

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger
 Nancy Lange
 Dan Lipschultz
 Matthew Schuerger
 John Tuma

Chair
 Commissioner
 Commissioner
 Commissioner
 Commissioner

To: Official Service List

SERVICE DATE: July 26, 2016

DOCKET NO. G-011/GP-15-858

In the Matter of the Application of Minnesota Energy Resources Corporation for a Route Permit for the Rochester Natural Gas Pipeline Project in Olmsted County

The above entitled matter has been considered by the Commission and the following disposition made:

Accepted the June 27, 2016 comments and recommendations of the EERA staff for route segments for consideration at the public hearing, as summarized below:

TABLE 1			
ROCHESTER NATURAL GAS PIPELINE ROUTE SEGMENT PROPOSALS			
MERC MODIFIED PREFERRED ROUTE SEGMENTS	ROUTE SEGMENT LOCATION ON FIGURE 2 MAPS	OTHER PROPOSED ROUTE SEGMENTS	ROUTE SEGMENT LOCATION ON FIGURE 2 MAPS
1P	Fig 2. P. 1	10	Fig 2. P. 1
2P	Fig 2. P. 1 & 2	11	Fig 2. P. 1 & 2
3P	Fig 2. P. 2 & 3	12	Fig 2. P. 2 & 3
4P	Fig 2. P. 2 & 3	13	Fig 2. P. 3
5P	Fig 2. P. 3 & 4	14	Fig 2. P. 3
6P	Fig 2. P. 3 & 4	15	Fig 2. P. 3
7P	Fig 2. P.3 & 4	16	Fig 2. P. 3
8P	Fig 2. P. 3 & 4	17	Fig 2. P. 3
9P	Fig 2. P. 4	18	Fig 2. P. 3
		19	Fig 2. P.3
		20	Fig 2. P. 3
		21	Fig 2. P. 3 & 4
		22	Fig 2. P. 3 & 4
		23	Fig 2. P. 3 & 4
		24	Fig 2. P. 3 & 4
		25	Fig 2. P. 3 & 4
		26	Fig 2. P. 3 & 4
		27	Fig 2. P. 4
		28	Fig 2. P. 4
		29	Fig 2. P. 4

TABLE 2			
ROUTE SEGMENT WIDTH INCREASES			
Route Segment No.	Original Route Width	Proposed Route Width	Figure 2 Page No.
4P	500'	700'	3
12	500'	865'	2 & 3
16	500'	700'	3 & 4
18 & 20	500'	800'	3
20 & 22	500'	800'	3 & 4
27	500'	2,000'	4

The Commission agrees with and adopts the recommendations of the Department of Commerce, which are attached and hereby incorporated into the Order. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION



Daniel P. Wolf
Executive Secretary

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June 27, 2016

Mr. Daniel P. Wolf, Executive Secretary
Minnesota Public Utilities Commission
127 7th Place East, Suite 350
Saint Paul, MN 55101-2147

RE: Scoping for Comparative Environmental Analysis (CEA) and Route Proposals for the
Rochester Natural Gas Pipeline Project
eDockets No. G-011/GP-15-858

Dear Mr. Wolf:

On February 3, 2016, the Minnesota Public Utilities Commission (Commission) issued an order (eDockets, Document ID [201510-114930-01](#)) in the following matter:

**In the Matter of the Application of Minnesota Energy Resources Corporation
For a Route Permit for the Rochester Natural Gas Pipeline Project in Olmsted
County**

In this order the Commission requested that the Minnesota Department of Commerce (DOC) “begin preparation and development of the comparative environmental analysis, including administering the route development process.” The Commission also requested “that the Department file a summary, analysis, and recommendation on all route alternatives identified during the public comment period.”

DOC Energy Environmental Review and Analysis (EERA) staff herein provide comments and recommendations in response to the Commission’s request.

DOC EERA staff is available to answer questions the Commission may have.

