



January 12, 2007

TO: Persons Interested in the Xcel Energy, Chisago County Transmission Line Upgrade Project, the Public Utilities Commission (PUC) Energy Facilities General List, Local Officials, and Property Owners

RE: Notice of Xcel Energy Filing of Route Permit Application with PUC, & Notice of Public Information and Scoping Meeting on February 27, 2007 (PUC Docket Nos.: E002,ET3/TL-06-1677 and E002/ET3/CN-04-1176)

Northern States Power Company, d/b/a Xcel Energy, proposes to replace the existing 69 kilovolt transmission line located between the Xcel Energy Chisago County substation and the St. Croix River at Taylors Falls. The new line would be rebuilt to 115 kilovolts west of a new substation proposed near Taylors Falls, Minnesota and 161 kilovolts east of the new substation and on into Wisconsin.

Once in Wisconsin, the line will continue to Dairyland's Apple River Substation near Amery, Wisconsin. The upgrade will enhance the current reliability of the area transmission system, as well as accommodate projected increases in energy demand to the east central area of Minnesota, and to the northern, northwestern and western areas of Wisconsin.

On January 5, 2007 Xcel Energy submitted an application (Application) to the PUC for a routing permit pursuant to the alternative permitting process contained in Minnesota Rule parts 4400.2000 to 4400.2950, and Minnesota Statute Section 216E.03.

Please note that the authority for high voltage transmission line (HVTL) permits was transferred to the Minnesota PUC from the Minnesota Environmental Quality Board on July 1, 2005, and the responsibility for conducting the public review process was assigned to the Minnesota Department of Commerce (DOC).

Under the Power Plant Siting Act (Minnesota Statute 216E), a route permit from the PUC is required to build an HVTL. An HVTL is a conductor of electrical energy and associated facilities designed for and capable of operation at a nominal voltage of 100 kilovolts or more and is greater than 1,500 feet in length. Rules have been adopted for the administration of transmission line route permits (Minnesota Rules Chapter 4400). These rules establish the requirements for submitting and processing a route permit application. The PUC has up to six months from the time the application is accepted to complete the process and make a decision on the route permit.

As proposed, the new transmission lines will be approximately 18.3 miles in length. A map showing the general area of Xcel Energy's proposed route is enclosed. The route follows the existing 69 kilovolt line except in the area of the proposed new substation.

Where possible, Xcel Energy will negotiate with landowners for the purchase of all required right-of-way. There may be circumstances where Xcel Energy may be required to exercise the power of eminent domain to acquire property for the Project in accordance with its authority under state law.

Xcel Energy applied for a Certificate of Need (CN) for this project (PUC Docket No. E002,ET3/CN-04-1176) on November 15, 2006, pursuant to Minnesota Statute Section 216B.243. The CN and route applications will be reviewed jointly as per 216B.243, subd. 4. Under the CN process, DOC would normally prepare an Environmental Report. The DOC is required to prepare an Environmental Assessment (EA) in the alternative permitting application review. In the joint process, the DOC will create one environmental document, an EA,

As part of the EA process, the PUC will hold a public meeting to provide information and to seek comments from the public on the Project. At this scoping meeting, additional route alternatives may be proposed by the public. The public comment period will remain open until March 13, 2007. Any comments should be forwarded to arrive by that date to Sharon Ferguson at 85 7th Place East, Suite 500, Saint Paul, Minnesota, 55101-2198, or email Sharon.Ferguson@state.mn.us.

**The Chisago County Electric Transmission Project Public Meeting
will be held at**

4:30 – 7:00 p.m. on February 27, 2007

at

**Lindstrom Community Center
13292 Sylvan Avenue
Lindstrom, MN 55045**

The PUC will also hold a public hearing on the Application once the Environmental Assessment has been completed. The public may speak at the hearing, present documentary evidence, ask questions of Xcel Energy and agency staff, and submit comments.

David Birkholz is the DOC project manager and Deb Pile is the public advisor in this matter. Inquiries about this project should be directed to David Birkholz (Tel: 651-296-2878 or David.Birkholz@state.mn.us) or Deb Pile (Tel: 651-297-2375 or Deborah.Pile@state.mn.us), Minnesota Department of Commerce, 85 7th Place East, Suite 500, St. Paul, MN 55101. Other contact information: Tel: 1- 800-657-3794; Fax: 651-296-3698 or TTY: Minnesota Relay Service, 800-627-3694, and ask for the Department of Commerce. Project related materials are available online at: <http://energyfacilities.puc.state.mn.us/Docket.html?Id=18938>. You may register on this web site to be added to the mailing list for this project to be notified of future hearings and information of interest.

A copy of the Permit Application is available at the Chisago Lakes Area Public Library, 11754 302nd Street, Chisago City. Project information may also be obtained by emailing thomas.g.hillstrom@xcelenergy.com or writing to Tom Hillstrom at 414 Nicollet Mall, Minneapolis MN 55401 or by calling Mr. Hillstrom at (612) 330-6538 or 1-800-328-8226, extension 6538.

