternative is carried forward as required by (Minn. Statute216E.03, subd. 5) which requires the evaluation of alternatives proposed by the Utilities. Route 2 was identified by the Utilities within the Central Macro-Corridor which is the shortest corridor.

Pro	Con
Of the Central Macro-Corridor routes, Route 2 keeps several corridors within the same area of the reservation.	Route 2 impacts an area of high scenic value on the CNF.
Utilizes the greatest amount of existing corridor.	Creates another easement for existing landowners already encumbered by multiple easements.
Route 2 is shorter than Routes 3, 4 and 5.	Route 2 is located in close proximity to the highest number of residents.
Based on preliminary data, the Route 2 corridor contains the least amount of wetlands.	Fragmentation of LLR (socioeconomic and culture impacts).
Compared to Route 1, fewer high value wetlands are impacted.	Impacts to area of cultural importance and traditional cultural practices.
Impacts fewer areas of high tribal importance than Route 1.	Engineering constraint – the route utilizes a narrow, high use strip of land where it may be difficult to locate the transmission line within.

4.3.3 Route 3:

Route 3 is carried forward for further consideration in the EIS since it minimizes impacts to LLR, utilizes the greatest amount of existing utility ROW and is located on a greater percentage of farmland as opposed to forestland than the other routes thereby providing a good comparison with the other routes

Pro	Con
Route 3 collocates with an existing transmission corridor, therefore may minimize impacts to habitat and sensitive species	Based on preliminary information Route 3 impacts a high percentage of wetlands; however, collocating or paralleling an existing utility ROW may mean the forested wetlands have already been converted/impacted.
Route has higher compatibility with existing land use (utility ROW and farmland) than other alternatives.	Route 3 may impact the greatest amount of state land.
Route requires the least creation of new utility corridor.	Route 3 is one of the longest routes.
Avoids or skirts the boundary of the LLR; does not bisect like routes 1 & 2.	Route 3 may cross quality wetlands that may not be “spannable.”
Uses existing corridor through wetlands.	

5.0 EIS SCHEDULE

The schedule to date for developing the EIS and the anticipated schedule for its completion is provided in Table 3 below.

Table 3 – EIS Schedule

Federal/State EIS Milestones	Date
Submit Alternative Evaluation Study and Macro-Corridor Study to RUS	July 19, 2007
Submit Route Permit Application to MPUC/OES	June 4, 2008
Notice Public Scoping Meetings for EIS	July 18-28, 2008
Hold Public Scoping Meetings for EIS	August 11-15, 2008
Publication of OES Scoping Decision	April 2, 2009
Publication of RUS Scoping Summary Report	December 2009
Publish Joint Federal/State Draft EIS	January, 2010
Hold Public Informational Hearings on DEIS	February 2010
Comment Period on DEIS Closes	February 2010
Publish State FEIS	March 2010
Publish Federal FEIS	March 2010
Comment Period on FEIS Closes	March/April 2010
Federal/Tribal/State Agencies Issue Decisions on Permits for Project	Various

6.0 ADDITIONAL ENVIRONMENTAL REVIEW REQUIREMENTS

In addition to the Agencies preparing the EIS in compliance with NEPA, a number of federal, tribal, and state agencies have environmental protection, compliance, or consultation requirements that will be addressed in the EIS for the Project. The EIS will detail project impacts and compliance with regulatory requirements for the permits or licenses applicable for contraction, operation, and maintenance of the Project.

Tables 4 and 5 contain a list of permits required for the Project.

Table 4 – Other Federal/Tribal Review

Federal Permits/Consultations	
Special Use Permit	US Forest Service- Chippewa National Forest
Section 106 Consultation	Rural Utilities Service/FS/FWS/Corps
Section 10 Permit	US Army Corps of Engineers

Section 404 Permit	US Army Corps of Engineers
CWA Section 402 Permit	Environmental Protection Agency
Endangered Species Act	US Fish and Wildlife Service
Permit to Cross Federal Aid Highway	US Federal Highway Administration
Farmland Protection Policy Act/Farmland Conversion Impact Rating	US Department of Agriculture-Natural Resource Conservation Serv.

- Special Use Permit- The Project corridor crosses land within the Chippewa National Forest, requiring a Special Use Permit pursuant to 36 C.F.R. § 251.58. Compliance is required with the Chippewa National Forest Land & Resource Management Plan

- Section 106 Consultation- Section 106 of the National Historic Preservation Act, 16 U.S.C. §§ 470f, and its implementing regulations, 36 C.F.R. §§ 800.1-80016, require federal agency consultation with Indian Tribes that may be affected by the Project. RUS is coordinating this consultation with the LLBO and other tribes.

