



# Public Service Commission of Wisconsin

Burneatta Bridge, Chairperson  
Ave M. Bie, Commissioner  
Robert M. Garvin, Commissioner

610 North Whitney Way  
P.O. Box 7854  
Madison, WI 53707-7854

February 26, 2004

To Possibly Affected Persons:

Re: Application of Wisconsin Electric Power Company;  
Wisconsin Energy Corporation; and W.E. Power, LLC;  
for a Certificate of Public Convenience and Necessity for  
Construction of Two Large Electric Generation Facilities,  
the Port Washington Generating Station, and Associated  
High Voltage Transmission and Natural Gas  
Interconnection Facilities to be Located in Ozaukee  
County 05-CE-117

Application of Wisconsin Gas Company, as a Gas Public Utility,  
for Authority to Construct a High-Pressure Natural Gas Line in  
Washington and Ozaukee Counties, Wisconsin 6650-CG-211

Application of American Transmission Company for a Certificate  
of Authority to Rebuild and Upgrade Certain Transmission System  
Facilities to Support the Port Washington Generating Station 137-CE-104

In an order dated December 20, 2002, the Commission issued a Certificate of Public Convenience and Necessity (CPCN) that approved a project by W.E. Power LLC (W.E. Power) to develop a 1,090 MW intermediate load, natural gas combined-cycle electric generating facility at the existing Port Washington power plant site in the city of Port Washington. The two new 545 MW units would replace 320 MW of coal generation presently on the site, which is located on the Lake Michigan shoreline, just south of the harbor. The coal-fired generators and all related coal facilities would be removed from the site. W.E. Power would finance, construct, and own the Port Washington Generating Station (PWGS). WEPCO would operate the PWGS under a long-term lease arrangement. WEPCO is assisting with all aspects of designing, permitting, and constructing the facilities.

On January 27, 2004, the Dane County Circuit Court remanded to the Commission its Final Decision on the Port Washington Generating Station, with instructions to revise the environmental assessment. The Court issued a Memorandum Decision and Order directing the Commission to evaluate the two proposed 545 MW gas-fired units and the significance of their related environmental effects on their own merits, without regard to the existing coal plants. As a result, the Commission has prepared a revised environmental assessment to comply with this order. This letter is the Commission's preliminary determination as to whether an Environmental Impact Statement (EIS) should be prepared for this project, based upon the findings of its revised environmental assessment.

The Commission's preliminary determination is that an EIS is not required. It is now seeking comments on this conclusion.

Two alternative layouts for the power plant on the Port Washington site were proposed. One configuration maximizes the reuse of the existing infrastructure, including a portion of the existing building, the electric substation, and the cooling water intake and discharge facilities. The alternate layout would place the plant south of the existing facility, nearly perpendicular to Lake Michigan and parallel to the north face of the bluff which would need to be cut back to some extent. The existing cooling water intake and discharge locations could be used with the alternative layout, but the substation facilities would have to be rearranged.

The proposed power plant and associated natural gas line are Type II actions under Wis. Admin. Code § PSC 4.10(2). Consequently, the project requires the preparation of an environmental assessment to determine whether an EIS is necessary under Wis. Stat. § 1.11. The Commission and the Department of Natural Resources (DNR) jointly completed an environmental analysis of the project and prepared an environmental assessment in October 2002. In compliance with Wis. Admin. Code § PSC 4.20(3), the Commission made a preliminary determination that no significant environmental impacts on the human environment were likely to occur as a result of the construction and operation of this project and therefore did not prepare an environmental impact statement.

At a public scoping meeting, jointly sponsored by the DNR and Commission, and held in Port Washington on May 22, 2002, concerns were expressed about noise and traffic congestion during construction. The possible future use of the existing coal dock and water treatment ponds that are on the waterfront were also an issue of interest to the city and members of the public.

The applicants conducted a noise study in which background noise levels (ambient noise) were measured with the coal-fired generators running and with the units turned off. The predicted noise levels for the new natural-gas fired combined-cycle plant were also modeled to determine the ambient noise that would result if the new project was built. The modeling indicates that noise levels from the new plant would range between 42 and 49 dBA during various times of the day and night. The plant would be designed so that noise levels during operation would increase no more than 3 dBA from the ambient noise levels (without the coal plants operating) at the nearest residences. Such an increase would be barely perceptible. A Conditional Use Grant issued by the city of Port Washington would limit noise levels from the new plant to current ambient noise levels and restrict noise during plant construction to the hours of 7 a.m. to 7 p.m.

Minimizing traffic congestion during demolition of the existing coal-fired units and construction of the new combined-cycle plant is also addressed by the Conditional Use Grant. The applicants would develop a 30- to 40-foot wide paved access road from the bluff to the PWGS to provide truck and equipment access during demolition of the coal units.

Public access to the shoreline near the cooling water discharge outfall would be allowed during construction and after construction of the new natural gas-fired plant. The applicants plan to provide additional access, in the form of a bicycle or pedestrian path, to the lakeshore south of the plant as part of the project. Portions of the old coal dock would also be available for public uses consistent with the state's Public Trust Doctrine.

Construction of the proposed plant would result in many permanent and temporary impacts at the plant site. Four 210-foot exhaust stacks would be built; a localized decrease in air quality would occur due to emissions from construction traffic and equipment, and dust from excavating; on a long-term basis, the local air concentrations of carbon monoxide, particulate matter, and volatile organic compounds would increase; and land on the bluff top currently leased for cropland would temporarily be used for storage of soil removed from the north bluff face. Some of the more major effects of the new power plant and its associated facilities are described below.

