

March 2, 2005

Mr. Dan P. Stinnett
Field Supervisor
U.S. Fish and Wildlife Service
1 Federal Drive
BHW Federal Building
Fort Snelling, MN 55111-4056

SUBJECT: Monticello Nuclear Generating Plant Environmental Review, Request for
Concurrence on Potential Impacts to Threatened and Endangered
Species

Dear Mr. Stinnet:

Northern States Power Company (NSP) d/b/a Xcel Energy (Xcel Energy) and Nuclear Management Company, LLC (NMC) would like to thank the U.S. Fish and Wildlife Service (FWS) for your June 7, 2004 letter. As you may know, Xcel Energy has decided to pursue license renewal for the Monticello Nuclear Generating Plant (MNGP); potentially extending the operating license for an additional twenty years.

NMC is currently finalizing the application to the U.S. Nuclear Regulatory Commission (NRC) to renew the operating license for MNGP, which expires in 2010. As part of the license renewal process and environmental review, the NRC requires license applicants to assess potential impacts associated with continued operation of MNGP on threatened and endangered species, in accordance with NRC guidance set forth in 10 CFR 51.53(c)(3)(iii)(E) and the Endangered Species Act (16 U.S.C. 1531). This assessment will be included in the Environmental Report (ER), which is one component of the license renewal application. Additionally, the NRC may request a consultation with your office, as a component of their site-specific review, under Section 7 of the Endangered Species Act [16 U.S.C. 1536 (a)(2)].

This letter serves as a formal request for a listing of threatened and endangered species and critical habitats present on the MNGP site and associated transmission corridors of concern.¹ NMC has consulted with the Minnesota Department of Natural Resources (MNDNR) Natural Heritage and Nongame Research Program and obtained information relative to occurrence of protected species and other significant natural features present on the MNGP site and associated transmission line corridors of concern. NMC further requests that FWS review the following assessment summary, consider the information provided by MNDNR and provide any additional occurrence data that has not been addressed.

¹ Under NRC guidance, the scope of the environmental review to be included in the applicants Environmental Report extends only to the MNGP site and the transmission lines constructed for the specific purpose of connecting the plant to the transmission system [10CFR51.53(c)(3)(ii)(H)].

NMC and Xcel Energy do not expect renewal of the MNGP operating license to affect federally listed threatened and endangered species, jeopardize the continued existence of such species, or result in the destruction or adverse alteration of any critical natural habitats. Additionally, NMC and Xcel Energy do not expect renewal of the MNGP operating license to negatively impact state listed threatened and endanger species. MNDNR Natural Heritage and Nongame Research Program staff noted similar conclusions, and requested the opportunity to review and comment on any major construction activities or transmission line upgrades taking place in the future in order to review potential impacts².

Area of Concern

The MNGP site encompasses approximately 2,150 acres with roughly two miles of shoreline frontage on both the north and south banks of the Mississippi River in Wright and Sherburne Counties. Figure 1 and Figure 2 (enclosed) depict areas within a 6-mile radius and a 50-mile radius of the site. In order to support plant operation, two transmission lines were installed as a direct result of initial construction and operation of MNGP. These lines extend through Wright, Sherburne, Anoka, Hennepin and Ramsey Counties. Figure 3 and Figure 4 (enclosed) illustrate the MNGP site and the transmission corridors assessed as a component of the license renewal application.

Information provided by the MNDNR Natural Heritage and Nongame Research Program concerning occurrences of rare species and natural communities both on the MNGP site and along the transmission corridors of interest is summarized in Tables 1 and 2 (enclosed). Table 1 includes a summary of natural communities found in the vicinity of the transmission corridors. Table 2 lists the seven protected species, one federally listed and six state listed, which have been documented by the MNDNR as occurring on, or in the vicinity of, MNGP and the transmission corridors of interest. The following discussion summarizes the assessment for these seven protected species.

