



**STATE OF MINNESOTA
Department of Commerce**



Issued Date: April 9, 2009

Notice of Public Hearings

**In the Matter of the Northern States Power Company (Xcel Energy)
Certificate of Need Applications and Site Permit Application**

**Prairie Island Nuclear Generating Plant
Extended Power Uprate and Additional Dry Cask Storage Proposals**

**PUC Docket Number: E002/CN-08-509 (Certificate of Need Extended Power Uprate)
PUC Docket Number: E002/CN-08-510 (Certificate of Need Additional Dry Cask Storage)
PUC Docket Number: E002/GS-08-690 (Site Permit Extended Power Uprate)**

PLEASE TAKE NOTICE that Public Hearings will be held May 14, 2009, at the locations and times listed below concerning Xcel Energy's Application to the Minnesota Public Utilities Commission (Commission) for the Prairie Island Nuclear Generating Plant (PINGP) extended power uprate and additional dry cask storage projects.

Afternoon Session

**Thursday, May 14, 2009, 2:00 – 4:30 PM
Red Wing Public Library
Foot Room
225 East Avenue
Red Wing, MN 55066
<http://redwing.lib.mn.us/>**

Evening Session

**Thursday, May 14, 2009, 6:30 – 9:00 PM
Prairie Island Indian Community Center
Tribal Council Chambers
3838 Island Boulevard
Welch, MN 55089
<http://www.prairieisland.org/location.htm>**

Administrative Law Judge Richard C. Luis will preside at the hearing. Judge Luis's address is Office of Administrative Hearings, 600 N. Robert Street, P.O. Box 64620, St. Paul, Minnesota 55164-0620, fax number (651) 361-7936.

Deadline for written public comments to the Administrative Law Judge on the Certificate of Need (CON) and Site Permit applications must be received by May 25, 2009.

Purpose of Hearing. The purpose of the public hearing is to compile the record for the Commission to consider in making a final decision on the CON and the Site Permit requests. The ALJ will write a report and make a recommendation to the Commission on (1) the need for the extended power uprate (EPU) project, (2) the need for the Additional Dry Cask Storage project, and (3) on site selection, including any appropriate site permit conditions. The Commission will make a final decision on the need and site permit at a subsequent Commission hearing. The Commission must issue a Certificate of Need prior to issuing a Site Permit.

PROJECT DESCRIPTIONS

Power Uprate The extended power uprate (EPU) would involve increasing the amount of heat produced in the reactor, which would result in more steam being produced. Balance-of-plant changes

would be made to convert the additional steam to electricity. The power uprate is proposed to be implemented during the 2013 and 2015 refueling outages for Unit 1 and Unit 2 respectively.

The major balance-of-plant modifications will include upgrading high-pressure turbines, replacing main generator rewinds, replacing generator step-up transformers, replacing moisture separator reheaters, and upgrading isophase bus duct cooling.

Xcel Energy intends to apply to the Nuclear Regulatory Commission (NRC) for an amendment to the Prairie Island Operating License for the proposed EPU in 2010.

Additional Dry Cask Storage This project requests to increase the number of canisters stored at the existing Independent Spent Fuel Storage Installations (ISFSI). The PINGP currently has State authorization for 29 canisters to store the spent fuel generated until the end of the current operating licenses in 2013 and 2014. Extending the life of the plant an additional 20 years and implementing the power uprate will require an additional 35 canisters. The concrete pads within the existing ISFSI would be expanded to hold the additional canisters. The ISFSI is currently licensed by the NRC to store 48 TN-40 casks and the proposed extension of the storage pads would be sufficient to accommodate the 16 additional casks.

REGULATORY REVIEW PROCESS

Certificate of Need

No large energy facility can be sited or constructed in Minnesota without the issuance of a certificate of need by the Commission. The certificate of need process is the only proceeding in which a no-build alternative and the size, type, timing, system configuration, and voltage of a proposed project will be considered.