Sincerely,

/s/Larry B. Hartman
Environmental Review Manager
Energy Environmental Review and Analysis
(651) 539-1839 | larry.hartman@state.mn.us

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BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

**COMMENTS AND RECOMMENDATIONS OF
MINNESOTA DEPARTMENT OF COMMERCE
ENERGY ENVIRONMENTAL REVIEW AND ANALYSIS STAFF**

DOCKET No. G-011/GP-15-858

Date: June 27, 2016

DOC EERA Staff: Larry B. Hartman (larry.hartman@state.mn.us).....651-539-1839
Andrew Levi (andrew.levi@state.mn.us).....651-539-1840

In the Matter of the Application of Minnesota Energy Resources Corporation for a Pipeline Routing Permit for the Rochester Natural Gas Pipeline Project

Issues Addressed: These comments provide 1) an overview of the proposed project and associated facilities 2) an overview of non-jurisdictional projects, 3) procedural steps and requirements for jurisdictional and non-jurisdictional projects, 4) environmental review requirements, 5) scoping comments and route alternatives received, and 6) staff analysis and recommendations

Figures and Documents Attached:

Figure 1 Project Overview
Figure 2 Route Alternatives

Attachment 1 Pipeline Permitting Flow Chart
Attachment 2 Draft Scoping Document
Attachment 3 Scoping Comment Form
Attachment 4 Guidance Document: How to Suggest an Alternative Pipeline Route
Attachment 5 Index to eDocket Filings Submitted on Behalf of Franklin Kottschade

Additional documents and information can be found on the Minnesota eDockets webpage at: <https://www.edockets.state.mn.us/EFiling/search.jsp> by selecting "15" for year and "858" for number, or the Department of Commerce's Energy Environmental Review and Analysis website at: <http://mn.gov/commerce/energyfacilities/Docket.html?Id=34318>.

This document can be made available in alternative formats (that is, large print or audio) by calling 651-539-1530 (voice).

Introduction and Background

On November 3, 2015, Minnesota Energy Resources Corporation (MERC or applicant) filed an application for a Route Permit (Docket No. G-011/GP-15-858) with the Minnesota Public Utilities Commission (Commission) for its proposed Rochester Natural Gas Pipeline Project (proposed project) to construct and operate approximately 13.1 miles of new natural gas pipeline and associated facilities. Upon completion the proposed project will tie together the northern and southern portions of MERC's existing natural gas distribution system in and around the city of Rochester in Olmsted County, Minnesota.¹

On November 9, 2015, MERC provided supplemental information summarizing existing environmental conditions for its proposed route alternatives.²

MERC is the sole provider of natural gas services to the city of Rochester and surrounding communities.³ MERC supplies natural gas to approximately 230,000 customers (residents and businesses) in 165 communities across Minnesota.

The terms – route, route segment and right-of-way – are used extensively throughout this document. They are defined here to aid those unfamiliar with their legal definition.

“Route” means the proposed location of a pipeline between two endpoints. A route may have a variable width from the minimum required for the pipeline right-of-way up to 1.25 miles. (Minn. R. 7852.0100, subp 31).

“Route Segment” means a portion of a route. (Minn. R. 7852.0100, subp. 32).

“Right-of-Way” means the interest in real property used or proposed to be used within a route to accommodate a pipeline and associated facilities. (Minn. R. 7852.0100, subp. 30).

Project Purpose

The proposed project is designed to expand the capacity of MERC's natural gas distribution system to meet the projected increase in demand from its existing Rochester area customers, as well as from new customers. The city of Rochester is expected to grow significantly as a result of the development of Mayo Clinic as a Destination Medical Center. Additionally, the proposed project—coupled with actions to be taken by Northern Natural Gas (NNG)—will provide MERC with the ability to shift the supply of natural gas to where it is

¹ Minnesota Energy Resources Corporation, *Application to the Minnesota Public Utilities Commission for a Route Permit for the Rochester Natural Gas Pipeline Project*, November 3, 2015, eDockets No. [201511-115408-01](#), [201511-115408-02](#), [201511-115408-03](#), [201511-115408-04](#), [201511-115408-05](#), [201511-115408-06](#), [201511-115408-07](#), [201511-115408-08](#). (Hereinafter “Application”).

² Minnesota Energy Resources Corporation, *Supplemental Tables Regarding Existing Environmental Conditions for Route Alternatives*, November 9, 2015, eDockets No. [201511-115590-01](#).

³ See eDockets, Document ID [201511-115408-01](#), p. 4.

needed on MERC's high pressure distribution system within the Rochester service area.⁴

Project Overview and Description

The proposed project will include installation of approximately 5.1 miles of 16-inch outside diameter and 8.0 miles of 12-inch outside diameter steel pipe designed to operate at pressures between 400-475 pounds per square inch gauge (psig). Additionally, MERC proposes to construct two town border stations (TBS) and one district regulator station (DRS). These facilities are described in more detail below.