Bald Eagle, Peregrine Falcon, and Loggerhead Shrike

Impact initiators with respect to the bald eagle (*Haliaeetus leucocephalus*), peregrine falcon (*Falco peregrinus*), and loggerhead shrike (*Lanius ludovicianus*) include direct destruction of habitat from land disturbing activities on the MNGP site and routine vegetation maintenance practices both on site and along the transmission corridors. However, NMC and Xcel Energy have no plans to significantly alter current operations, or engage in any substantive land disturbing activities as part of the license renewal process. In addition, any plans for site alteration would comply with permitting requirements administered by both the City of Monticello and the State of Minnesota. NMC would obtain necessary permits before implementing any activities on the site potentially resulting in adverse impact to threatened or endangered species, and would continue to comply with all such applicable protective requirements in the license renewal term.

² Letter S. Hoffman (MNDNR) to Y. Abernathy (Constellation Nuclear Services, staff supporting Environmental Report development) dated July 28, 2004 regarding Request for Natural Heritage information for vicinity of Monticello Nuclear Generating Plant and Transmission Line Corridors.

In addition to site disturbing activities, routine vegetation maintenance practices conducted on transmission line corridors are designed to maintain herbaceous and lower growing trees and shrubs. Selective removal of tall-growing trees and brush by manual cutting and application of EPA-approved herbicides, when necessary, are conducted for safety purposes along the transmission line corridors. Tall-growing trees, capable of attaining sufficient heights to contact transmission conductors, structures and guy wires are cleared. Low-growing grasses, shrubs and woody plants are typically left on the transmission line right-of-ways. Vegetation management practices are not expected to adversely impact bald eagles, peregrine falcons or loggerhead shrikes. Moreover, shrubs and other low-growing vegetation are consistent with habitat affinities of the loggerhead shrike.

Trumpeter Swan

Impact initiators pertaining to the trumpeter swan (*Cygnus buccinator*) include potential cessation of warm water discharges during the winter months and collisions with transmission lines. Prior to the operation of MNGP, areas of the Mississippi River in the vicinity of the site froze over during winter months. Thermal discharges from MNGP now keep areas of the river downstream from the site open, providing habitat for over-wintering waterfowl, including the trumpeter swan. This species has been appearing near the MNGP site in increasing numbers, with one estimate of 750 birds present at the height of the 2002-2003 season. Potential cessation of warm water discharges during the winter months could result in the loss of the open water habitat downstream from MNGP currently utilized by trumpeter swans. However, NMC typically schedules re-fueling outages during the early spring or fall to coincide with periods of reduced demand for power, which also reduces potential impacts to the swans associated with cessation of warm water discharges during the coldest periods of the year.

With regard to trumpeter swan collisions with transmission lines, Xcel Energy entered into a Memorandum of Understanding (MOU) with the U.S. Fish and Wildlife Service. As you may know, the MOU outlines a cooperative partnership between both entities to address avian issues related to Xcel Energy transmission and distribution structures. In order to achieve this goal, Xcel Energy is charged with the development and implementation of an Avian Protection Plan. The envisioned Plan, to begin development this year, seeks to minimize to the extent possible, threats posed to migratory birds protected under the Migratory Bird Treaty Act of 1918 (16 U.S.C. 703), by retrofitting and redesign of transmission and distribution structures. In the fall of 2003, Xcel Energy began implementation of a program to install swan flight diverters on the transmission line shield wires, which are the thin wires located at the top of the transmission line. These efforts seek to reduce avian deaths where incidents of bird collisions have occurred in the past. Most recently, Xcel Energy has installed these swan flight diverters on the transmission lines south of the MNGP site.

Blanding's Turtle, Uncas Skipper, and Tall Nut-Rush

Blanding's Turtle (*Emydoidea blandingii*), a state-listed threatened species, was identified by MNDNR as occurring along transmission line corridors in Anoka and Sherburne Counties. Further, a transmission line corridor in Sherburne County traverses through a "known concentration area" of this species. Blanding's turtles require both riparian/wetland habitat and sandy upland habitat to complete their life cycle.

Uncas Skipper (*Hesperia uncas*), a state-listed endangered species, was documented by MNDNR as occurring in the vicinity of the transmission corridor in Sherburne County. This species prefers short-grass prairie and open woodland habitat. The Uncas Skipper has experienced a dramatic loss of habitat due to forestation of savannah and the loss of fire as a naturally occurring event in the regional ecosystem.

