

Appendix U –
Post-Scoping Report and Pre-EIS Comment Periods



United States Department of Agriculture
Rural Development

November 1, 2010

First Last, Title
Agency
Address
Address2
City, State Zip

Subject: Hampton-Rochester-La Crosse 345 kV Transmission System Improvement Project Update

Dear Landowner:

Our records show you own property in an area where additional study areas (macro corridors) have been added for consideration for the proposed Hampton-Rochester-La Crosse 345 kilovolt (kV) Transmission System Improvement Project (the Proposal) (a description of the Proposal is provided on the following page). This letter provides notice of recently added study areas and information on the environmental review process and opportunities to participate in this process.

Federal Environmental Review Process

Rural Utilities Service has been approached for financial assistance for the Proposal. RUS' funding of the Proposal would constitute a federal action subject to National Environmental Policy Act (NEPA) (42 United States Code [U.S.C.] § 4321, specifically 7 C.F.R. § 1794.3) and an undertaking under Section 106 of the National Historic Preservation Act (NHPA), 16 U.S.C. § 470F, and the implementing regulations, "Protection of Historic Properties" (36 CFR Part 800). RUS determined that an Environmental Impact Statement (EIS) was necessary to evaluate the potential environmental effects of the Proposal prior to making a decision regarding whether to fund Dairyland Power Cooperative's (Dairyland) ownership interest in the Proposal. RUS is serving as the lead federal agency involved in the NEPA review of the Proposal. The NEPA process evaluates the potential effects of a project on the "human environment," such as land use, threatened and endangered species, wetlands, cultural and historic properties, socioeconomics, scenic areas and other environmental resources.

An EIS will be prepared in accordance with the Council on Environmental Quality regulations, which include discussions of the Proposal's purpose and need, alternatives, the potential environmental impacts of the proposed action and alternatives as well as mitigation measures to lessen those impacts, and a listing of agencies and persons consulted (40 CFR Parts 1500–1508). A third party contractor will be hired by RUS to prepare the EIS. The EIS process is conducted with the intent to integrate the Section 106 and NEPA process. The federal review process is shown on the Federal Review Process diagram [see attached].

RUS conducted scoping meetings June 16-25, 2009, which provided an opportunity for project proponents and RUS to discuss project details with members of the public, affected landowners and other federal and state agencies and tribes. Comments received during and after the scoping meetings will be incorporated into the

1400 Independence Ave, SW • Washington, DC 20250-0700
Web: <http://www.rurdev.usda.gov>

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).

planning process and used to develop the scope of the EIS. Public comments and information released through the scoping period were compiled in a Scoping Report and are available on the following website:
<http://www.usda.gov/rus/water/ees/eis.htm>.

To allow residents within the additional study areas an opportunity to comment, the comment period has been reopened. Comments received within 30 days (by December 6, 2010) will be addressed in the Draft EIS. Send comments to Stephanie A. Strength at (970) 403-3559 or FAX: (202) 690-0649 or via email at stephanie.strength@wdc.usda.gov.

Comments may also be mailed to:
Stephanie A. Strength
Environmental Protection Specialist
Engineering and Environmental Staff
Rural Utilities Service
1400 Independent Avenue SW
Mail Stop 1571, Room 2242
Washington, DC 20250

Minnesota Routing Process

You should have already received an update letter from the Minnesota Office of Energy Security. This letter addresses the same Proposal and additional areas as the Minnesota letter. It is necessary to send this second letter to update landowners and interested parties on the federal process to assure consistency between the two review processes.

Description of Proposal

CapX2020 is a joint initiative of 11 electric transmission-owning utilities in Minnesota, Wisconsin and the surrounding region to expand the electric transmission grid to meet the increasing demand for power. The proposed facilities are needed to improve regional reliability, enhance local load serving needs and provide generation outlet support. Xcel Energy Inc., [acting as operating companies Northern States Power Company, a Minnesota corporation (NSPM), and Northern States Power Company, a Wisconsin corporation (NSPW) (collectively, Xcel Energy)] is the lead utility for the Proposal. Dairyland, one of the utilities involved, has requested financial assistance from RUS for its anticipated 11 percent ownership interest. Other anticipated owners of the proposed facilities include WPPI Energy, Southern Minnesota Municipal Power Agency (SMMPA) and Rochester Public Utilities (RPU).

The CapX2020 utilities listed above are proposing to construct a 345 kV electric transmission line and associated facilities between Hampton, Minnesota; Rochester, Minnesota; and the La Crosse, Wisconsin area. The Proposal includes the 345 kV transmission line from a substation near Hampton, Minnesota, to a proposed new substation in north Rochester, to a new or existing substation near La Crosse, Wisconsin, in addition to the construction of new 161 kV transmission lines and associated facilities in the Rochester, Minnesota area (see map posted at <http://www.usda.gov/rus/water/ees/eis.htm#Dairyland%20Power%20Cooperative,%20Inc>).

Project Background

The Alternative Evaluation Study (AES) and the Macro Corridor Study (MCS) are two preliminary documents required by RUS when conducting an environmental analysis for proposed transmission line project. These documents provide agencies and the public with a general understanding of the proposed project. The AES explains the need for the proposed project and discusses the alternative methods that have been considered to meet that need and which alternative is considered the best for fulfilling the need. The MCS defines the study

area and defines the project end points. Within the study area, macro corridors are developed based on environmental, engineering, economic and land use data as well as consideration of permitting constraints. These documents are available on the RUS website (<http://www.usda.gov/rus/water/ees/eis.htm>) or by request to RUS.

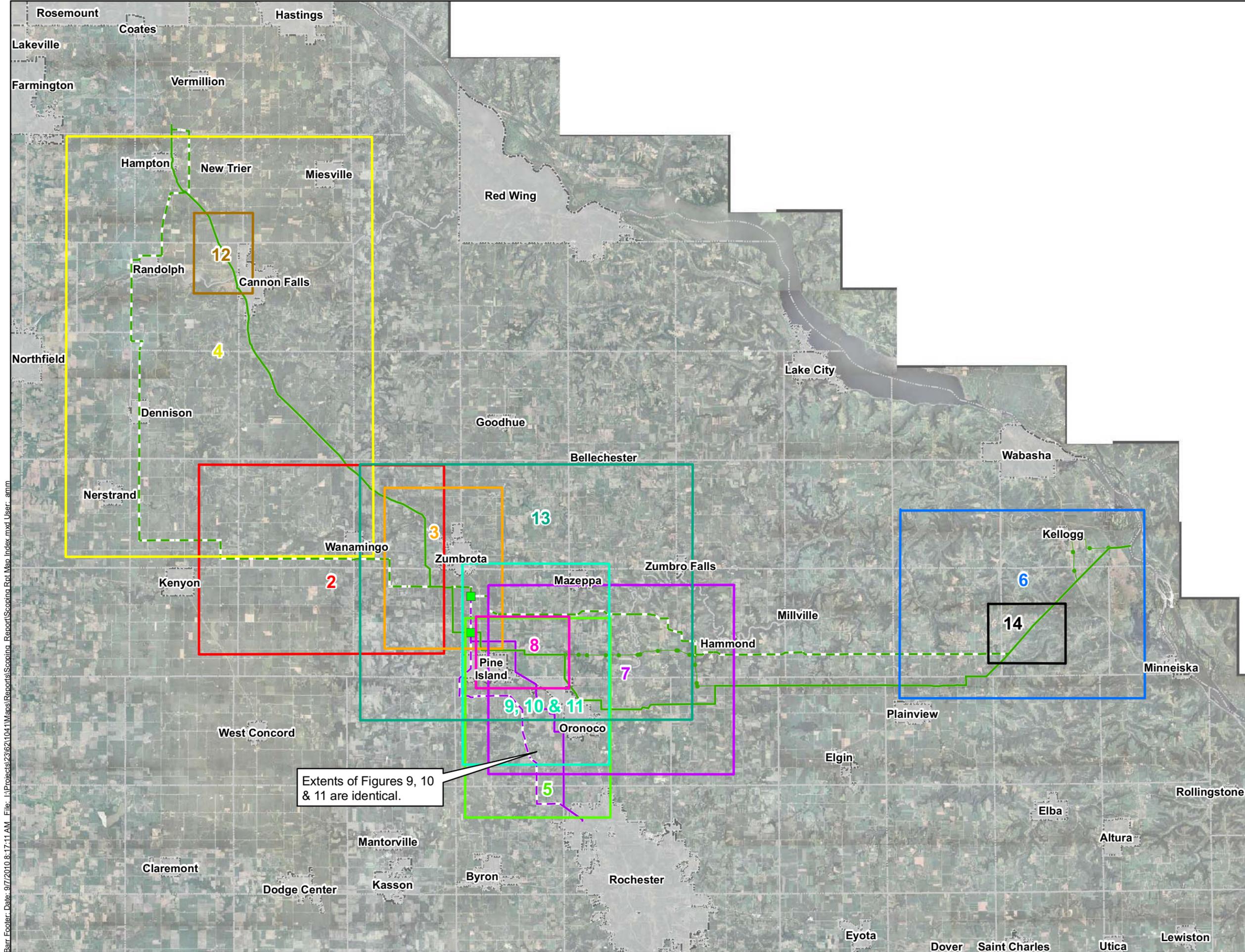
Should you have any questions or require additional information, please contact Stephanie Strength at (970.403.3559) or via email at stephanie.strength@wdc.usda.gov .

Sincerely,

A handwritten signature in black ink that reads "Mark S. Plank". The signature is written in a cursive, flowing style.

