

**STATE OF NEBRASKA  
NEBRASKA POWER REVIEW BOARD**

IN THE MATTER OF THE APPLICATION OF )  
THE CITY OF GRAND ISLAND, NEBRASKA, )  
REQUESTING AUTHORIZATION TO )  
CONSTRUCT 7.03 MILES OF 115 KILOVOLT )  
TRANSMISSION LINE IN HALL COUNTY, )  
NEBRASKA. )

**PRB-3643**

**ORDER**

ON THE 18<sup>th</sup> day of February, 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 January 27, 2011, the City of Grand Island (“the City” or “Grand Island”) filed an application with the Board requesting authorization to construct seven and three hundredths (7.03) miles of 115 kilovolt (“kV”) three-phase transmission line near the City of Grand Island, in Hall County, Nebraska. (Exh. 1). The application was designated “PRB-3643.”

2. The estimated total cost of the project is seven million dollars (\$7,000,000). (Exh. 1, page 3).

3. Grand Island estimates the proposed line would be completed on or about December 31, 2012. (Exh. 1, page 3).

4. The stated purpose of the proposed line is to connect the City's "substation F" and the Nebraska Public Power District's ("NPPD") St. Libory substation in order to increase the reliability and redundancy of the City's electric transmission system. (Exh. 1, page 2). The City's substation F is located in the northeast portion of the City, while NPPD's St. Libory substation is located approximately six miles northwest of the City in the northwestern quarter of section 11, Township 12 North, Range 10 West of the 6<sup>th</sup> Prime Meridian. (Exh. 1, page 4).

5. That those power suppliers and entities, other than the applicant, that the Board deemed to be potentially affected by or interested in PRB-3643 were NPPD, the Southern Public Power District, and the City of Hastings, Nebraska. Written notice of the filing of the application and the hearing date was provided to these potentially interested parties and Grand Island via certified U.S. mail (Exh. 2, page 4).

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 Grand Island Independent on Tuesday, February 8, 2011. (Exh. 3). The Grand Island Independent is a legal newspaper 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 NPPD, the Southern Public Power District, and the City of Hastings, Nebraska, consented to the approval of PRB-3643 and waived a hearing and further notice in the matter. (Exhs. 4, 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 to the Board dated February 14, 2011, stating that the proposed transmission line is within the range of the following three threatened or endangered species: a) whooping crane (*Grus americana*), b) western prairie fringed orchid (*Platanthera praeclara*), and c) small white lady's slipper (*Cypripedium candidum*). (Exh. 7, page 2)

10. In the letter, the Commission informed the Board that there are no records of western prairie fringed orchid or small white lady's slipper in the project area, and the project area lacks suitable habitat for these species. (Exh. 7, page 2).

11. Also in the letter, the Commission informed the Board that there are records of whooping cranes in the vicinity of the project. The Commission explained that

Grand Island has agreed to incorporate certain precautions into its contract specifications for the project to avoid adverse impacts to whooping cranes. Grand Island committed to conduct a survey each morning for the presence of whooping cranes in the project area if construction activities occur during the species' spring or fall migration periods (March 23 to May 10 and September 16 to November 16, respectively). The migration dates are subject to adjustment based on whooping crane annual migration patterns. The Commission will notify Grand Island if the dates change. If a whooping crane is present in the project area, construction activities will not begin until the crane moves more than one-half mile away from the project area. Grand Island also agrees to cease all construction activity if a whooping crane moves within one-half mile of the project area, and not restart construction activities until the whooping crane moves more than one-half mile away from the project area. Grand Island agreed to report such sightings to the Commission immediately. (Exh. 7, page 2; T27:10 to 30:1).

12. Based on Grand Island's commitments, the Commission determined that the proposed project will have "No Effect" on state-listed threatened or endangered species. The Commission stated it has no objection to the proposal as planned. (Exh. 7, pages 2 and 3).

13. In 2006 Grand Island had a "Transmission and Substation System Review and Study" prepared to examine the City's long-range needs for its transmission and distribution system. The purpose of the study was to identify the system improvements that might be necessary to ensure the City could meet its load growth and reliability needs. The study used ten years as the long-range period considered. (T14:3-15; Exh. 8,

pages 15-86). The City was also interested in determining the optimum location for a line that could meet the City's needs. (T15:22 to 16:2). The study was prepared by Advantage Engineering, Inc. (Exh. 8, page 15).

14. The study included multiple recommendations, one of which was that the line under consideration in PRB-3643 should be constructed to improve the City's transmission system. (T14:16 to 15:9). The study concluded that the line proposed in PRB-3643 would provide increased redundancy for Grand Island's interconnection with the regional transmission grid and would provide the City with access to additional transmission capacity. (T14:16 to 15:21; Exh. 8, pages 20-21, 50-51, 76). The study concluded that the line now under consideration was the "least disruptive and lowest cost option studied, by far, for the addition of an independent source to Substation F." (Exh. 8, pages 50-51). If the line were built, the study projected that the project would satisfy the City's transmission needs until 2027. (T32:3 to 33:25).