- **Town Border Station (TBS).** Typically, a TBS serves as the custody transfer point for natural gas carried by transmission pipelines (usually from an “interstate transmission operator” to an “intrastate distribution operator” (public utility)), neither of which is the ultimate consumer of the gas. The TBS is also the point where the high pressure transmission gas (900 to 1000 or more psig) is regulated down to the level of high pressure distribution gas (400 to 500 psig). With the addition of the proposed TBSs, MERC will have three TBSs serving its distribution system in the Rochester service area.⁵
- **District Regulator Station (DRS).** The proposed district regulator station (DRS) will regulate high pressure distribution gas (400 to 500 psig) down to standard distribution pressure (60 to 100 psig) for delivery to MERC's low pressure distribution system that directly serves customers.⁶

As illustrated on ([Figure 1](#)), the proposed project will be constructed in three distinct phases.

- **Phase 1** of the proposed project includes construction of a new MERC TBS 1D in the same area as the existing NNG TBS 1D located in the northwest quarter of section 30 in Cascade Township. With the new MERC TBS 1D, MERC, will be taking responsibility for all activities. To do this MERC will be installing pressure regulation and flow control valves, a line heater, odorization, and supervisory control and data acquisition (SCADA) station and metering. The new MERC TBS 1D will serve as the interface or transfer point between the gas transmission system owned by NNG and MERC's proposed high pressure distribution system. Construction of Phase 1 is scheduled for completion in 2017.⁷

MERC only has control of odorization at NNG TBS 1D, while NNG controls the pressure regulation, line heater, flow metering and SCADA. MERC anticipates that NNG will modify TBS 1D as necessary to interface with the new proposed TBS 1D.

- **Phase 2** of the project includes the installation of 5.1 miles of 16-inch outside

⁴ See eDockets, Document ID [201511-115408-01](#), p. 5.

⁵ *Id.* at p. 17.

⁶ *Id.* at p. 17.

⁷ *Id.* at p. 9.

diameter pipe with an operating pressure of 400 to 475 psig and construction of a new TBS. This phase of the proposed project will connect the new MERC TBS 1D with the proposed new TBS. The expected in-service date for completion of Phase 2 is 2019.⁸

MERC intends to locate the proposed TBS within or immediately adjacent to the designated route. In the new TBS, MERC will assume responsibility for all activities. MERC will be installing pressure regulation and flow control valves, a line heater, odorization, SCADA and metering. NNG will be responsible for the upstream natural gas transmission feed line entering the new TBS. It is assumed NNG will provide its own SCADA and metering equipment.

- **Phase 3** of the project includes the installation of 8.0 miles of 12-inch pipe outside diameter pipe with an operating pressure of 250 to 275 psig from the new TBS to the new district regulator station (DRS).⁹ This phase also includes construction of a new DRS, with an expected in-service date of 2022.¹⁰ MERC will be installing pressure regulation and flow control valves, a line heater and SCADA at this site. After completion of Phase 3, NNG will be removing the existing Rochester 1B TBS.

Design Pressure

The proposed pipelines will be designed and constructed with a maximum allowable operating pressure of 500 psig.¹¹

Class Location

Natural gas transmission pipelines are designed to comply with a “class location designation” as required by U.S. Code of Federal Regulations, 49 CFR 192.5. Class location refers to a regulatory designation for natural gas transmission lines that indicate the level of human population within a certain distance on either side of the pipeline. The class location of a pipeline is a factor in determining the maximum allowable pressure of the pipeline, and is based on the number and type of buildings intended for human occupancy that are situated in an area that extends 220 yards on either side of the centerline of any continuous 1.0 mile length of a gas pipeline.

Class locations are specified as Class 1, 2, 3 or 4. Class 1 indicates the least heavily populated of the class locations, representing an area with 10 or fewer buildings intended for human occupancy. Class 4 indicates the most heavily populated of the class locations, representing an area where buildings with four or more stories above ground are present. The proposed pipeline will be designed to a minimum of a Class 3 location.¹²

⁸ *Id.* at p. 9.

⁹ *Id.* at p. 12.

¹⁰ See eDockets, Document ID [201511-115408-01](#), p. 9.

¹¹ *Id.* at p. 9.

¹² *Id.* at p. 10.

