



**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

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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



