

**STATE OF NEBRASKA
NEBRASKA POWER REVIEW BOARD**

IN THE MATTER OF THE APPLICATION OF)	PRB-3640
THE NEBRASKA PUBLIC POWER DISTRICT,)	
HEADQUARTERED IN COLUMBUS,)	
NEBRASKA, REQUESTING AUTHORIZATION)	
TO CONSTRUCT 9 MILES OF 115 KILOVOLT)	ORDER
TRANSMISSION LINE IN CUSTER COUNTY,)	
NEBRASKA.)	

ON THE 21st day of January, 2011, the above-captioned matter came on for consideration before the Nebraska Power Review Board (“the Board”). The Board, being fully advised in the premises, and upon reviewing said application and the evidence presented to the Board at said hearing, HEREBY FINDS AS FOLLOWS (references to testimony are designated by a “T” followed by the transcript page, then the lines upon which the testimony appears, while references to exhibits are designated by “Exh.”):

FINDINGS OF FACT

1. That on December 31, 2010, the Nebraska Public Power District (“NPPD”) filed an application with the Board requesting authorization to construct approximately nine (9) miles of 115 kilovolt (“kV”) three-phase transmission line near the City of Broken Bow, in Custer County, Nebraska. (Exh. 1). The application was designated “PRB-3640.”
2. The estimated total cost of the project is \$4,650,000. (Exh. 1, page 3).
3. The proposed line would connect an existing NPPD substation located southeast of Broken Bow with a proposed new substation that would be located

approximately five miles northeast of Broken Bow. The existing 115 kV substation southeast of Broken Bow is located in the northwest corner of section 4, Township 16 North, Range 20 West of the 6th Prime Meridian. The proposed substation northeast of Broken Bow would be located in or near the northeast corner of the northeast quarter of the southeast quarter of section 1, Township 17 North, Range 20 West. (Exh. 1, page 4).

4. The substation to be located to the northeast of Broken Bow is not part of the present application. The new substation northeast of Broken Bow would be constructed by Midwest Wind Energy for Broken Bow Wind, LLC. (Exh. 1, page 2).

5. That those power suppliers and entities, other than the applicant, that the Board deemed to be potentially affected by or interested in PRB-3640 were the City of Broken Bow and the Custer Public Power District. Written notice of the filing of the application and the hearing date was provided to these potentially interested parties and NPPD via certified U.S. mail (Exh. 2).

6. Notice of the filing and the opportunity to request to participate in the proceedings was provided to the general public by publication of a notice in the Custer County Chief and the Sargeant Leader on Thursday, January 6, 2010. (Exhs. 3 and 4). Both publications are legal newspapers with circulation in the general area where the proposed transmission line would be located.

7. That no Petitions to Intervene or Protests were filed with the Board concerning this application.

8. That Consent and Waiver forms were offered and accepted into evidence at the hearing before the Board, as provided by law and the Board's Rules of Practice and

Procedure, whereby the Custer Public Power District and Broken Bow consented to the approval of PRB-3640 and waived a hearing and further notice in the matter. (Exhs. 5 and 6).

9. That pursuant to the requirement set out in Neb. Rev. Stat. § 37-807(3), the Board consulted with the Nebraska Game and Parks Commission (“the Commission”) to ensure that the Board utilizes its authority in furtherance of the purposes of the Nebraska Nongame and Endangered Species Act, and to ensure that approval of the proposed transmission line and related facilities would not jeopardize the continued existence of any endangered or threatened species or result in the destruction or modification of habitat of such species which is determined by the Commission to be critical. The Commission provided a letter dated January 18, 2011, stating that the proposed project corridor, including the preferred and alternative routes for the proposed line, is within the range of the following three threatened or endangered species: a) Small White Lady’s Slipper (*Cypripedium candidum*); b) Western Prairie Fringed Orchid (*Platanthera praeclara*); and c) the Whooping Crane (*Grus americana*). (Exh. 7, page 1)

11. The Commission informed the Board that there does not appear to be suitable habitat for the Small White Lady’s Slipper or the Western Prairie Fringed Orchid in the project area. (Exh. 7, page 1).

12. The Commission informed the Board that there are records of Whooping Cranes within five miles of the project area, and there is a potential for the cranes to strike the proposed transmission line. The Commission explained that NPPD has committed to work with the Commission and the U.S. Fish and Wildlife Service to

evaluate the final route for potential impact on threatened and endangered species and to develop a plan identifying actions that may be needed to address any potential impacts of the project on those species, including Whooping Cranes. NPPD has agreed to mark certain portions of the line with bird flight diverters, if necessary. (Exh. 7).

13. Based on NPPD's commitment, the Commission determined that the proposed project "may affect but is not likely to adversely affect" state-listed threatened or endangered species. The Commission stated it has no objection to the proposal as planned. (Exh. 7).

14. The intended purpose of the project is to provide transmission interconnection services to an 80 megawatt capacity wind-powered generation facility ("wind farm") that will be located in the area surrounding the new substation that Midwest Wind Energy will construct northeast of Broken Bow. (T11:21 to 12:21; Exh. 1, page 2).

15. The wind farm that requires interconnection using the proposed transmission line will be consist of 54 wind turbines with 80 megawatts capacity. (T12:5-7).