Depth of Burial

Depth of burial for a natural gas transmission line under 49 CFR 192.327, for Class 2, 3 and 4 locations must be at least of 36-inches in normal soil conditions, 24-inches in consolidated rock, and 48-inches under navigable rivers and streams.

Minnesota Law regarding depth of cover is more stringent than the federal requirement. Minnesota Statutes 216G.07, Subdivision 1. [Depth of Cover] states:

Unless waived in the manner provided in subdivisions 2 or 3, any pipeline installed after May 26, 1979, shall be buried with a minimum level of cover of not less than 4-1/2 feet in all areas where the pipeline crosses the right of way of any public drainage facility or any county, town, or municipal street or highway and where the pipeline crosses cultivated agricultural land. Where the pipeline crosses the right-of-way of any drainage ditch, the pipeline shall be at least 4-1/2 feet below the authorized depth of the ditch, unless waived in the manner provided in subdivisions 2 and 3.

Olmsted County Zoning Ordinance Article X, Section 10.40 also requires 4.5 feet of cover.¹³

Right-of-Way

The proposed project requires a permanent right-of-way of 50 feet (25 feet on each side of the center line) and an additional temporary right-of-way of 50-feet during project construction.¹⁴ A right-of-way consists of consecutive property easements acquired by, or granted to the pipeline company. The easement or permanent right-of-way (50 feet) will provide sufficient space to perform pipeline maintenance and inspections, as well as a clear zone where encroachments can be monitored and prevented.

In its application, MERC requested a 500-foot route width along the length of the proposed project in which the permanent and temporary construction right-of-way could be located and a 1.25-mile buffer area in select locations to site or locate the proposed pipeline, TBSs, and DRS.¹⁵

Non-Jurisdictional Facilities

On occasion proposed energy projects may have associated facilities that are constructed in support of the project, but are outside the Commission's jurisdiction. These non-jurisdictional facilities are constructed upstream (before) or downstream (after) the jurisdictional facilities for the purpose of delivering, receiving, or using the proposed natural gas.

MERC's proposed project will require upstream facilities for delivery of natural gas to the

¹³ See eDockets, Document ID [201511-115408-01](#), p. 17.

¹⁴ *Id.* at p. 16.

¹⁵ *Id.* at p. 16.

proposed transmission system and downstream facilities for distribution of natural gas to end users, including the proposed Rochester Public Utilities (RPU) 48-Megawatt (MW) natural gas fired generating facility that will be located just east and south of NNG's existing TBS 1D as shown in [Figure 2](#), page 1.

The following provides an overview of the project's related non-jurisdictional facilities. The primary permitting requirements for these non-jurisdictional facilities are discussed in the "Regulatory Process and Procedures" section of this document.

Northern Natural Gas (NNG)—Upstream Facilities

To assure firm and reliable natural gas service at increased levels in the Rochester area for the foreseeable future, MERC and NNG, an interstate natural gas company, are negotiating a 30-year pipeline capacity contract whereby NNG will increase the capacity of its existing interstate pipeline transmission infrastructure to provide natural gas at volumes sufficient to meet the projected growth in MERC's customer demand.¹⁶

On March 22, 2016, EERA staff contacted Craig Eller of NNG, to inquire about the upstream facility requirements NNG has identified as necessary to support MERC's Rochester expansion project. In a March 24, 2016, email, Mr. Eller provided EERA staff with information and a map identifying NNG's preliminary facility requirements.¹⁷ Mr. Eller's email noted that their proposed facilities, similar to MERC's project, will be constructed in two phases as follows:

Phase 1: The first phase is expected to be completed in 2018 and consists of the following facilities:

- A new 15,900-hp (ISO) rated compressor station near Lake Mills, Iowa.
- Modifications at existing NNG TBS 1D.

Phase 2: The second phase is expected to be completed in 2019 and consists of the following facilities:

- Installation of a new 12-mile pipeline lateral from the LaCrosse/Tomah branch line to MERC's proposed new TBS and pipeline near the intersection of 70th Avenue and Salem Road.
- A new TBS at the terminus of the lateral.
- Piping modifications at the existing LaCrosse/Tomah branch line take-off.
- Upgrading the maximum allowable operating pressure (MAOP) of 8 miles of the existing LaCrosse/Tomah branch line.

¹⁶ *Id.* at p. 5.