Tall nut-rush (*Scleria trigomerata*), a state-listed endangered species, was documented by MNDNR as occurring in the vicinity of the transmission corridor in Anoka County where the corridor passes through Bunker Hills Regional Park. This species can be found in dry or moist sandy ground and tolerates open, to shaded, light conditions. This species is typically found in prairie habitats and near marsh areas.


Impact indicators for Blanding's turtle, Uncas skipper, and tall nut-rush include routine vegetation management practices along the transmission line corridors. NMC and Xcel Energy observe that plant communities that are maintained on the transmission corridors by these established management practices described above are highly consistent with the habitat affinities identified for Blanding's Turtle, Uncas Skipper and Tall Nut-Rush. In particular, both wetland and upland habitats are maintained in low-growing vegetation through the use of manual cutting and selective application of EPA-approved herbicides resulting in the open habitats preferred by these species.

NMC and Xcel Energy would appreciate your review, and transmittal of written concurrence, or concerns relative to our conclusions that continued operation of MNGP would have no affect on threatened and endangered species or the continued existence of critical habitats in the vicinity of the site. In addition, please include additional occurrence data relative to state and federally listed threatened and endangered species, if warranted. Thank you again for your June 7, 2004 letter. By continuing correspondence with the USFWS during the license renewal environmental review process, we hope to identify any issues that need to be addressed, or information required in order to expedite the NRC's consultation with your agency. Please forward any comments, additional information, questions, or concerns to:

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Monticello, MN 55362
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Sincerely,


Thomas J. Palmisano
Monticello Site Vice President
Nuclear Management Company, LLC


Charles Bomberger
General Manager,
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CC: Ms. Robyn Thorson, Regional Director, USFWS
Jim Alders-Xcel Energy, Manager, Regulatory Administration
Terry Pickens-Nuclear Management Company, LLC, Director, Government
Affairs