The Office of Energy Security (OES) prepares an Environmental Report (ER) on proposed large energy facilities that come before the Commission for a determination of need. The ER analyzes the human and environmental impacts of the proposed project and project alternatives, and addresses mitigating measures for anticipated adverse impacts.

The proposed PINGP power uprate qualifies as a large energy facility (Minn. Stat. 216B.2421). Xcel Energy applied for a certificate of need for the PINGP EPU on May 16, 2008. On July 22, 2008, the Commission accepted the application as complete. The docket number for the certificate of need for the EPU is E002/CN-08-509.

Site Permit

The proposed uprate of the electrical generating capacity of the PINGP by 164 MW also falls within the definition of a Large Electric Power Generating Plant (LEPGP) in the Power Plant Siting Act, and thus requires a Site Permit from the Commission prior to construction. Xcel Energy applied for a site permit following the full review process on August 1, 2008.

The OES energy facility permitting (EFP) staff must prepare an environmental impact statement (EIS) on proposed large electric power generating plants that come before the Commission for a Site Permit (Minn. Rules 7849.5300). An EIS is a written document that describes the human and environmental impacts of a proposed large electric power generating plant (and selected alternative sites) and methods to mitigate such impacts.

The review process begins with the determination by the Commission that the application is complete. The Commission has one year to reach a decision from the time the application is accepted. On August 14, 2008, the Commission accepted the application as complete. The docket number for the site permit for the EPU is E002/CN-08-690.

Additional Dry Cask Storage Docket

Along with its May 16, 2008, filing, Xcel Energy also filed a CON for additional dry cask storage at the existing Independent Spent Fuel Storage Installation (ISFSI) at the PINGP. This filing was pursuant to Minn. Stat. 116C.83, Minn. Stat. 216B.243, and Minn. Rule 7855.

Authorization of any additional dry cask storage or expansion or establishment of an independent spent-fuel storage facility at a nuclear generation facility in Minnesota is subject to approval of a certificate of need by the Commission pursuant to Minn. Stat. 216B.243.

An environmental impact statement (EIS) is required for the construction and operation of a new or expanded independent spent-fuel storage installation (Minn. Stat. 116C.83). The Department of Commerce OES is the responsible governmental unit for the environmental impact statement.

On July 15, 2008, the Commission accepted the CON application as complete (July 22, 2008 Order); the docket number for the certificate of need for the Additional Dry Cask Storage is E002/CN-08-510.

Coordinated Environmental Review Process

The OES has been conducting a coordinated environmental review process for Xcel Energy's certificates of need and site permit applications (Minnesota Rule 7849.7100). Additionally, the OES in consultation with Commission staff determined that further process efficiencies would be obtained by incorporating the EIS requirements for the Additional Dry Cask Storage CON process with those addressed above for the EPU CON and Site Permit approval processes.

On March 17, 2009, OES released a single EIS, containing two separate chapters: Chapter 1 covers the EPU CON and Site Permit information; Chapter 2 covers the requirements of the CON for the request for Additional Dry Cask Storage. Each chapter will be evaluated for adequacy by its respective reviewing body (Chapter 1 containing the Minn. Rule 7849 EIS by the Commission, while Chapter 2 containing the Minn. Rule 4410 EIS by the DOC).

Conduct of Public Hearing The OES Energy Facility Permitting (EFP) staff will be present at the hearing and make a brief presentation about the project and introduce into the record a number of documents relating to the project, including the application, the EIS, and certain procedural documents. Representatives of the applicant (Xcel Energy) will be present to offer evidence and to answer questions. Members of the public will have an opportunity to ask questions of OES EFP staff and Xcel Energy representatives, to make statements, and to offer written comments and material into the record at the public hearing.

The hearing will be conducted pursuant to Minnesota Rules Chapter 1400, Minnesota Rules Chapter 1405 and Minnesota Rules 7849.5710. The applicable statutes and rules can be found on the Revisor's webpage:

<https://www.revisor.leg.state.mn.us/>

Rules and statutes may also be purchased at the State Bookstore, 660 Olive St., St. Paul, MN. 55155; phone (651) 297-3000.