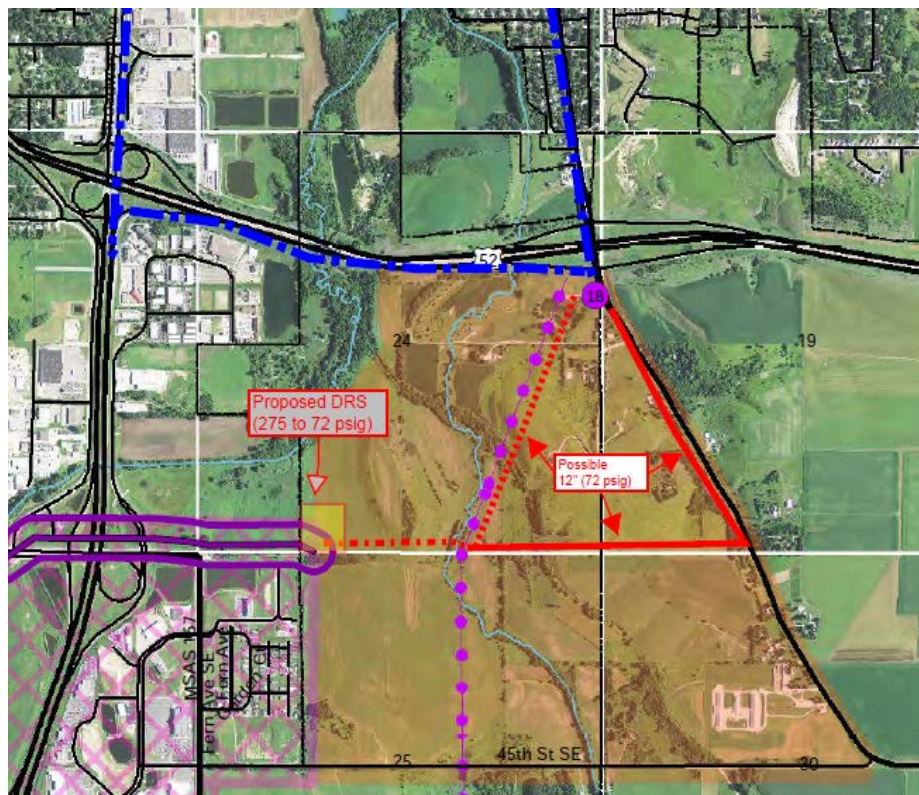
¹⁷ See eDockets, Document ID [20164-120644-01](#).

MERC's—Down Stream Low Pressure Distribution (under 275 psig) Facilities

In addition to upstream facilities from NNG, MERC also needs to connect its proposed high pressure distribution facilities (the proposed project) to its existing low pressure distribution infrastructure near MERC's existing TBS 1B. At this time, MERC intends to install a new DRS at the west end of the DRS buffer (see [Figure 2](#), page 4). From there, MERC intends to install 12-inch pipe designed to be capable of operating at not more than 250 psig (to be operated) at 72 psig) from the new DRS to interconnect with the existing low pressure distribution infrastructure located south of Highway 52 at the location of MERC's TBS 1B. When the low pressure distribution facilities are completed, MERC will decommission TBS 1B.

MERC has identified two possible alignments for these low pressure distribution facilities as shown on the accompanying insert. MERC has not done detailed routing for these low pressure distribution facilities at this time but will install them within the District Regulator Station Buffer identified in the following illustration.

Potential alignments for low pressure distribution facilities



Rochester Public Utilities (RPU)

Rochester Public Utilities (RPU), a division of the city of Rochester, proposes to construct and operate a new 48 megawatt (MW) natural gas fired generating station, comprised of five natural gas reciprocating engines for electrical power generation. The proposed facility will be next to their existing Westside substation in Cascade Township, in the same quarter section as NNG's existing TBS 1D (see [Figure 2](#), page 1). Power generated by the proposed generating station will serve RPU's customers and serve as a backup to intermittent resources such as wind and solar power generation during peak demand periods.

Regulatory Process and Procedures

The following regulatory process applies to the proposed project.

Certificate of Need

A certificate of need is not required for the proposed project because the project is not classified as a large energy facility under Minnesota Statutes § 216B.2421, or under Minnesota Rules, Chapter 7851 (Certificate of Need; Gas Storage, Pipeline).