Mark S. Plank
Director, Engineering and Environmental Staff
USDA, Rural Utilities Program





Index to Figures

- Figure 2
- Figure 3
- Figure 4
- Figure 5
- Figure 6
- Figure 7
- Figure 8
- Figures 9, 10 & 11
- Figure 12
- Figure 13
- Figure 14

Applicant's 345 kV

- Preferred/Both
- Alternative
- Dam Option

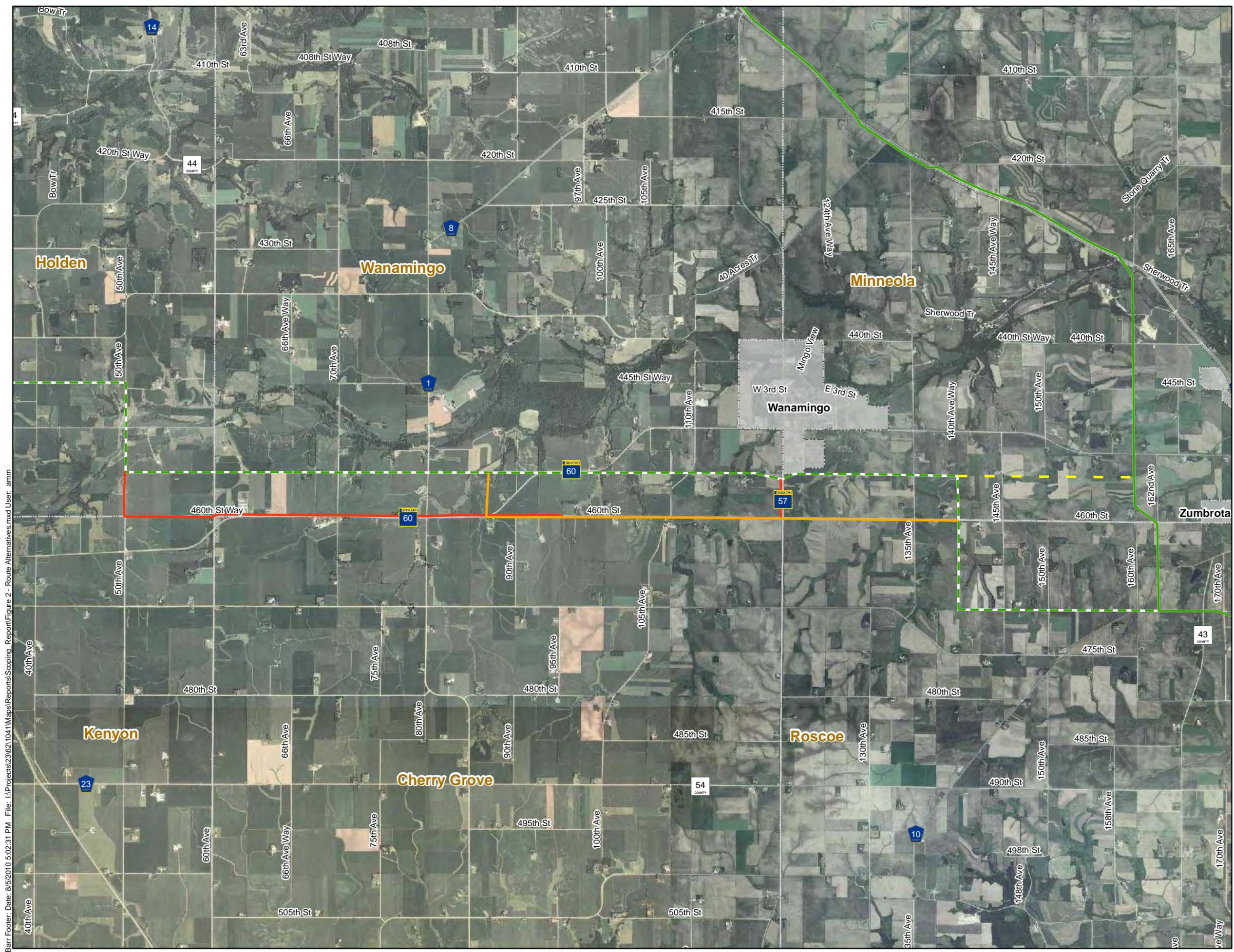
Applicant's 161kV

- Preferred/Both
- Alternative
- Proposed Substation Locations
- Townships
- Municipality



Extents of Figures 9, 10 & 11 are identical.

Barr Footer: Date: 9/7/2010 8:17:11 AM File: I:\Projects\2362104\Maps\Reports\Scoping_Report\Scoping_Rpt_Map_Index.mxd User: amm



Applicant's 345 kV

- Preferred/Both
- - - Alternative
- Dam Option

Applicant's 161kV

- Preferred/Both
- - - Alternative
- Proposed Substation Locations

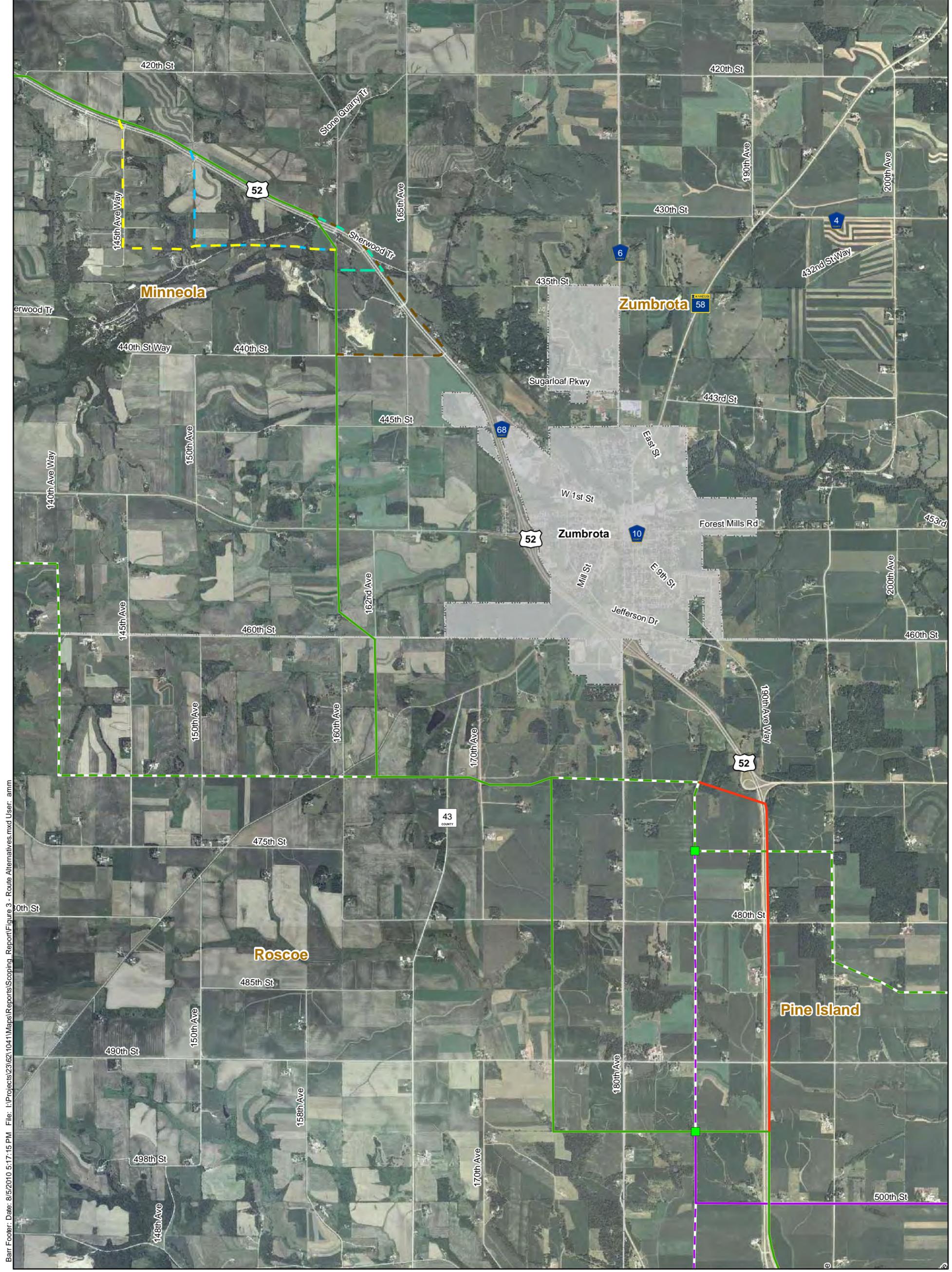
Route Alternatives

- 1A-001
- 1A-004
- - - 1B-003
- Townships
- Municipality



Figure 2

Route Alternatives Map 1 of 10
 CapX2020
 Hampton - Rochester - LaCrosse
 345 kV Transmission Project



Barr Footer: Date: 8/5/2010 5:17:15 PM File: I:\Projects\23\621041\Maps\Reports\Scoping_Report\Figure 3 - Route Alternatives.mxd User: ammm

- | | | |
|---|--|--|
| Applicant's 345 kV | ■ Proposed Substation Locations | Route Alternatives |
| — Preferred/Both | Townships | — 1B-001 |
| - - - Alternative | Municipality | - - - 1P-004 |
| —●— Dam Option | | - - - 1P-005 |
| Applicant's 161kV | | - - - 1P-006 |
| — Preferred/Both | | - - - 1P-007 |
| - - - Alternative | | |