FIGURE 1
 50-MILE VICINITY

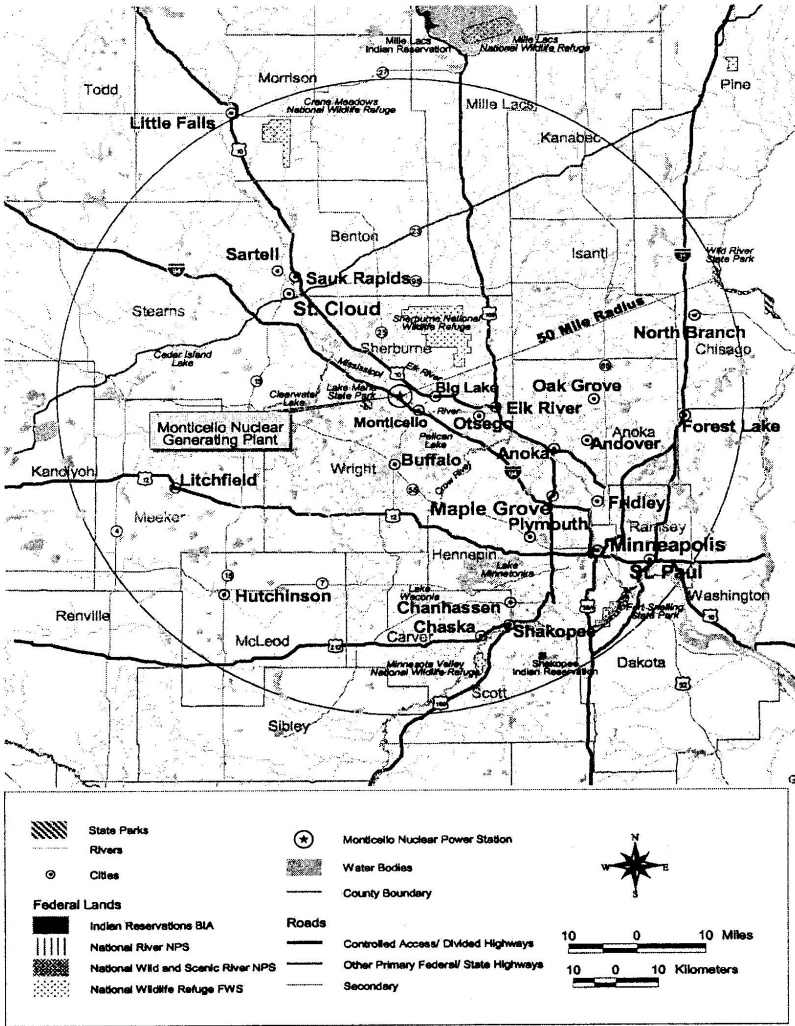


FIGURE 2
 6-MILE VICINITY

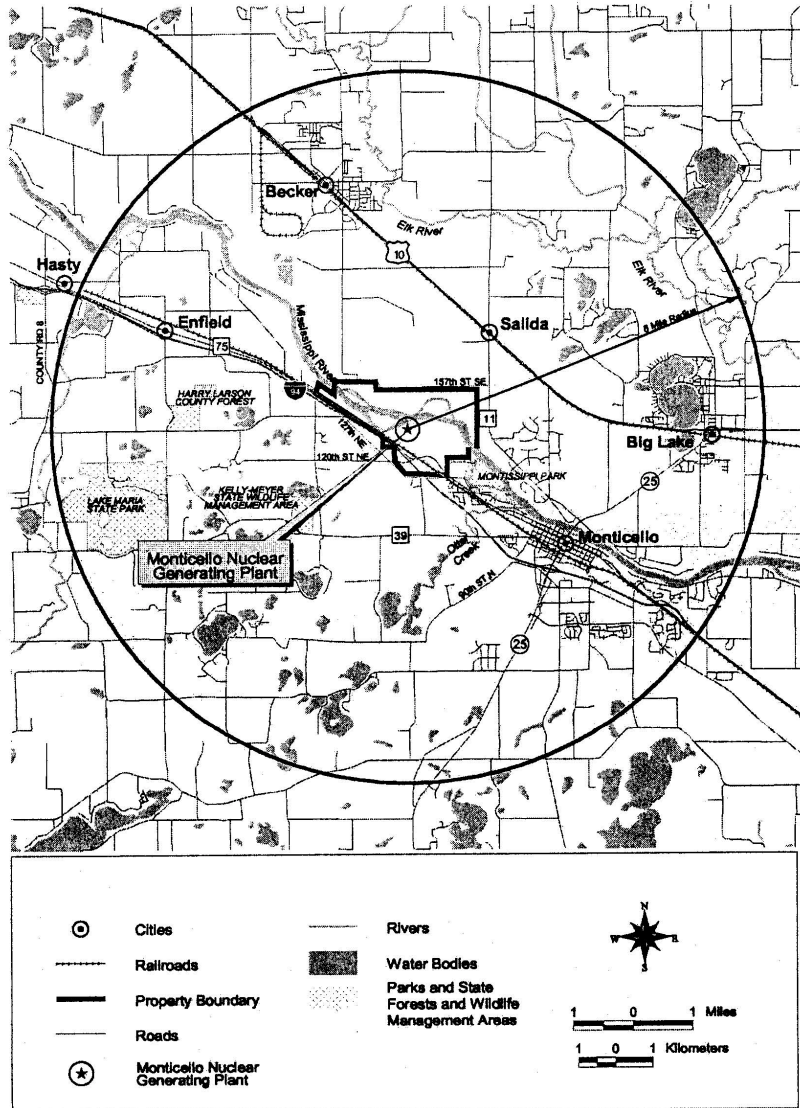