Pipeline Route Permit

In Minnesota, no person may construct a high pressure pipeline without a pipeline routing permit issued by the Commission unless the pipeline is exempted from the Commission's routing authority (Minnesota Statute 216G.02 Subd.2.). A high pressure pipeline is a pipeline with a nominal diameter of six inches or more that is designed to transport hazardous liquids or a pipeline designed to be operated at a pressure of more than 275 pounds per square inch and to carry natural gas. The proposed project will be approximately 13 miles in length and be designed with a maximum operating pressure of 500 psig; therefore, the project requires a route permit from the Commission.

Commission review of the proposed project is taking place pursuant to the requirements of Minnesota Statute 216G.02 and the pipeline route selection procedures in Minnesota Rules, 7852.0800 to 7852.1900. These procedures are illustrated in [Attachment 1](#).¹⁸ The Minnesota Environmental Quality Board (EQB) developed and approved of the pipeline routing rules (Chapter 7852) as an alternative form of environmental review pursuant to the requirements of Minnesota Rules 4410.3600 [Alternative Review] on February 16, 1989.

The environmental review process requires the following procedural steps:

- 1) Application filing requirements and completeness review;
- 2) Application acceptance;
- 3) Notice requirements;
- 4) Public information/scoping meetings;

¹⁸ See Attachment 1 or eDockets, Document ID [20146-100299-01](#).

- 5) A 70 day comment period that includes opportunities to propose additional routes and route segments;
- 6) Commission acceptance and authorization of routes and route segments to be considered at the public hearing;
- 7) Preparation of a comparative environmental analysis (CEA), which examines and evaluates all of the topics and issues identified during the comment/scoping period, as well as the routes and route segments authorized by the Commission for consideration at public hearing;
- 8) Submittal of the CEA as pre-filed testimony by the Department;
- 9) A second information meeting prior to the hearing; and
- 10) A public hearing.

In its Order issued on February 3, 2016, the Commission supplemented these requirements by requesting “that the Department issue the comparative environmental analysis in draft form for public comment and reply to substantive comments received as pre-filed testimony at least 14 days prior to the public hearing.”¹⁹

Permitting Requirements for Non-Jurisdictional Facilities

The following identifies the Responsible Governmental Unit (RGU) with primary permitting authority for the proposed project’s upstream and downstream facilities and the proposed Rochester Public Utilities (RPU) gas generating station.

Federal Energy Regulatory Commission (FERC)

With regard to NNG’s proposed facilities to support the proposed project, NNG staff notes that “All proposed facilities are under Federal Energy Regulatory Commission (FERC) jurisdiction. While NNG has not finalized its regulatory approval plan, NNG expects to file any necessary Section 7(c) application and/or prior-notice filing under the Natural Gas Act with FERC after Commission approval of the applicant’s’ pipeline and cost recovery application.”²⁰ The “Prior Notice” filing requirements may be done under a blanket certificate issued pursuant to Section 7 (c) of the Natural Gas Act. This provision allows a natural gas company to undertake a restricted array of routine activities without the need to obtain a case-specific certificate for each project, provided each activity complies with constraints on costs and environmental impacts set forth in FERC’s regulations.

NNG is an interstate pipeline operator and under Minnesota Statute § 216G.06 [Interstate Gas Pipeline Exempt Under Federal Law]: “Any person that proposes to construct or operate an interstate natural gas pipeline and that has power to acquire an easement or right-of-way agreement for that pipeline by an action in eminent domain under the authority of the federal Natural Gas Act, United States Code, title 15, chapter 15B, shall not be required to comply with the provisions of sections 216G.02 to 216G.05 as a condition of acquiring the easement, right-of-way, or route.”

¹⁹ Order Finding Application Complete, February 3, 2016. See eDockets, Document ID [20162-117966-01](#), p. 9.

²⁰ See eDockets, Document ID [20164-120644-01](#).

City of Rochester

Pursuant to Minnesota Statute chapter 216G proposed pipelines designed to be operated at a pressure of more than 90 pounds per square inch, but less than 275 psig, require preparation of an “Information Book” that must be approved of by the Commission, unless specifically exempted in Minnesota Statute 216G.01 Subd. 3. However, because MERC is a public utility, it is not subject to the “Information Book” requirements prescribed by Minn. Stat 216G.04 through 21G.05. Therefore, location of the downstream proposed low-pressure distribution system is not subject to Commission jurisdiction.