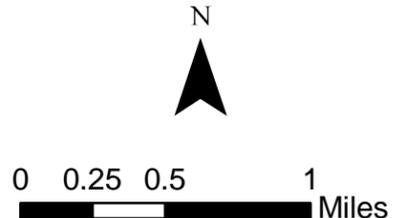
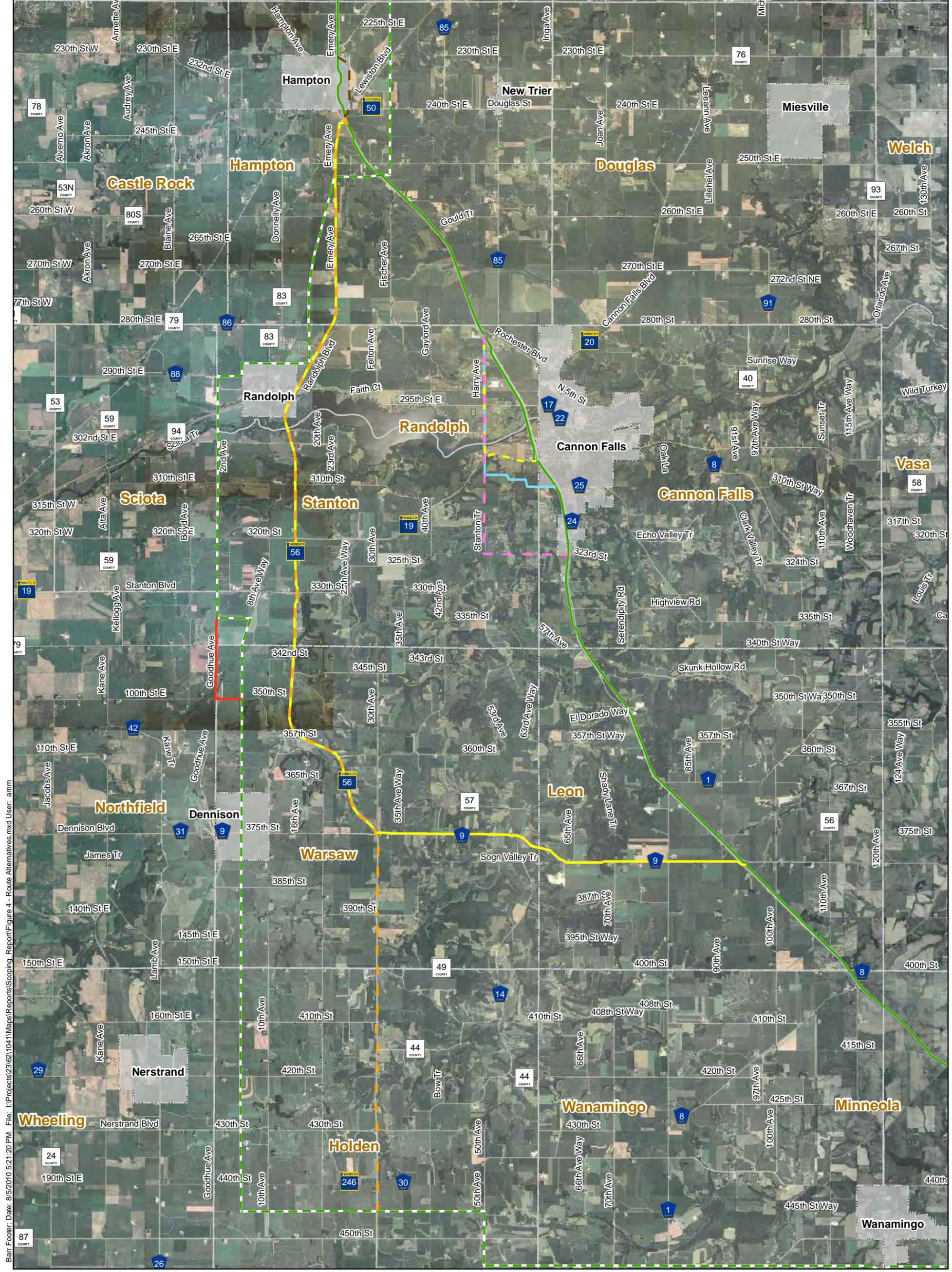


Figure 3
 Route Alternatives Map 2 of 10
 CapX2020
 Hampton - Rochester - LaCrosse
 345 kV Transmission Project



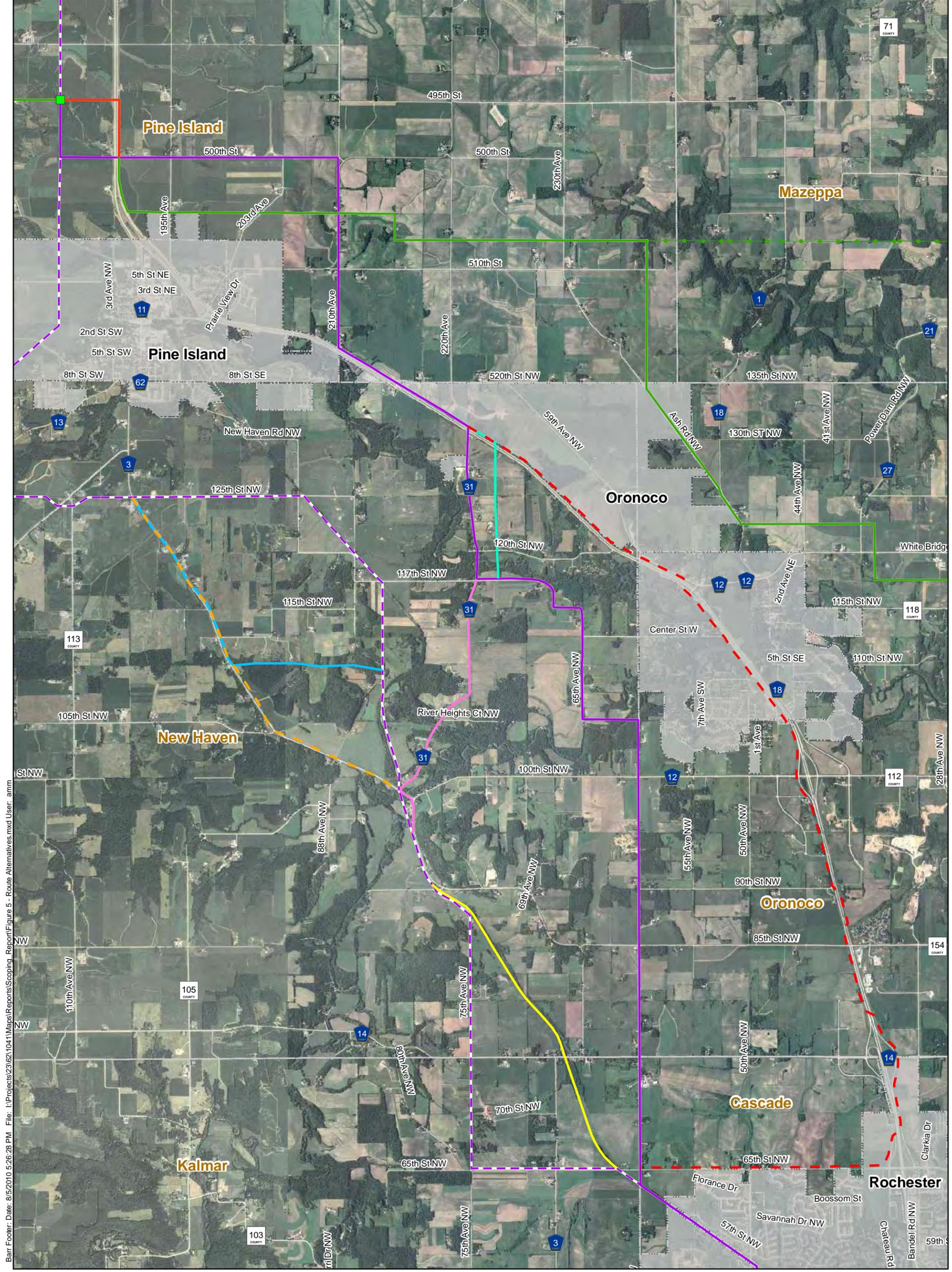
Bart Footer: Date: 8/5/2010 5:21:20 PM File: I:\Projects\23\62\104\1\Map\Reports\Scoping_Report\Figure 4 - Route Alternatives.mxd User: ammm

- | | | | | |
|--|--|--|--|--|
| Applicant's 345 kV | | <ul style="list-style-type: none"> ■ Proposed Substation Locations Townships Municipality | Route Alternatives | |
| — Preferred/Both | - - - Alternative | | — 1A-003 | — 1B-005 |
| ● Dam Option | | — 1P-001 | — 1P-002 | |
| Applicant's 161kV | | — 1P-003 | — 1P-008 | |
| — Preferred/Both | | — 1P-009 | | |
| - - - Alternative | | | | |



Figure 4

Route Alternatives Map 3 of 10
 CapX2020
 Hampton - Rochester - LaCrosse
 345 kV Transmission Project



Barr Footer: Date: 8/5/2010 5:26:28 PM File: I:\Projects\231621041\Map\Reports\Scoping_Report\Figure 5 - Route Alternatives.mxd User: ammm

- | | | |
|--|---|--|
| <p>Applicant's 345 kV</p> <ul style="list-style-type: none"> — Preferred/Both — Alternative ● Dam Option <p>Applicant's 161kV</p> <ul style="list-style-type: none"> — Preferred/Both — Alternative | <p>Proposed Substation Locations</p> <p>■</p> <p>Townships</p> <p></p> <p>Municipality</p> <p></p> | <p>Route Alternatives</p> <ul style="list-style-type: none"> — 2A-001 — 2A-002 — 2A-003 — 2B-001 — 2P-001 — 2P-002 — 2C3-008 |
|--|---|--|