FIGURE 3
 MONTICELLO NUCLEAR GENERATING STATION SITE BOUNDARY

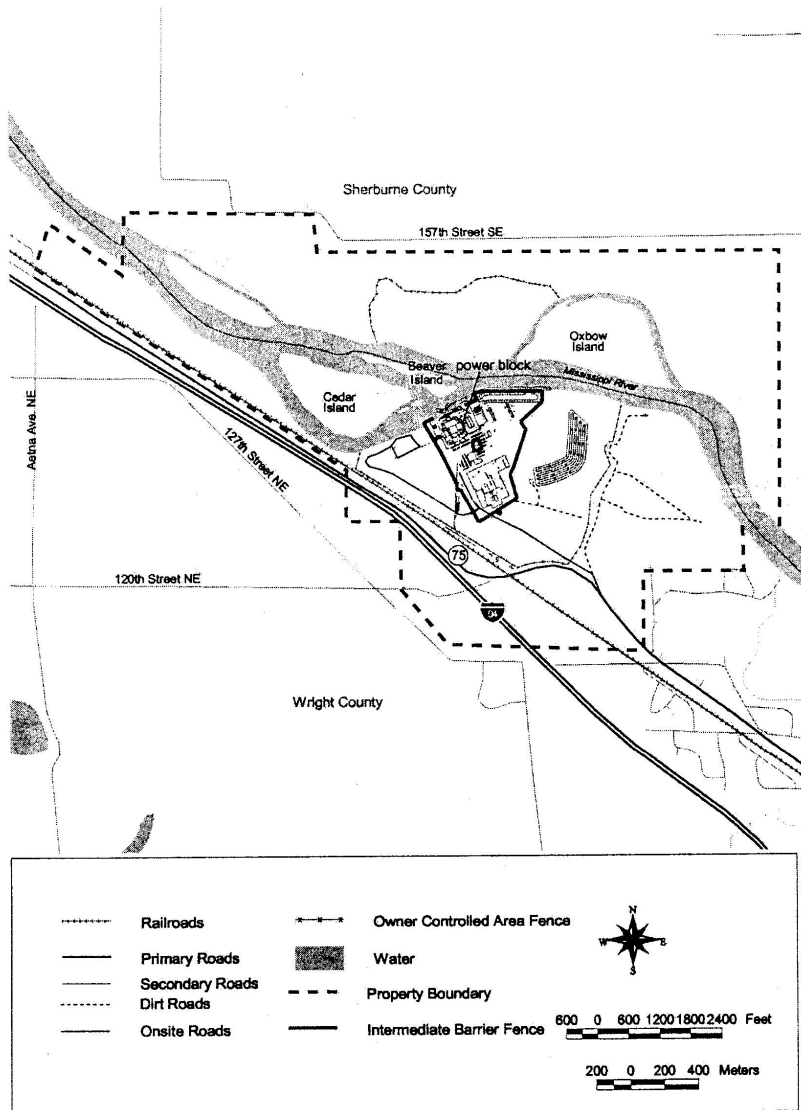
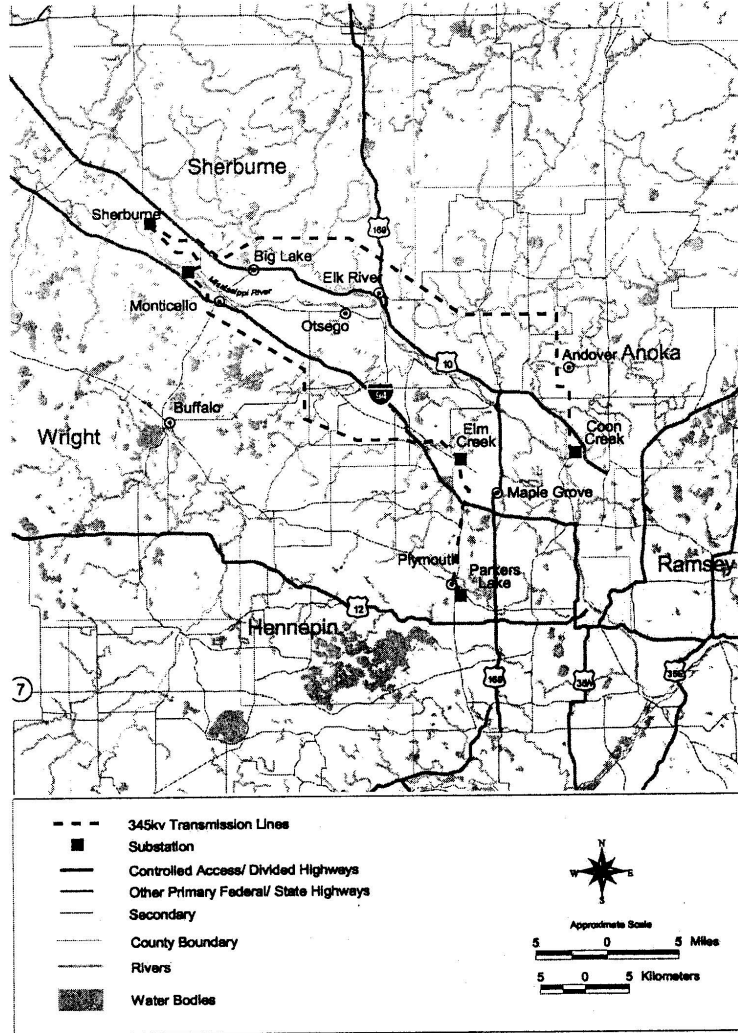