The Administrative Law Judge may elect to recess the hearing and/or set additional days for hearing if necessary.

Evidentiary Hearing. The evidentiary hearings for the parties on the CON application will convene in the Public Utilities Commission Large Hearing Room, 121 7th Place East, St. Paul, Minnesota on June 8, 2009, beginning at 9:30 am. Xcel Energy will prepare its direct testimony in support of the project in a written question and answer format. This testimony will be filed with the Administrative Law Judge no later than April 1, 2009. Testimony from the formal parties to the case is due no later than April 22, 2009. Only formal parties may cross-examine witnesses at the evidentiary hearing.

Identified Parties and Intervention. Persons interested in intervening in these proceedings have until April 15, 2009, (First Pre-hearing Order) to file a Petition for Intervention with the ALJ (See Minn. Rules Part 1400.6200). The only parties to this proceeding are the applicant (Xcel Energy), the Office of Energy Security, and the City of Red Wing. Several entities have submitted petitions to intervene, upon which the ALJ will rule after the intervention deadline.

Eminent Domain. If issued a Site Permit by the Commission, Xcel Energy may exercise the power of eminent domain to acquire land for this project pursuant to Minnesota Statute 216E.12. However, as the proposed extended power uprate and placement of the requested additional dry cask would take place within an existing Xcel Energy facility, the use of eminent domain is not anticipated.

Project Contacts, Information and Mailing Lists

Public contacts from the OES and the Commission staff have been appointed to assist persons interested in taking part in the permitting process. For more information on this project or the regulatory process, contact one of the persons listed below:

Department of Commerce – Office of Energy Security. The OES has designated staff member Bill Storm (651-296-9535, bill.storm@state.mn.us) as project manager and Ray Kirsch (651-296-7588, raymond.kirsch@state.mn.us) as public advisor for the Site Permit proceedings. You may contact them at: Department of Commerce, Office of Energy Security, 85 7th Place East, Suite 500, St. Paul, MN 55101-2198. Other contact information: Toll-Free: 1-800-657-3794, Fax: 651-297-7891 or TTY: Minnesota Relay Services, 1-800-627-3529, and ask for the DOC.

Public Utilities Commission. The Commission has designated staff member Michael Kaluzniak (651-201-2257, Fax: 651-297-7073, mike.kaluzniak@state.mn.us) as its project manager and public advisor for the Certificate of Need proceedings. Mr. Kaluzniak may be contacted in writing at: Minnesota Public Utilities Commission, 121 7th Place E., Suite 350, St. Paul, MN 55101-2147.

Xcel Energy. The contact person for the applicant is Brian Zelenak (612-330-5641, brian.r.zelenak@xcelenergy.com). Mr. Zelenak may be contacted in writing at: Xcel Energy, 414 Nicollet Mall, 7th Floor, Minneapolis, MN 55401.

Project Mailing Lists. If you would like to have your name added to the OES project mailing list for this project, you may register on line at: <http://energyfacilities.puc.state.mn.us/Docket.html?Id=19542> or contact OES staff at the address above.

The Commission maintains a separate service list for Certificate of Need proceedings. To be placed on the list for this project, mail, fax or email Robin Benson at: Minnesota Public Utilities

Commission, 121 7th Place E., Suite 350, St. Paul, MN 55101-2147, Fax: 651-297-7073,
robin.benson@state.mn.us.

Materials. Copies of the Certificate of Need applications, the Site Permit application, the Environmental Impact Statement, as well as other pertinent documents are available on the Commissions web page:

<http://energyfacilities.puc.state.mn.us/Docket.html?Id=19602>

The Certificate of Need applications, the Site Permit application, and the Environmental Impact Statement can also be viewed at the following libraries:

Red Wing Public Library
315 West 4th Street
Red Wing, MN 55066

Hastings Public Library
830 Vermillion Street
Hastings, MN 55033

Ellsworth Public Library
312 West Main Street
Ellsworth, WI 54011

St. Paul Public Library
90 Fourth St. West
St. Paul, MN 55102