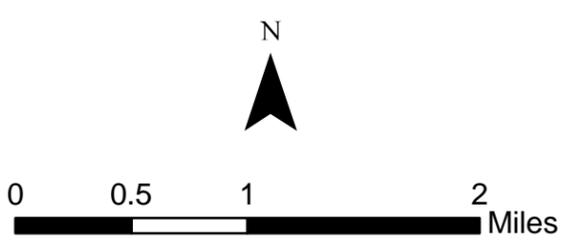
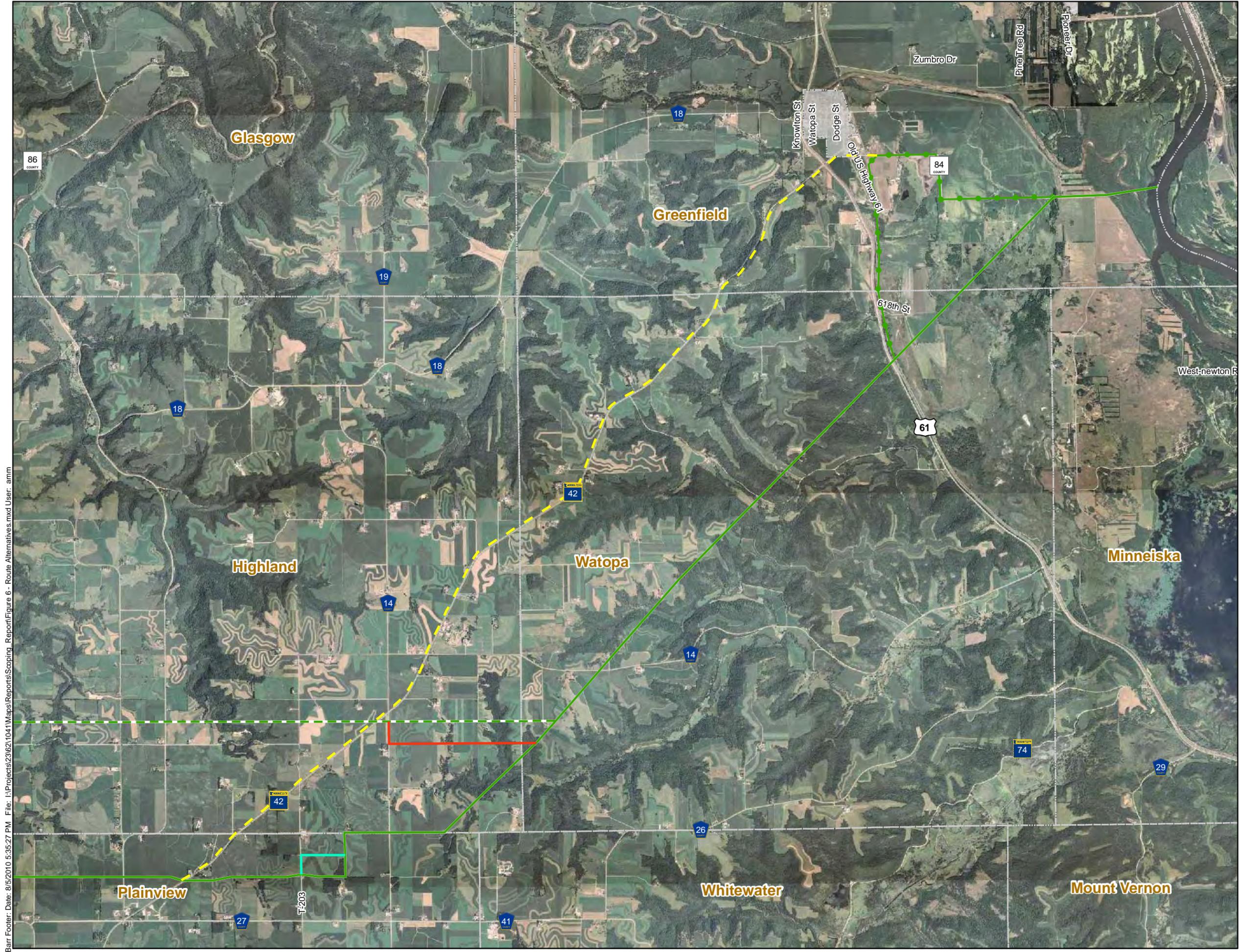


Figure 5
 Route Alternatives Map 4 of 10
 CapX2020
 Hampton - Rochester - LaCrosse
 345 kV Transmission Project



Applicant's 345 kV

- Preferred/Both
- - - Alternative
- Option

Applicant's 161kV

- Preferred/Both
- - - Alternative

■ Proposed Substation Locations

Route Alternative

- 3A-001
- - - 3B-003
- 3P-004

□ Townships

▭ Municipality

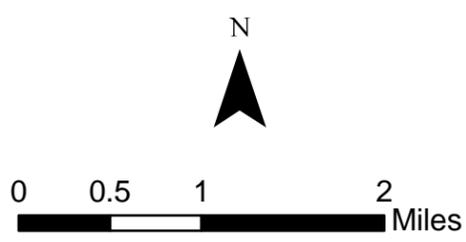
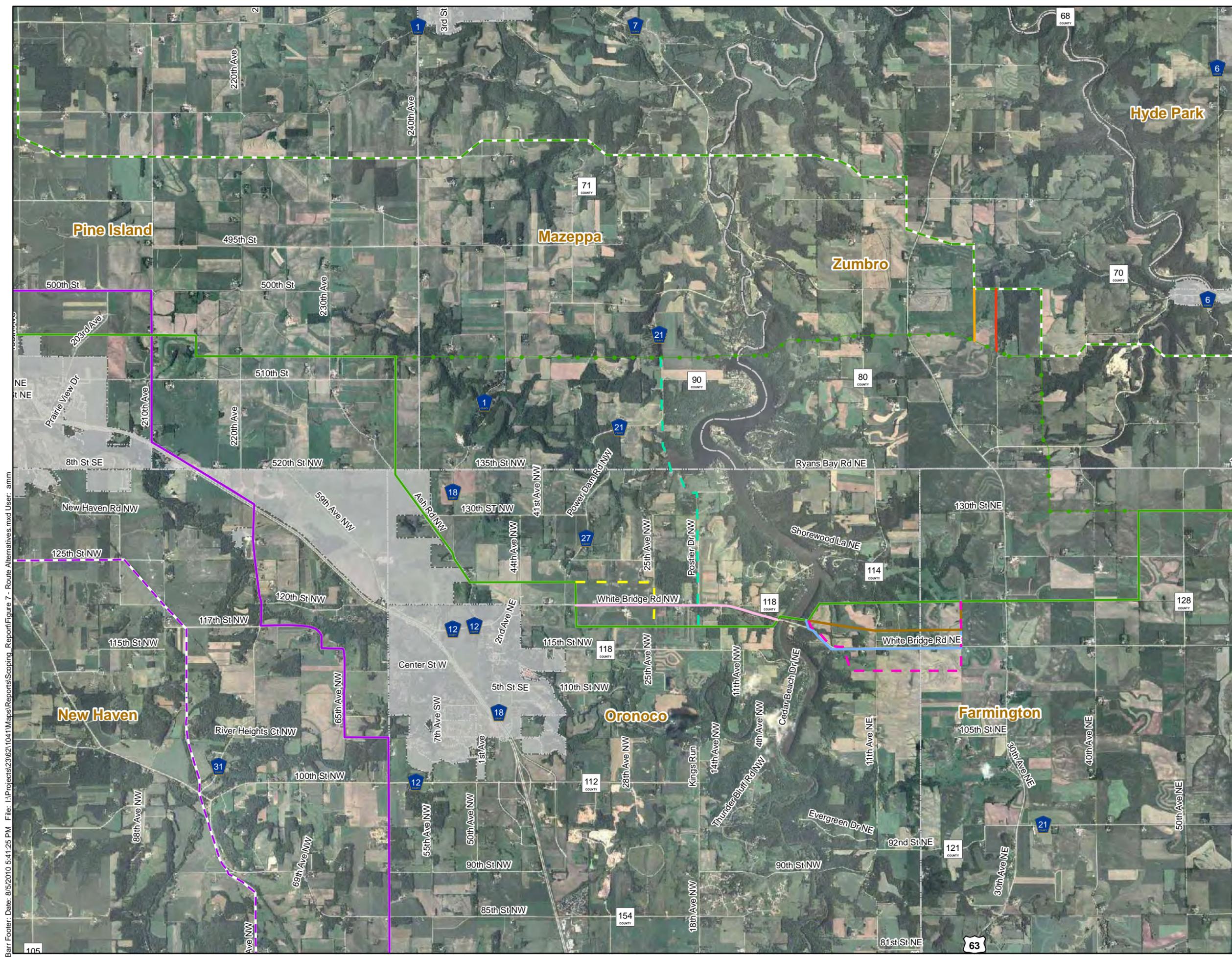


Figure 6
 Route Alternatives Map 5 of 10
 CapX2020
 Hampton - Rochester - LaCrosse
 345 kV Transmission Project

Barr Footer: Date: 8/5/2010 5:35:27 PM File: I:\Projects\231621041\Maps\Reports\Scoping_Report\Figure 6 - Route Alternatives.mxd User: ammm



Applicant's 345 kV

- Preferred/Both
- - - Alternative
- - - ● Dam Option

Applicant's 161kV

- Preferred/Both
- - - Alternative
- Proposed Substation Locations

Route Alternatives

- 3A-003
- 3A-004
- - - 3P-005
- 3P-006
- - - 3P-007
- - - 3P-009
- 3P-010
- 3P-011
- Townships
- Municipality