16. NPPD estimates the proposed line would be completed in the summer of 2012. The wind turbines that would use the line are expected to be installed and in commercial operation by the end of 2012. (T12:24 to 13:1).

17. NPPD evaluated various alternatives prior to making its determination that the proposed line in the proposed corridor were the best choice. The point of interconnection was determined by the wind farm developer's request to interconnect to

NPPD's Broken Bow 115 kV substation. The other terminus of the proposed line had to be the collector substation that Midwest Wind Energy would construct northeast of Broken Bow. It was not economical to interconnect with the existing 115 kV line from Broken Bow to Loup City because that would have required the construction of a new substation at the interconnection point. A new substation would involve considerably more expense than expanding an existing substation as is involved in the project proposed in PRB-3640. Interconnection with the line from Broken Bow to Loup City would have a negative impact on system reliability because the existing line is older and uses smaller conductor. (T13:2-24).

18. NPPD has a purchase power agreement with the private developer of the wind farm to be built northeast of Broken Bow. Under the purchase power agreement, NPPD will purchase the entire output of the wind farm and use it to supply energy to NPPD's load. (T14:14-24). The developer of the wind farm is contractually obligated to construct the wind farm. (T22:6-17).

19. NPPD conducted what is known as a system impact study concerning the proposed transmission line. The report evaluates the impact the proposed line would have on the existing transmission system and recommends what facilities would need to be upgraded to provide transmission service to the wind farm northeast of Broken Bow. (T16:11-25). The study concluded that a new transformer would be needed, and some other relatively minor system additions or upgrades. (T17:1-7; Exh. 10).

20. Custer Public Power District does not have any facilities with which NPPD's proposed line could interconnect. Custer PPD has a 69 kV line in the area, but

that line does not have adequate capacity for the 80 megawatts of generation the wind farm could produce. Also, the 69 kV line is operated in a radial fashion, so power is always flowing away from the Broken Bow substation. That line could therefore not be used to transmit electricity from the wind farm to the Broken Bow substation. (T18:21 to 19:6).

CONCLUSIONS OF LAW

21. Pursuant to Neb. Rev. Stat. §§ 70-1012, 70-1013, and 70-1014, the Board has jurisdiction to conduct a hearing and either approve or deny an application for authority to construct a transmission line and related facilities located in the State of Nebraska, but outside a power supplier's service area. Such approval is required prior to commencement of construction of facilities such as those described in application PRB-3640.

22. The Board has complied with the requirements under Neb. Rev. Stat. § 37-807(3) to consult with and request the assistance of the Nebraska Game and Parks Commission in order to utilize the Board's authority in furtherance of the purposes of the Nebraska Nongame and Endangered Species Act, and to insure that approval of the proposed transmission line would not jeopardize the continued existence of any endangered or threatened species or result in the destruction or modification of habitat of such species which is determined by the Commission to be critical. The Commission has determined that the proposed project "may affect but is not likely to adversely affect" any endangered or threatened species or habitat critical to those species. The Board believes it is reasonable to defer to the expertise of the Commission. The Board therefore

concludes that, due to NPPD's agreement to work with the Commission to take measures to mitigate any potential impact on threatened or endangered species, including installation of bird flight diverters as determined to be necessary, approval of the proposed transmission lines and substation would not jeopardize the continued existence of any endangered or threatened species or result in the destruction or modification of the critical habitat of such species.

23. The Board finds that the evidence shows the proposed transmission line will serve the public convenience and necessity.

24. The Board finds that the evidence demonstrates that NPPD can most economically and feasibly supply the electric service resulting from the proposed transmission line.

25. The Board finds that the evidence demonstrates the proposed project will not unnecessarily duplicate other facilities or operations.

26. That based on the foregoing findings, NPPD is entitled to an Order approving the construction of the transmission line described in PRB-3640.

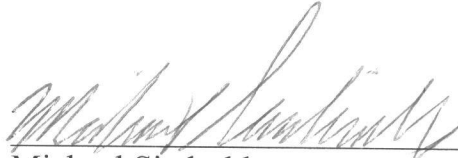
ORDER

That during that part of its public meeting on January 21, 2011, held subsequent to the hearing on the merits pertaining to application PRB-3640, a majority of the members of the Power Review Board, by a vote of 5 to 0, voted in favor of a motion to approve application PRB-3640.

IT IS THEREFORE ORDERED by the Nebraska Power Review Board that, pursuant to the Board's action taken during its public meeting held January 21, 2011,

application PRB-3640 for authorization to construct nine miles of 115 kilovolt transmission line in Custer County, Nebraska, and hereby is APPROVED.

Dated this 28th day of February, 2011.



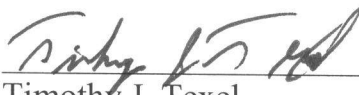
Michael Siedschlag
Chairman

CERTIFICATE OF SERVICE

I, Timothy J. Texel, Executive Director and General Counsel for the Nebraska Power Review Board, hereby certify that a copy of the foregoing **Order** in PRB-3640 has been served upon the following parties by mailing a copy of the same to the following persons at the addresses listed below, via certified United States mail, first class postage prepaid, on this 28th day of February, 2011.

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