15. Grand Island currently has a 115 kV transmission loop encircling the City. The City could lose power to any specific segment of the transmission loop and still provide power to all of the City's substations from the other direction of the loop. (T16:21 to 17:5; Exh. 8, page 98). Grand Island's generating facilities and interconnections with the regional transmission grid are currently concentrated on the eastern and southern sides of the City. (T17:6-22; Exh. 8, page 98). Grand Island's growth, in terms of new housing and businesses, has primarily been in the north and west portions of the City, and that trend is expected to continue in the future. (T35:13 to 36:3). Grand Island currently has no transmission interconnections with the regional grid on the

north or west side of the City. The proposed line would provide an interconnection in the northwest portion of the City's 115 kV transmission loop. (T26:7-20). The City determined that in order to ensure redundancy for the northern portion of its service area, it was in their ratepayers best interests to construct a line interconnecting with the regional transmission grid on the north side of the City's 115 kV transmission loop. The proposed line can provide the needed redundancy for the northern portion of Grand Island's service area. (T17:20 to 18:3; Exh. 8, page 99). The redundancy the proposed line can provide can help ensure that the City continues to receive power during emergencies, such as the ice storm that collapsed the southern portion of the City's 115 kV transmission loop in 2006. (T36:4 to 38:6).

16. The facility with which Grand Island's proposed line would interconnect with the regional transmission grid is currently a junction and not a full substation, although it is commonly referred to as a substation. The junction is part of NPPD's transmission system. Grand Island and NPPD have entered into an agreement to share the cost to upgrade the St. Libory junction to a full substation to accommodate the interconnection of Grand Island's proposed 115 kV line. (T18:4-15; Exh. 8, pages 88-94). The construction and costs involved in upgrading the St. Libory junction are not part of PRB-3643. (T30:18-23).

17. Grand Island conducted a study to determine where the proposed line, if it were built, should be located in order to provide the needed service in the most economical and feasible manner. The City considered five alternate routes within a project study area (T19:10 to 20:1; Exh. 8, pages 100-102). Grand Island selected

Alternative 5, proposed in PRB-3643. Alternative 5 was the most direct and lowest cost route, which also passed near the fewest homesteads. (T20:1-7).

18. When Grand Island constructed Substation F, it anticipated the future need for transmission interconnection on the north side of the City. Substation F was therefore built with an open bay to be used at some future date. If another substation on the north or west of the City's 115 kV transmission loop, such as Substations B or C, were to be used as the interconnection point for the new line, the City would incur additional costs to add a new bay to the facility. Thus, interconnecting to Substation F was a more cost-effective alternative. Also, Substation F is newer than substations B and C. (T21:17 to 22:11).

#### **CONCLUSIONS OF LAW**

19. 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-3643.

20. 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 will have “No Effect” on any endangered or threatened species or habitat critical to those species, based on Grand Island’s agreement to perform the actions outlined in the Commission’s letter dated February 14, 2011, and paragraph 11 above. The Board believes it is reasonable to defer to the expertise of the Commission. The Board therefore concludes that, due to Grand Island’s commitment to perform the actions described in the Commission’s letter and paragraph 11 above, 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 the critical habitat of such species.

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

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

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

24. That based on the foregoing findings, Grand Island is entitled to an Order approving the construction of the transmission line described in PRB-3643.



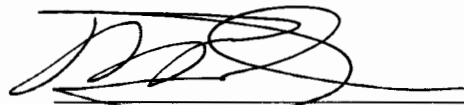
## ORDER

That during that part of its public meeting on February 18, 2011, held subsequent to the hearing on the merits pertaining to application PRB-3643, a majority of the members of the Power Review Board, by a vote of 3 to 0, voted in favor of a motion to approve application PRB-3643.

IT IS THEREFORE ORDERED by the Nebraska Power Review Board that, pursuant to the Board's preliminary action taken during its public meeting held February 18, 2011, application PRB-3643 for authorization to construct 7.03 miles of 115 kilovolt transmission line in Hall County, Nebraska be, and hereby is, APPROVED.

IT IS FURTHER ORDERED that, pursuant to the requirements in Neb. Rev. Stat. § 37-807, the City of Grand Island act in conformity with its agreements with the Nebraska Game and Parks Commission to mitigate the possibility of negative impacts of construction activities to whooping cranes that might be located in the project area during the cranes' migration periods, as described in paragraph 11 of this Order and the Nebraska Game and Parks Commission's letter to the Power Review Board dated February 14, 2011.

Dated this 18 day of March, 2011.

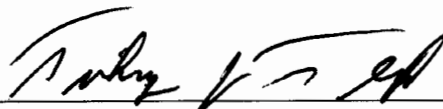
  
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Mark Graham  
Vice-Chairman

## 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-3643 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 18<sup>th</sup> day of March, 2011.

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