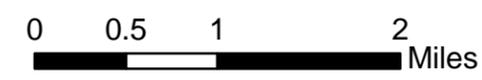
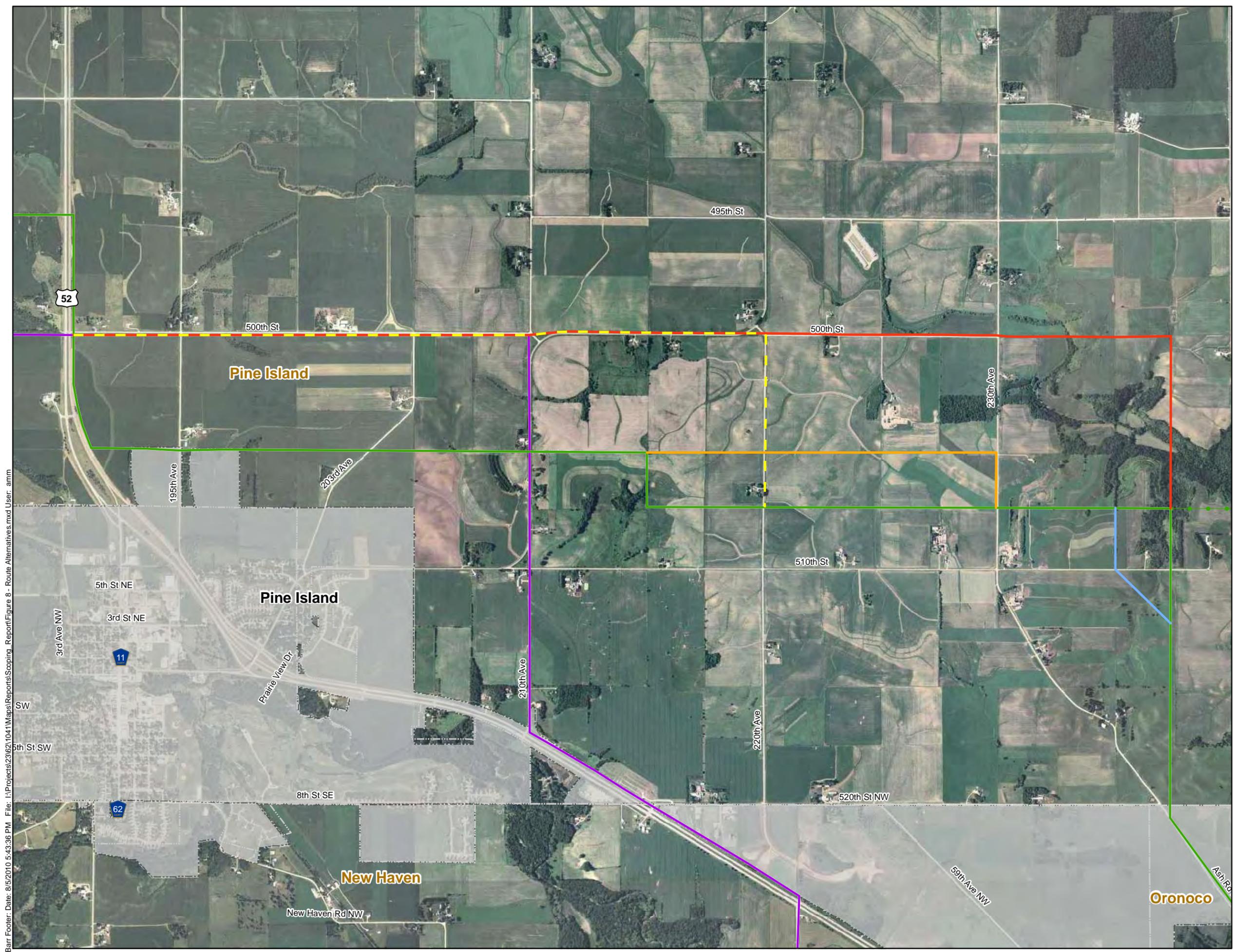


Figure 7

Route Alternatives Map 6 of 10
 CapX2020
 Hampton - Rochester - LaCrosse
 345 kV Transmission Project

Barr Footer: Date: 8/5/2010 5:41:25 PM File: I:\Projects\231621041\Maps\Reports\Scoping_Report\Figure 7 - Route Alternatives.mxd User: ammm



Applicant's 345 kV

- Preferred/Both
- - - Alternative
- Dam Option

Applicant's 161kV

- Preferred/Both
- - - Alternative
- Proposed Substation Locations

Route Alternatives

- 3P-001
- 3P-002
- - - 3P-003
- 3P-008

- Townships
- Municipality

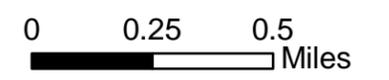
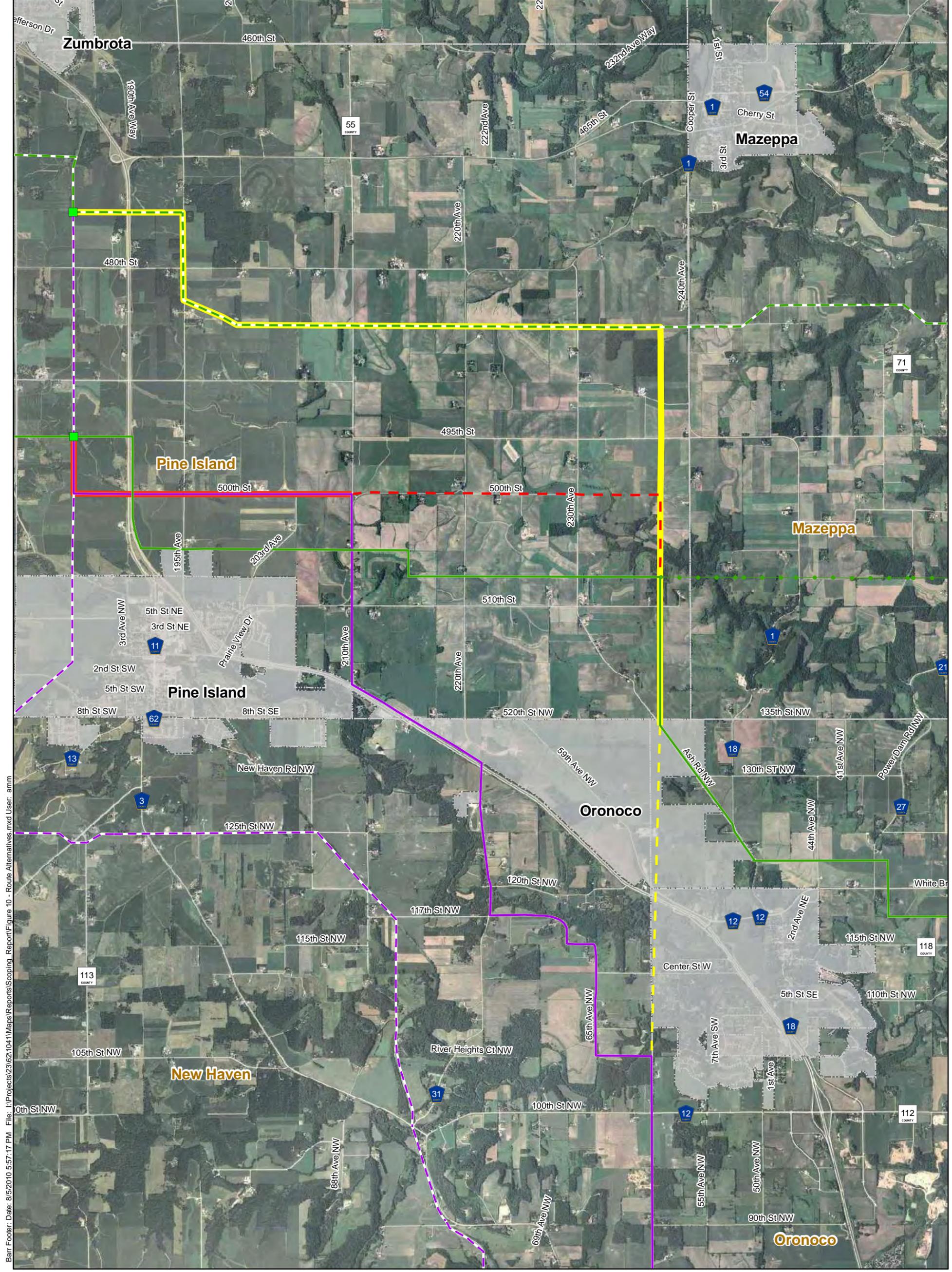


Figure 8

Route Alternatives Map 7 of 10
 CapX2020
 Hampton - Rochester - LaCrosse
 345 kV Transmission Project

Barr Footer: Date: 8/5/2010 5:43:36 PM File: I:\Projects\23162\1041\Maps\Reports\Stopping_Report\Figure 8 - Route Alternatives.mxd User: ammm



Barr Footer: Date: 8/5/2010 5:57:17 PM File: I:\Projects\231621041\Maps\Reports\Scoping_Report\Figure 10 - Route Alternatives.mxd User: amm

- | | | | |
|---------------------------|--|--|---|
| Applicant's 345 kV | <ul style="list-style-type: none"> — Preferred/Both - - - Alternative ● - - Dam Option | <ul style="list-style-type: none"> ■ Proposed Substation Locations Townships Municipality | <ul style="list-style-type: none"> — Segments 2 and 3 Combined - - - Segment 2 Only |
| Applicant's 161kV | <ul style="list-style-type: none"> — Preferred/Both - - - Alternative | <ul style="list-style-type: none"> — Segments 2 and 3 Combined - - - Segment 3 Only | |