The applicants proposed conceptual modifications to the existing cooling water intake structure in response to new federal rules regulating the design of cooling water intakes for existing facilities. The modification to the existing cooling water intake proposed by the applicants is a semi-circular porous dike structure consisting of large gravel to cobble-size rock that would be placed in front of the mouth of the intake channel. The dike would permit free passage of water, but act as a physical barrier to aquatic organisms. The design would be expected to be effective in excluding juvenile and adult fish, but its overall potential to screen fish eggs and larvae and to reduce impingement and entrainment to the levels required in the new draft rules is uncertain. Sedimentation along the outer edge of the dike could require periodic dredging. Other potential problems with the design include the potential for debris clogging, ice build-up, and colonization by fish and other aquatic life, such as zebra mussels.

The design and location of the dike could isolate a portion of the public lakebed, cause loss of navigation or potential boating hazards near the dike, concentrate fish on the lake side of the dike, and create habitat for invertebrates, zebra mussels, plankton, minnows, and other organisms. DNR has encouraged the applicants to consider other alternatives that would meet new federal impingement and entrainment criteria and limit encroachment on public waters of the state.

#### Electric Transmission Line Improvements

The American Transmission Company's proposed transmission line improvements needed to connect the new plant to the transmission grid and dispatch power would all occur within existing transmission line rights-of-way (ROW) and at existing substation sites. The three ROW that would be affected include two 4.8-mile corridors between the Port Washington Substation and the Saukville Substation, and one 21.2-mile ROW containing the 138 kV double-circuit Port Washington-Range Line transmission line. (See Attachment 1.) In all three corridors, the existing lattice tower or H-frame structures and wires would be removed and replaced with new structures and conductors.

Although the ROWs are highly disturbed, two plant species listed as special concern species were found to reside in and at the edge of the ROWs. These plants, slender sedge (*Carex gracilescens*) and Indian cucumber root (*Medolis virginiana*) would be avoided during construction. Butler's garter snake (*Thamnophis butleri*), a state-threatened species, may occur in the vicinity of the proposed rebuilds. Impacts can be avoided by restricting construction activities in the area of concern while the snake is active. If this is not possible, an Incidental Take Authorization would be needed from the DNR.

There are several known archeological sites, including burial sites and Native American village sites, along the proposed transmission line rebuilds. The Wisconsin Historical Society is recommending that a qualified archeologist monitor construction work adjacent to one site to ensure that any previously unidentified burial sites are not disturbed during construction. Because federal permits are required for the project, Section 106 of the National Historic Preservation Act may require a pre-construction archeological field survey of all areas to be disturbed by the project.

#### Natural Gas Pipeline

A new high-pressure natural gas pipeline, to be built by Wisconsin Gas Company (WGC), would connect the PWGS to existing ANR Pipeline Company pipelines at the Hartford gate station near the village of Jackson, Washington County. It would consist of 14 miles of 24-inch steel pipeline and about 2.5 miles of 20-inch steel pipeline. Construction of the pipeline would require a work space of up to 75 feet. A permanent easement of about 30 feet would be maintained over the pipeline. The two proposed routes head eastward from the ANR pipelines paralleling existing electric transmission line corridors for about 8.5 miles, before joining and continuing east and north along roads and more transmission line ROWs to the power plant site. (See Attachment 2.)

The primary land use along the proposed gas pipeline routes is agriculture. Construction of the gas pipeline would disrupt crop production during the year of construction and could result in decreased yields in subsequent years. Construction of the gas pipeline would also impact small areas of wetlands and forest.

An extensive evaluation was done of the potential impact of the proposed gas pipeline on the state and federally endangered Hine's emerald dragonfly (*Somatochlora hineana*). The DNR Bureau of Endangered Resources concluded that the dragonfly would not be affected by construction of the proposed gas pipeline.

The proposed gas pipeline could also affect the Butler's garter snake. If present, WGC may need to obtain Incidental Take Permits to allow construction. Based on experience with other large diameter pipelines, incorporating relatively minor construction conditions during construction of the proposed gas pipeline would adequately protect this species.

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The construction of the proposed gas pipeline would result in short-term, localized increases in noise, vibrations, air quality degradation, odors, and erosion and run-off, all of which are expected to be minor.

In summary, although construction of the proposed natural gas-fired power plant, the electric transmission line improvements, and the 16-mile natural gas pipeline would result in local natural resource and community effects in the project area, these are not significant environmental impacts and the project would not significantly affect the quality of the human environment.

While the Commission cannot consider air quality impacts in its determination, it recognizes that local air pollutant concentrations would increase for CO, VOCs, and particulate matter. However, the proposed project would still meet the National Ambient Air Quality Standards for all criteria pollutants and has been granted an air permit. An air emissions analysis recently performed by WEPCO indicates that the coal plant emissions did not significantly affect ambient air quality in the region. Consequently, the likely air quality impacts, without comparison to existing coal plant emission, will not significantly affect ambient air quality in the region.

Copies of the environmental assessment are available upon request from the Commission. Comments on the Commission's finding of no significant impact can be made to Kathleen Zuelsdorff, Public Service Commission, P.O. Box 7854, Madison, WI 53707-7854 or by phone at (608) 266-2730 (e-mail: [kathleen.zuelsdorff@psc.state.wi.us](mailto:kathleen.zuelsdorff@psc.state.wi.us)). Comments must be received by March 15, 2004.

Sincerely,



Kathleen J. Zuelsdorff  
Environmental Analysis and Review Coordinator  
Public Service Commission of Wisconsin

KJZ:jlt:G\PTF\letters\PW Preliminary determination 02-27-04

CC: Michael C. Thompson, DNR  
Thomas Steidl, DNR

Attachments

Attachment 1

Routes of electric transmission lines being rebuilt