FIGURE 4
 MONTICELLO NUCLEAR GENERATING STATION
 345-KV TRANSMISSION CORRIDORS



**TABLE 1
STATE OF MINNESOTA IDENTIFIED NATURAL COMMUNITIES IN
THE VICINITY OF THE TRANSMISSION CORRIDORS^a**

General Location	Communities	Site Biodiversity Significance
Wright County		
Immediately South of MNGP – ROW passes through area	Dry Prairie	High
Sherburne County		
Approximately 3 miles northeast of MNGP and south of the Thompson Lake Area – ROW adjacent to southernmost edge of area	Oak Forest	Moderate
	Alder Swamp	
	Rich Fen	
Approximately 4 miles northwest of City of Elk River – ROW adjacent to southwest corner of area	Dry Oak Savanna	High
	Oak Forest	
	Mixed Hardwood Swamp	
	Alder Swamp	
Approximately 1 mile northeast of City of Elk River – ROW adjacent to northern boundary of area	Tamarack Swamp	Moderate
	Willow Swamp	
	Oak Forest	
Anoka County		
Approximately 3.5 miles southwest of Andover and immediately west of Bunker Hills Regional Park – ROW runs through area	Oak Forest	Outstanding
	Dry Oak Savanna	
Approximately 1 mile south of Andover along State Highway 78 – ROW is adjacent to area	Dry Oak Savanna	High
	Dry Prairie	
Hennepin County		
Approximately 0.5 miles north of intersection of I-494 and Highway 9 in Plymouth – ROW adjacent to area	Maple-Basswood Forest	High
<p>a. Source: Hoffmann, S. (Minnesota Department of Natural Resources). 2004. "Request for Natural Heritage information." Correspondence with Y. Abernethy (Constellation Nuclear Services). July 28. MNGP = Monticello Nuclear Generating Station ROW = right-of-way</p>		

**TABLE 2
THREATENED AND ENDANGERED SPECIES OCCURRING IN THE VICINITY
OF MNGP AND THE ASSOCIATED TRANSMISSION CORRIDORS^a**

Common Name	Scientific Name	Status ^b	
		Minnesota	U.S.
Birds			
Bald Eagle	<i>Haliaeetus leucocephalus</i>	SPC	T
Loggerhead Shrike	<i>Lanius ludovicianus</i>	T	
Peregrine Falcon	<i>Falco peregrinus</i>	T	
Trumpeter Swan	<i>Cygnus buccinator</i>	T	
Reptile			
Blanding's Turtle	<i>Emydoidea blandingii</i>	T	
Insects			
Uncas Skipper	<i>Hesperia uncas</i>	E	
Plants			
Tall Nut-rush	<i>Scleria triglomerata</i>	E	

- a. Based on occurrences reported by the Minnesota Department of Natural Resources (MNDNR) in the Minnesota Natural Heritage database [Hoffmann, S. (MNDNR). 2004. "Request for Natural Heritage information." Correspondence with Y. Abernethy (Constellation Nuclear Services). July 28.]
- b. E = Endangered, T = Threatened, SPC = Species of Special Concern.