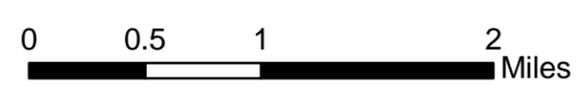
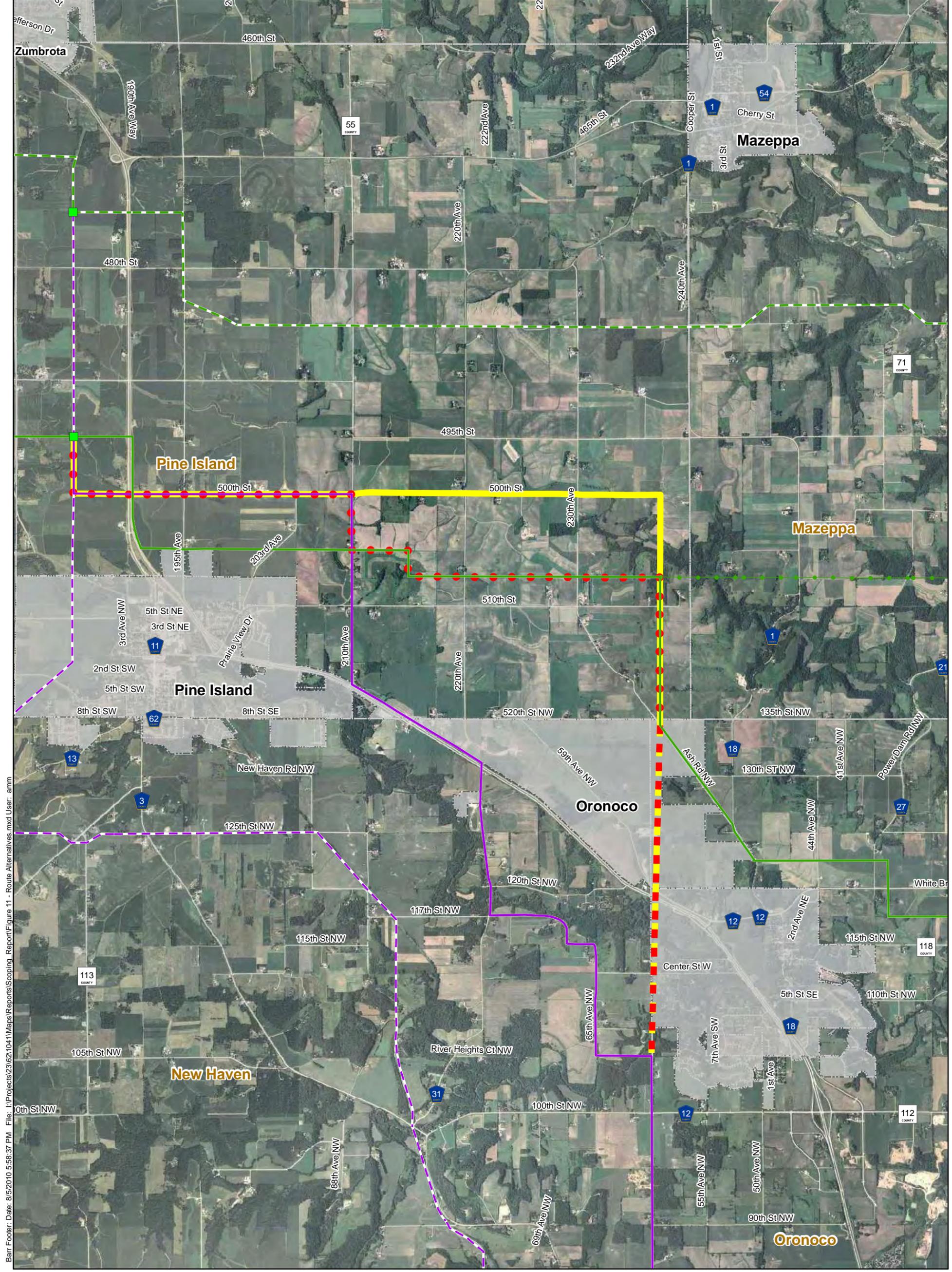


Figure 10

Route Alternatives Map 9 of 10
 CapX2020
 Hampton - Rochester - LaCrosse
 345 kV Transmission Project



Barr Footer: Date: 8/5/2010 5:58:37 PM File: I:\Projects\231621041\Maps\Reports\Scoping_Report\Figure 11 - Route Alternatives.mxd User: amm

- | | | |
|---|--|---|
| Applicant's 345 kV | ■ Proposed Substation Locations | 2C3-002 |
| — Preferred/Both | Townships | ● Segments 2 and 3 Combined |
| - - - Alternative | Municipality | ■ Segment 2 Only |
| - · - Dam Option | | 2C3-007 |
| Applicant's 161kV | | — Segments 2 and 3 Combined |
| — Preferred/Both | | ■ Segment 2 Only |
| - - - Alternative | | |

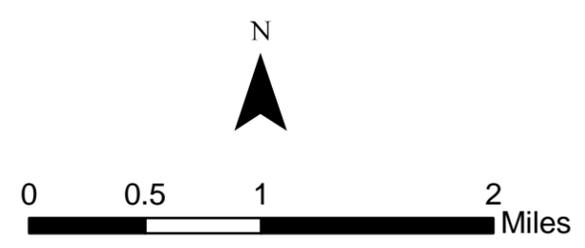
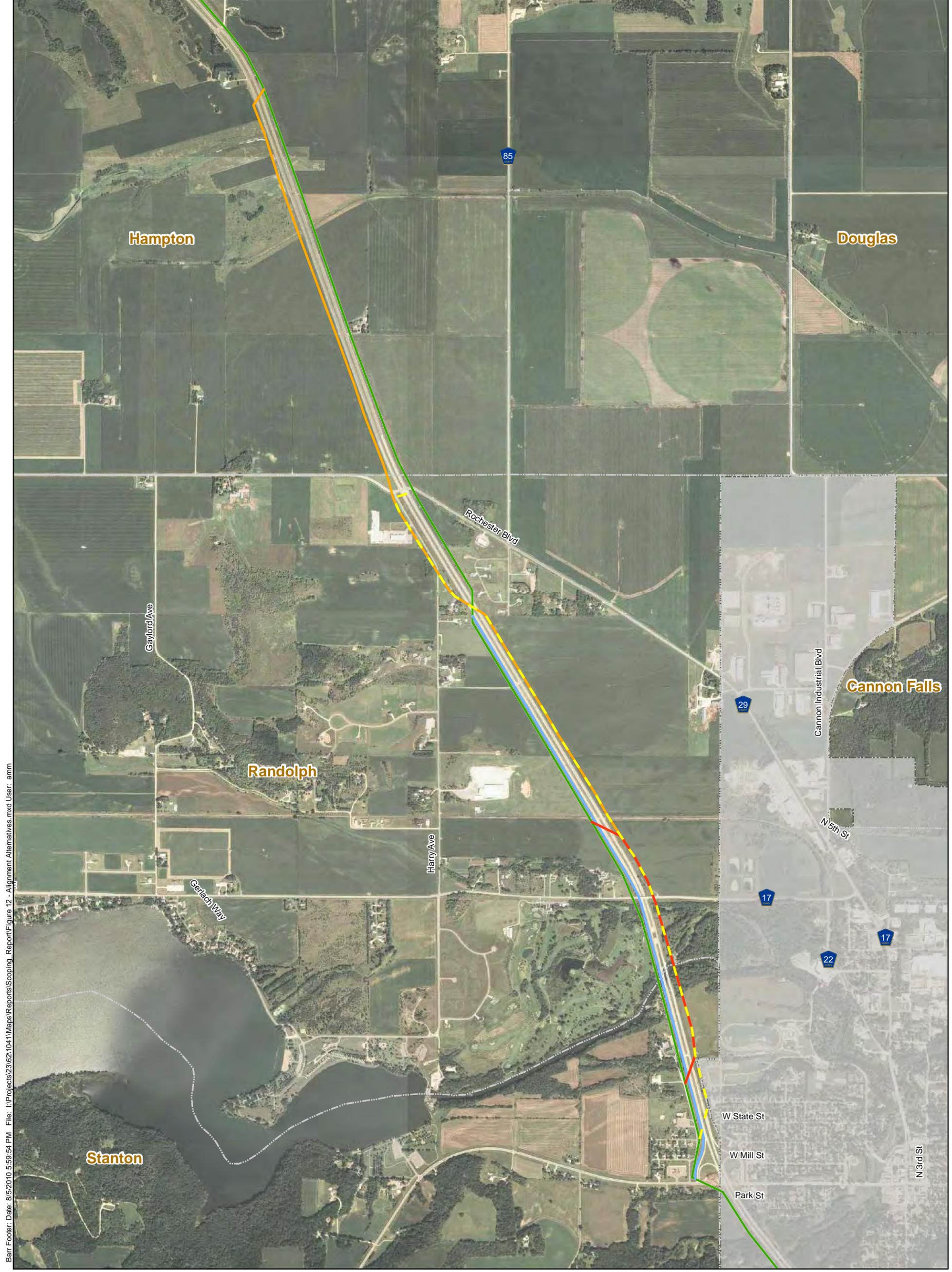


Figure 11
 Route Alternatives Map 10 of 10
 CapX2020
 Hampton - Rochester - LaCrosse
 345 kV Transmission Project



Barr Footer: Date: 8/5/2010 5:59:54 PM File: I:\Projects\23162\1041\Maps\Reports\Scoping_Report\Figure 12 - Alignment Alternatives.mxd User: ammm

- | | | | | |
|---|---|--|--|--|
| Applicant's 345 kV | | ■ Proposed Substation Locations | Alignment Alternatives | |
| — Preferred/Both | Townships | — Alignment Alt. 1 | — Alignment Alt. 2 | — Alignment Alt. 3 |
| - - - Alternative | Municipality | — Alignment Alt. 4 | | |
| ● Dam Option | | | | |
| Applicant's 161kV | | | | |
| — Preferred/Both | | | | |
| - - - Alternative | | | | |

