

MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY

In the Matter of the Application of
Montana Alberta Tie Ltd. and MATL LLP. to Amend their
Certificate of Compliance under the Major Facility Siting Act.

On April 2, 2012 Montana Alberta Tie Ltd. and MATL LLP (collectively referred to as MATL) submitted an application to amend their Certificate of Compliance (the Certificate) issued by the Department of Environmental Quality (the Department) on October 22, 2008. The Certificate authorizes construction and operation of a transmission line originating at the existing NorthWestern Energy switchyard near Great Falls, Montana, and extending north to a substation to be constructed northeast of Lethbridge, Alberta. MATL's proposed amendment would change the language in the Certificate and Environmental Specifications to allow relocation of the approved transmission line in two areas.

The first area is located adjacent to NorthWestern Energy's switchyard located across the Missouri River from Giant Springs State Park on property owned by PPL Montana, Western American Retail, Inc., and NorthWestern Corporation (Great Falls Switchyard Modification). The Great Falls Switchyard Modification would widen the transmission line corridor for a distance of approximately 0.4 mile immediately adjacent to the switchyard. The widened corridor would provide the MATL transmission line with a different approach to the switchyard, avoiding a number of existing and planned power lines coming into the same switchyard. Approximately two or three structures would be located outside the currently approved location in rangeland. The Great Falls Switchyard Modification would allow establishment of a right-of-way within the northern edge of the Lewis and Clark Heritage Greenway Conservation Easement held by Fish, Wildlife, and Parks on the north shore of the Missouri River. The Great Falls Switchyard Modification is depicted in Figure 1 attached to the Final Environmental Assessment.

The second area is located approximately three miles south of Conrad on property owned by Allen and Terri Denzer, et al; Douglas C. Banka; Fred C. and Ruth E. Banka; and Laurie Phillips (Banka Modification). The Banka Modification would relocate the approved transmission line for a distance of approximately 2.6 miles. MATL has proposed the Banka Modification in response to a landowner's request to shift the transmission line to an area with less cultivated land to reduce potential impacts to farming activities. The Banka Modification is depicted in Figure 2 attached to the Final Environmental Assessment.

On April 11, 2012 the Department issued a Draft Environmental Assessment analyzing the amendment as proposed by MATL (Proposed Action). The Department also analyzed an alternative under which the approved location in the Certificate and Environmental Specifications would remain unchanged (No Action Alternative). Under the No Action Alternative, MATL would construct the transmission line within the corridor approved on October 22, 2008. The Department did not receive any comments on the Draft Environmental

Assessment. The Department is issuing a Final Environmental Assessment contemporaneously with this decision document.

DEPARTMENT DECISION

Pursuant to Section 75-20-219(1), MCA, if the Department determines that the proposed change would result in a material increase in any environmental impact of the facility, or a substantial change in the location of all or a portion of the facility as set forth in the certificate, the Department is required to grant, deny or modify the amendment with conditions it considers appropriate. Under Section 75-20-219(2), MCA, if the Department determines that the proposed change in the facility would not result in a material increase in any environmental impact or a substantial change in the location of all or a portion of the facility as set forth in the certificate, the Department is required to automatically grant the amendment either as applied for or upon terms or conditions that the Department considers appropriate. Therefore, whether or not there is a material increase or a substantial change in the location of all or part of the facility, the Department has the authority to grant and condition its approval of the amendment.

1. Great Falls Switchyard Modification

MATL has requested a right-of-way on NorthWestern Energy's property to facilitate the transmission line's access to the switchyard under the Great Falls Switchyard Modification. As previously indicated, the right-of-way would be within the northern edge of the Lewis and Clark Heritage Greenway Conservation Easement held by Fish, Wildlife, and Parks on NorthWestern Energy's property.

Pursuant to Section IV(4) of the Lewis and Clark Heritage Greenway Conservation Easement, Fish, Wildlife, and Parks has thirty days to review and comment on MATL's request for the right-of-way. NorthWestern Energy has provided Fish, Wildlife and Parks with an opportunity to review and comment on MATL's requested right-of-way by letter dated April 17, 2012.

The time frame for Fish, Wildlife and Parks to review and comment on the requested right-of-way within the Lewis and Clark Heritage Greenway Conservation Easement will not have run before the Department is required to issue a decision on the proposed amendment pursuant to Section 75-20-219, MCA. MATL, however, has provided the Department with a written waiver of the 30-day timeframe within which the Department is required to make a decision on the proposed amendment. The Department, therefore, is postponing its decision on the Great Falls Switchyard Modification until Fish, Wildlife, and Parks has had a full opportunity to review and comment on MATL's requested right-of-way across NorthWestern Energy's property that is subject to the Lewis and Clark Heritage Greenway Conservation Easement. The Department anticipates issuing a decision on the Great Falls Switchyard Modification by May 31, 2012.

2. Banka Modification

In regard to the proposed amendment as it pertains to the Banka Modification, the Department has determined that the Banka Modification could reduce the number of structures placed in cultivated land and move the transmission line further away from a newly found ferruginous hawk nest. The Banka Modification could result in greater impacts to soils, vegetation, and cultural resources than the No Action Alternative. These impacts, however, are minimized by

mitigating measures set forth in the Certificate of Compliance. The Banka Amendment does not result in a material increase in any environmental impact or a substantial change to a portion of the facility.

The Department approves the Proposed Action as it pertains to the Banka Modification with the following conditions:

The approved location of the transmission line would be modified in the Banka area as indicated in Figure 2 of the Final EA. In addition, prior to beginning construction within one mile of the new ferruginous hawk nest near the area affected by the Banka Modification, the Department requires MATL to consult with FWP and to implement precautions to minimize impacts on nesting raptors as suggested by FWP. Results of this documentation shall be provided to the Department prior to construction within one mile of the nest. The Department will update and maintain in its files a topographic map having a scale of 1:24,000 showing section lines and the revised approved locations for the facility.

Conditions set forth in the Certificate of Compliance and Environmental Specifications would remain in full force and effect unless they conflict with this amendment.

The Banka Modification would not materially increase impacts and would allow construction of the transmission line in a location that is acceptable to the directly affected landowners. The No Action Alternative was not selected because it would not satisfy the landowner request that the transmission line be moved to allow placement of structures in an area with less cultivated land. The No Action Alternative also would not move the transmission line farther away from a newly discovered ferruginous hawk nest and would not avoid two additional crossings of a railroad.

A person aggrieved by the final decision of the Department on an application for amendment of a certificate may within 15 days appeal the decision to the Board of Environmental Review as provided in Section 75-20-223(2), MCA.

Dated this 2nd day of May, 2012.



Richard H. Opper
Director
Department of Environmental Quality