- Section 10 Permit- USACE regulates impacts to navigable waters of the United States pursuant to Section 10 of the Rivers and Harbors Act of 1899, 33 U.S.C. § 403. The Mississippi River is classified by USACE as a navigable water, and the Utilities will apply for a permit for the Project to crossing.

- Section 404 Permit- USACE regulates discharges of dredged or fill material into waters of the United States under Section 404 of the Clean Water Act, 33 U.S.C. § 1344. The Utilities will apply for these permits as necessary once a route for the Project is determined.

- Endangered Species Act- The Utilities have initiated informal consultation with USFWS under Section 7 of the Endangered Species Act, 16 U.S.C. §§ 1531-1534 to assess the potential impact of the Project, threatened and endangered species, and critical habitat. As part of the consultation, the Utilities will prepare a Biological Assessment to document the potential effects of the Project, in accordance with 50 C.F.R. § 402.12(f).

- Permit to Cross Federal Aid Highway- Transmission line crossings of a federal highway require a use and occupancy agreement under 23 C.F.R. § 645.213. The Utilities will work with Minnesota Department of Transportation ("MnDOT"), to whom the Federal Highway Administration has delegated the administration of these agreements, to obtain any required approvals.

- Farmland Protection Policy Act/Farmland Conversion Impact Rating- The US Department of Agriculture oversees farmland conversions under 7 U.S.C. §§ 4201-4208. The Utilities will complete form AD-1006 Farmland Conversion Impact Rating and provide it to the Natural Resource Conservation Service for review.

Table 5 – Other State Regulatory Review

Minnesota Permits/Consultations	
Cultural and Historic Resources Review	State Historic Preservation Office
Endangered Species Consultation	Minnesota Department of Natural Resources- Ecological Services
License to Cross Public Lands and Waters	Minnesota Department of Natural Resources- Lands and Minerals
Public Waters Work Permit	Minnesota Department of Natural Resources- Waters
Utility Permit	Minnesota Department of Transportation
Wetland Conservation Act Permit	Minnesota Board of Water & Soil Resources
National Pollution Discharge Elimination System Permit	Minnesota Pollution Control Agency
Section 401 Water Quality Certification	Environmental Protection Agency
Noxious Weed Management Plan	Minnesota Department of Agriculture

- Cultural and Historic Resources Review- Minn. Stat. § 138.081 designates the director of the Minnesota Historical Society as the State Historic Preservation Officer (MnSHPO). Consultation with MnSHPO staff regarding Project impacts with respect to historic and archaeological resources has been initiated.

- Endangered Species Consultation- The Minnesota Department of Natural Resources ("DNR") Natural Heritage and Nongame Research Program collects, manages, and interprets information about nongame species. Minn. Stat. § 84.0895; Minn. R. 6134.0100-0400 and 6212.1800-2200. Consultation with Program staff has been initiated on the Project regarding rare and unique species.

- License to Cross Public Lands and Water- The DNR's Division of Lands and Minerals regulates utility crossings over, under, or across any State land or public water identified on the Public Waters and Wetlands Maps. A license to cross Public Waters is required under Minnesota Statutes § 84.415 and Minnesota Rules ch. 6135. Possible routes for the Project

cross the Mississippi River, which would require a Public Water crossing license, state lands, which would require a license to cross Public Lands.

- Public Waters Work Permit- The purpose of this program is to regulate development activities below the ordinary high water mark of wetlands, streams, and lakes in Minnesota. Pursuant to Minn. Stat. § 103G.245, subd. 1, a Public Waters Work Permit is required for any action taken that alters or develops any obstruction to public waters or changes the course of a public waterway or body.

- Utility Permit- A permit from MnDOT is required under Minn. R. 8810.3300 for construction, plUSACEment, or maintenance of utility lines adjUSACEnt or across highway right-of-way.

- Wetland Conservation Act Permit- The Minnesota Board of Water and Soil Resources administers the state Wetland Conservation Act pursuant to Minnesota Rules ch. 8420. The Project may require a permit under these rules if permanent impacts to wetlands are anticipated as a result of construction (which is applied for jointly with a Section 404 permit from the USACE).

- National Pollutant Discharge Elimination System ("NPDES") Permit- A NPDES permit from the Minnesota Pollution Control Agency ("MPCA") is required for storm water discharges associated with construction activities disturbing an area of an acre or more (Minn. R. 7090.0030). A Storm Water Pollution Prevention Plan, which includes best management practices to minimize discharge of pollutants from the site will be acquired.

- Section 401 Water Quality Certification- The EPA regulates water quality under Section 401 of the Clean Water Act, 33 U.S.C. § 1344.

- Noxious Weed Management Plan- Under Minn. Stat. § 18G.04, the Minnesota Department of Agriculture has the responsibility for eradication, control, and abatement of nuisance plant species. The local County Agricultural Inspector administers the program.