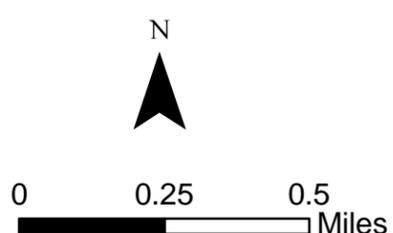
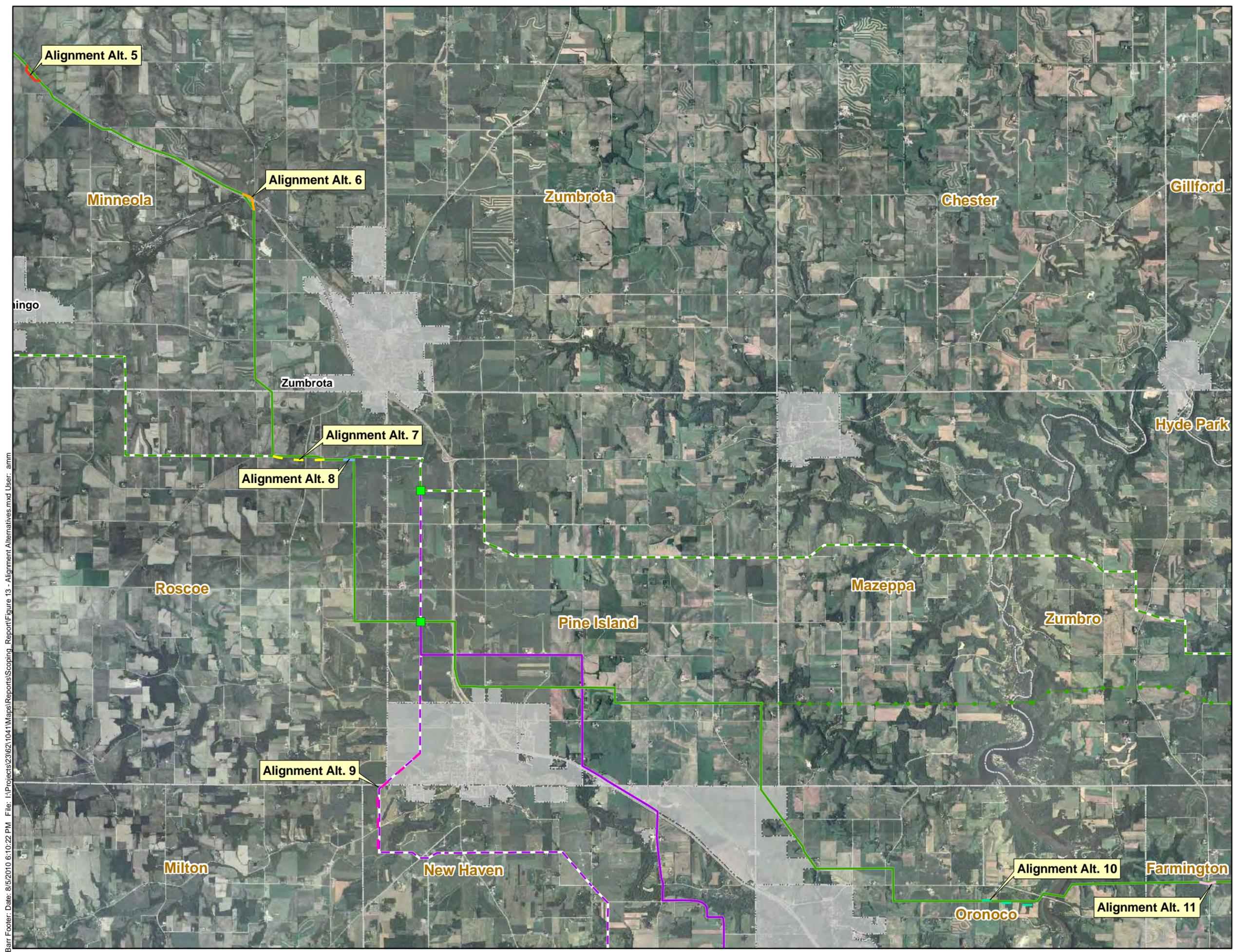


Figure 12
 Alignment Alternatives Map 1 of 3
 CapX2020
 Hampton - Rochester - LaCrosse
 345 kV Transmission Project



Applicant's 345 kV

- Preferred/Both
- - - Alternative
- · · Dam Option

Applicant's 161kV

- Preferred/Both
- - - Alternative
- Proposed Substation Locations

Alignment Alternatives

- Alignment Alt. 5
- Alignment Alt. 6
- - - Alignment Alt. 7
- Alignment Alt. 8
- - - Alignment Alt. 9
- - - Alignment Alt. 10
- Alignment Alt. 11
- Townships
- Municipality

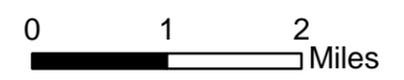


Figure 13

Alignment Alternatives Map 2 of 3
 CapX2020
 Hampton - Rochester - LaCrosse
 345 kV Transmission Project



Applicant's 345 kV

- Preferred/Both
- Alternative
- Dam Option

Applicant's 161kV

- Preferred/Both
- Alternative

Proposed Substation Locations

Alignment Alternatives

- Alignment Alt. 12
- Townships
- Municipality

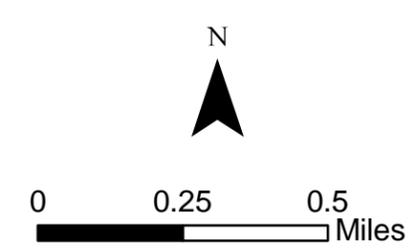


Figure 14
Alignment Alternatives Map 3 of 3
CapX2020
Hampton - Rochester - LaCrosse
345 kV Transmission Project



**United States Department of Agriculture
Rural Development**

June 21, 2011

First Last, Title
Agency
Address
Address2
City, State Zip

Subject: Proposed Hampton-Rochester-La Crosse 345 kV Transmission Line – Landowner Notification

Dear Landowner:

According to public records, you may own property in an area where additional study areas have been identified and are being added for consideration to the proposed Hampton-Rochester-La Crosse 345 kilovolt (kV) Transmission System Improvement Project (the Proposal). Previous study areas were identified and evaluated as part of a "macro-corridor" study. A description of the Proposal including the previously evaluated macro-corridor study areas is provided below. An attached map includes the additional areas under consideration; these areas or macro-corridors were identified by the Public Service Commission of Wisconsin and are being considered in the Environmental Impact Statement being prepared for the Proposal. This letter provides notice of recently added study areas and information on the environmental review process and describes opportunities for you to participate in this review process.

Federal Environmental Review Process

Rural Utilities Service (RUS), an agency under the U.S. Department of Agriculture, has been approached by Dairyland Power Cooperative (Dairyland) for possible financial assistance for the Proposal described above. RUS' funding of the Proposal constitutes a federal action subject to National Environmental Policy Act (NEPA) (42 United States Code [U.S.C] § 4321) and the Council on Environmental Quality's Regulations Implementing the Procedural Provisions of the NEPA (40 CFR 1500). In addition, RUS has determined that the Proposal is an undertaking under Section 106 of the National Historic Preservation Act (NHPA), (16 U.S.C. § 470F) and the Advisory Council on Historic Preservation's implementing regulations, "Protection of Historic Properties" (36 CFR Part 800). Pursuant to its Environmental Policies and Procedures (7 CFR 1794), RUS has determined that an Environmental Impact Statement (EIS) is required to evaluate the potential environmental effects of the Proposal prior to making a decision regarding whether to finance its applicant's (Dairyland) ownership interest in the Proposal. RUS is serving as the "lead" federal agency for this review process; the U.S. Army Corps of Engineers and U.S. Fish and Wildlife Service are participating in the EIS as cooperating agencies.

An EIS evaluates the potential effects of a project on the "human environment;" issues including land use, threatened and endangered species, wetlands, cultural and historic properties, socioeconomics, scenic

1400 Independence Ave, SW • Washington, DC 20250-0700
Web: <http://www.rurdev.usda.gov>

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).

areas and other environmental resources. The EIS will include discussions of the Proposal's purpose and need, alternatives, the potential environmental impacts of the proposed action and alternatives as well as mitigation measures to avoid or minimize any potential impacts, and a listing of agencies and persons consulted. A third-party contractor has been selected by RUS to prepare the EIS. The federal review process is shown on the Federal Review Process diagram (see attached).

RUS conducted public scoping meetings in 2009 and 2010 (details of which can be found on the website listed below). These public meetings provided an opportunity for project proponents and RUS to discuss and present project details to the public, affected landowners and other federal and state agencies and tribes. Comments received during and after the scoping meetings are incorporated into the planning process and will be used to develop the scope of the EIS. Public comments and information released through the scoping period were compiled in a Scoping Report and are available on the following website: <http://www.rurdev.usda.gov/UWP-CapX2020-Hampton-Rochester-LaCrosse.html>.

To allow residents within the additional study areas an opportunity to comment, the comment period has been reopened and extended. Comments received within 30 days (by July 24, 2011) will be addressed in the Draft EIS. Please send comments to Stephanie A. Strength via email at stephanie.strength@wdc.usda.gov or FAX: (202) 690-0649. Comments may also be mailed to:

Stephanie A. Strength
Environmental Protection Specialist
Rural Utilities Service
Engineering and Environmental Staff
1400 Independent Avenue SW
Mail Stop 1571, Room 2242
Washington, DC 20250

Description of Proposal

This Proposal is a component of the CapX2020 initiative. The CapX2020 initiative "represents an effort to ensure the electricity reliability of Minnesota and the surrounding region into the future. It started as an effort by the state's largest transmission owners – including cooperatives, municipals and investor-owned utilities – to assess the system and projected growth in customer demand for electricity through 2020" – see: <http://www.capx2020.com/>. Xcel Energy Inc. is the lead utility for the Proposal and is comprised of the operating companies: Northern States Power Company, a Minnesota corporation and Northern States Power Company, a Wisconsin corporation. Dairyland, RUS' applicant, is requesting an 11 percent ownership interest. Other anticipated owners of the proposed facilities include WPPI Energy, Southern Minnesota Municipal Power Agency, and Rochester Public Utilities.

The CapX2020 utilities listed above are proposing to construct a 345 kV electric transmission line and associated facilities between Hampton and Rochester, MN and the La Crosse, WI area. The Proposal includes the 345 kV transmission line from a substation near Hampton, MN to a proposed new substation in north Rochester to a new or existing substation near La Crosse, WI. In addition, a new 161 kV transmission line and associated facilities in the Rochester, MN area is planned for construction – see map posted at <http://www.rurdev.usda.gov/UWP-CapX2020-Hampton-Rochester-LaCrosse.html>.

Project Background

Two preliminary engineering planning documents are required by RUS prior to conducting an environmental impact analysis for proposed transmission line projects – an Alternative Evaluation Study (AES) and a Macro-Corridor Study (MCS). These documents provide interested parties with a general understanding of proposed projects. The AES for this Proposal explains the need for the action and discusses the alternative methods that have been considered to meet that need and includes a proposed alternative that the applicant considers to be the best alternative for fulfilling its stated need. The MCS defines the study area and project end points. Within the study area, macro-corridors for the transmission line are developed based on environmental, engineering, economic, and land use inputs and data, as well as the consideration of permitting constraints. These documents are available on the RUS website <http://www.rurdev.usda.gov/UWP-CapX2020-Hampton-Rochester-LaCrosse.html> or upon request to RUS.

If you have any questions or for more additional information, please contact Stephanie Strength at (970) 403-3559 or via email at stephanie.strength@wdc.usda.gov.

Sincerely,



Mark S. Plank
Director, Engineering and Environmental Staff
USDA, Rural Utilities Service



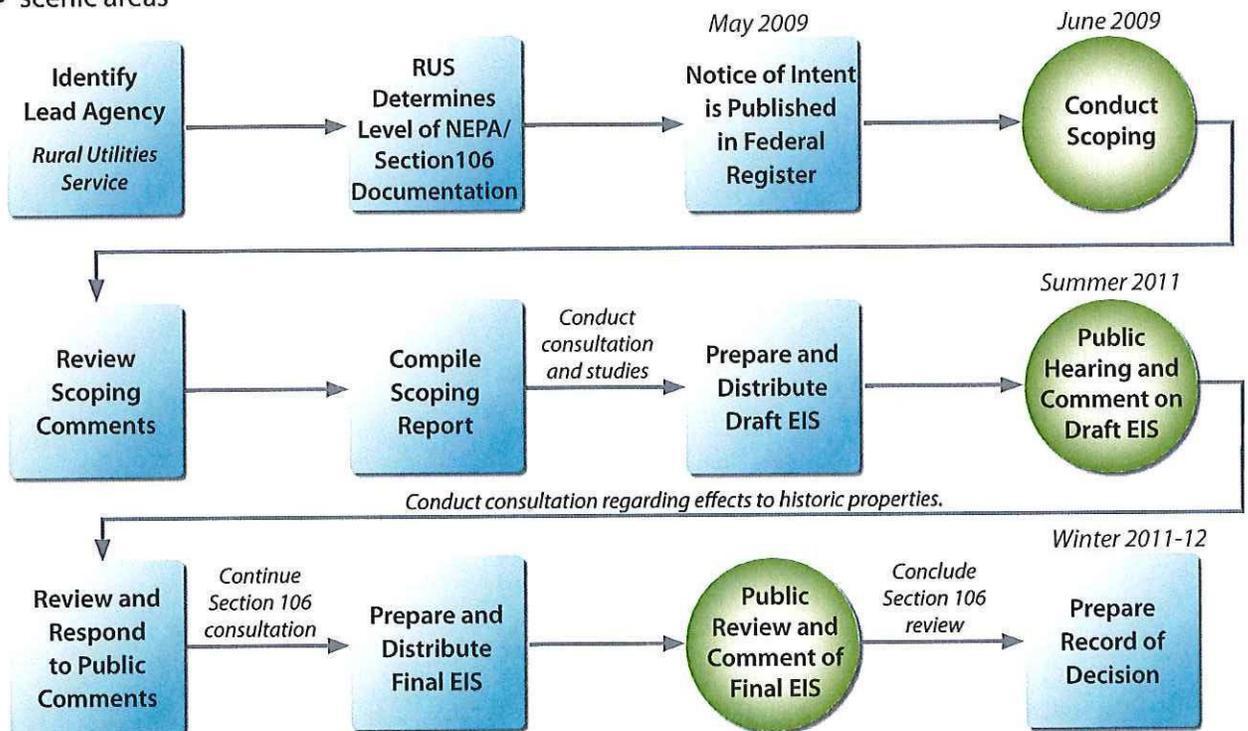
FEDERAL REVIEW PROCESS

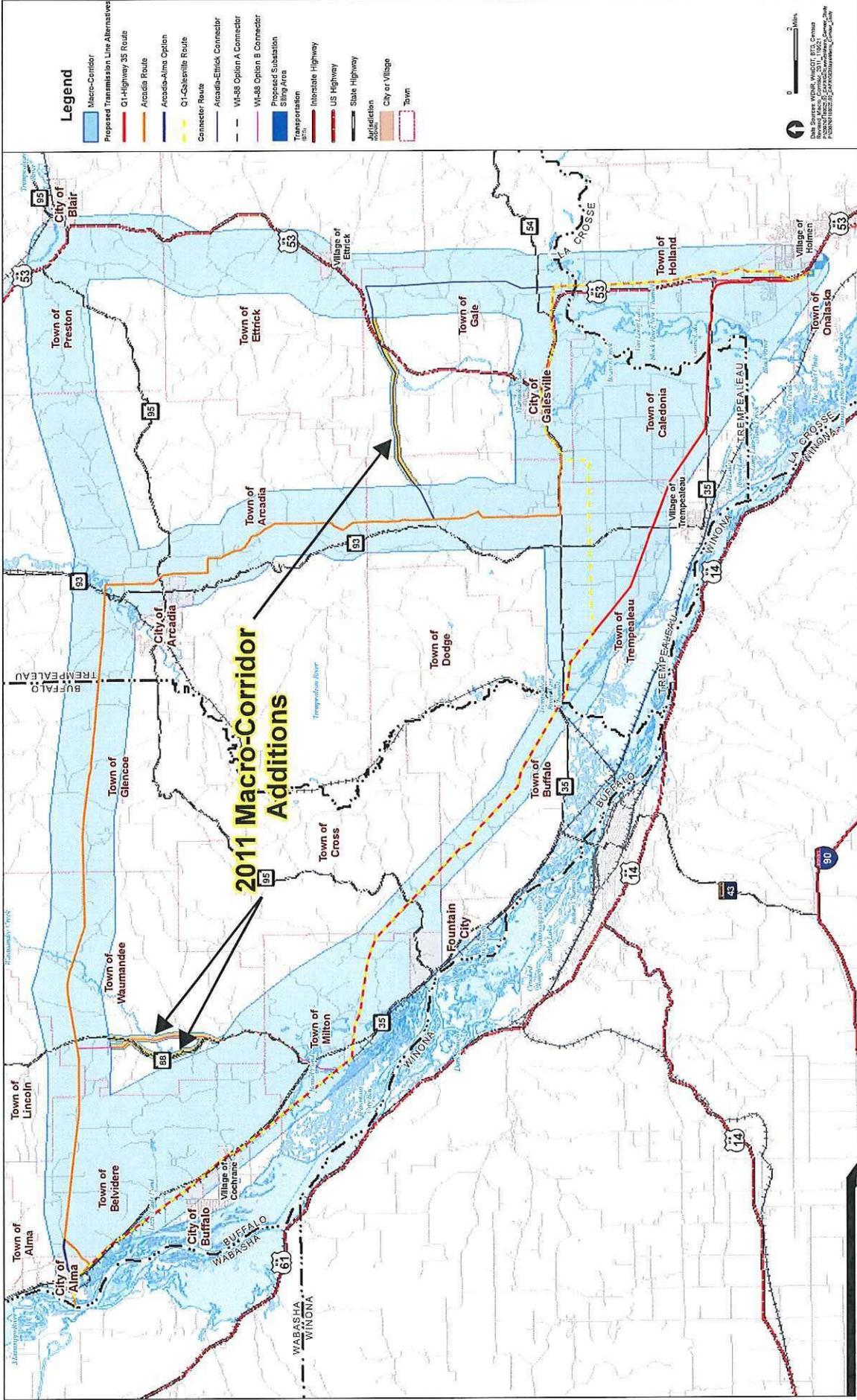
Dairyland Power Cooperative has requested financial assistance from USDA Rural Utilities Service (RUS), for its anticipated 11 percent ownership interest in the proposed Hampton-Rochester-La Crosse 345 kilovolt transmission line project. RUS has determined that its funding of Dairyland's ownership interest is a federal action and therefore subject to the National Environmental Policy Act (NEPA) and Section 106 of the National Historic Preservation Act (NHPA).

RUS is the lead agency for both NEPA and Section 106 review. As such, RUS will coordinate compliance with Section 106 and its implementing regulations with the steps taken to meet NEPA requirements. RUS and other federal agencies involved in the NEPA review will jointly prepare an Environmental Impact Statement (EIS). Each federal agency will independently develop its own decision document. The EIS preparation process is detailed below.

The NEPA process evaluates the project's potential affects on environmental resources, such as:

- land use
- threatened and endangered species
- wetlands
- cultural and historic properties
- socioeconomics
- scenic areas





Kael Energy • Deland Power Cooperative • Rochester Public Utilities • Wapsi Energy • Southern Minnesota Municipal Power Agency