As a result, the City of Rochester and adjacent townships are the appropriate RGU’s for location of MERC’s low pressure distribution system pursuant to Minnesota Statute 216B.02 Subd. 4. [Public utility] and 216B.361 [Township Agreement with Natural Gas Utility]. The terms and conditions of a franchise agreement between MERC and a franchisee would govern the location of low pressure distribution facilities within the franchisee’s jurisdictional boundaries.

Minnesota Pollution Control Agency (MPCA)

The proposed RPU generating project meets the threshold for two Environmental Assessment Worksheet (EAW) categories. The first is Minn. R. 4410.4300 Subp. 3 – Electric Generating Facilities, for which the EQB is designated as the Responsible Governmental Unit (RGU); the second is Minn. R. 4410.4300 Subp. 15(B) – Greenhouse Gas Emissions, for which the Minnesota Pollution Control Agency (MPCA) is designated as the RGU. There is an agreement between the EQB and MPCA that makes MPCA the RGU for the Project. MPCA is in the process of preparing an EAW for the generating project. RPU anticipates that construction will begin in the fall of 2016.

Environmental Review

Procedural steps completed to date include:

On February 3, 2016, a Commission Order accepted the application as complete. The Order also authorized the EERA staff to:

- 1) Hold public information meetings;
- 2) Collect and analyze all route alternatives proposals; and
- 3) Provide a summary, analysis and recommendation for the Commission’s review and determination of routes to be considered at hearing.

As noted earlier, the Order also requested that the DOC issue the CEA in draft form for public comment and reply to substantive comments received as pre-filed testimony at least 14-days prior to the public hearing.²¹

On February 4, 2016, the Commission issued a “Notice of Application Acceptance – Public

²¹ Order Finding Application Complete, February 3, 2016. See eDockets, Document ID [20162-117966-01](#).

Information and Comparative Environmental Analysis Scoping Meeting”.²² It was distributed electronically and by paper in the following manner:

- The Commission’s service list and units of government (federal, state and local).²³
- Directly mailed to all landowners along the preferred and alternate route identified by MERC in its application.²⁴
- Published Notice of Application Acceptance appeared in the Rochester *Post-Bulletin* on February 11, 2016,²⁵ and in the *EQB Monitor*, Volume 40, Number 7 on February 15, 2016.²⁶
- Directly mailed to all landowners along the preferred and alternate routes identified by MERC in its application.²⁷
- Posted to eDockets²⁸ and the Department’s EERA website.²⁹

Public Information (Scoping) Meetings

Minnesota Rule 7852.1300 requires that public information/scoping meeting be held in each county crossed by the applicant’s preferred pipeline route, unless a variance is granted by the Commission. The purpose of these meetings is to explain the route designation process, to respond to questions raised by the public, and to solicit comments on route and route segment proposals and other issues that should to be examined in greater detail in the CEA prepared for the project.

On February 29, 2016, Commission and EERA staff held two public information/scoping meetings in Olmsted County.

²² “Notice of Application Acceptance – Public Information and Comparative Environmental Analysis Scoping Meeting”, See eDockets, Document ID [20162-117991-01](#).

²³ Commission Service list, See eDockets, Document ID [20162-117966-02](#).

²⁴ See eDockets, Document ID [20162-117991-02](#).

²⁵ Affidavit of Publication *Post-Bulletin*, See eDockets, Document ID [20163-119141-01](#).

²⁶ *EQB Monitor*, Publication Date: February 15, 2016, Vol. 40, No.7., See eDockets, Document ID [20164-119984-01](#).

²⁷ See eDockets, Document ID: [20161-117418-01](#) & [20161-117779-01](#).

²⁸ See eDockets, Document ID: [20162-117966-02](#).

²⁹ <http://www.mn.gov/commerce/energyfacilities/Docket.html?id=34318>.

**Information/Scoping Meetings
for the
Rochester Natural Gas Pipeline Project**

COUNTY	CITY	DATE AND TIME	ATTENDANCE
Olmsted	Rochester	Monday, February 29, 2016 2:00-4:00 p.m.	Approximately 25 to 30 persons
Olmsted	Rochester	Monday, February 29, 2016 6:00-8:00 p.m.	Approximately 15 to 20 persons

The format of the meetings was the same. All meetings started with an overview presentation provided by Commission staff, followed by a brief MERC overview of the proposed project, and then EERA staff provided an overview of the Commission's route permitting process.³⁰ These presentations were followed by questions and comments from the public and responses from Commission, MERC and EERA staff as appropriate.³¹

EERA staff handouts at the information/scoping meeting included:

- A Draft Scoping Document, dated February 29, 2016 (see [Attachment 2](#))
- A comment form (see [Attachment 3](#)).
- A guidance document titled "How to Suggest an Alternative Pipeline Route" (see [Attachment 4](#))

In addition to the information/scoping meetings, the Rochester Township Board requested that MERC representatives and EERA staff attend their monthly meeting on May 12, 2016, to provide information on the proposed project, an overview of the Commission's regulatory review process for pipelines, and to respond to questions from the Board and the public. On June 3, 2016, EERA staff spoke with the chair of Rochester Township Board, who indicated that while they did not send any written comments, they nonetheless wanted to be kept informed of project related activities.

The initial comment period, as provided for in the published notice, closed April 13, 2016; however, some landowners were inadvertently omitted and did not receive the notice. To correct this, a second notice was distributed providing these landowners with the opportunity to provide comment. Following the close of the comment/scoping period (April 13, 2016) and supplemental comment/scoping period (May 30, 2016) EERA staff posted all comments received to eDockets.

³⁰ Commission, MERC and DOC EERA Power Point Presentation, See eDockets ID # [20162-118358-01](#).

³¹ Oral Record of Information/Scoping Meeting, See eDockets, Document ID [20164-119800-01](#).

Scoping Comments and Route Proposals

As with previous pipeline route permit proceedings under the full review process, the Commission, in its February 3, 2016, “Order Finding Application Substantially Complete and Granting Variance: Notice of Hearing” authorized “the Department to administer the route development process and the development of the comparative environmental analysis.”³²

Twenty-eight (28) separate comments were provided by the close of the April 13, 2016, and May 30, 2016, comment periods through various methods, including oral comments provided at the public meetings and documents submitted to DOC EERA staff by mail and email. The following summarizes all comments received, including route segment proposals.

In some instances EERA provides a comment in an attempt to provide clarity to the reader, in so much that the reader does not need to move between sections of this document.

Oral Comments Received on February 29, 2016

At the February 29, 2016, public information/scoping meetings oral comments were provided by: Louis Siefert, Daniel DeCook, Carol Overland, Thomas Roetzler, John Donovan, Mark Darnell, Stan Dee, Frances Passe, Dennis Dore, Douglas Cranston, Bruce Ryan, Gary Vasdev, Bud Hanson, and Robert Pyfferoen. A record of the oral comments is available on the Commission’s website (see eDockets, Document ID [20164-119800-01](#)).

Afternoon Oral Comments

- Mr. Louis Siefert wanted to know if residents along the proposed pipeline could tap the proposed pipeline for gas service to their homes or farms (see Document ID [20164-119800-01](#), pages 24-27).
- Daniel DeCook’s asked questions about the location of the new proposed TBS and depth of burial for the proposed pipeline (see Document ID [20164-119800-01](#), pages 27- 32).
- Carol Overland’s questions focused on whether “phased and connected actions” would be addressed in the environmental review including the need for NNG to run a gas line into the area to provide MERC with natural gas for their proposed project, and suggested that NNG’s project(s) be included in the scope for environmental review. Ms. Overland also had questions about a gas plant proposed by RPU and suggested that the environmental review document also address that proposal. With regard to “socioeconomic impacts and safety impacts,” Ms. Overland questioned how “this project relates to the city and county comp plans and the zoning” and “safe separation distances from natural gas transmission pipelines” (see Document ID [20164-119800-01](#), pages 33 – 39).

³² See eDockets, Document ID [20162-117966-01](#)

EERA Comment: See previous discussion of “Non-jurisdictional Facilities” and “Permitting Requirements for Non-Jurisdictional Facilities.”

Ms. Overland also submitted to DOC EERA staff at the meeting the following documents identified as:

1. “2012 Infrastructure Update to Electric Utility Baseline Strategy for 2005-2030 Electric Infrastructure”, prepared for Rochester Public Utilities, by Burns & McDonnell (August 2012).³³
 2. “2015 Update of the RPU Infrastructure Study”, prepared for RPU by Burns & McDonnell (June 2015).³⁴
 3. Court of Appeals Decision (A15-0016), filed September 14, 2015 regarding the Sandpiper Pipeline Project.³⁵
 4. “Safe Separation Distances from Natural Gas Transmission Pipelines” by James S. Haklar and Robert Dresnack, Journal of Pipeline Safety (Autumn 1999).³⁶
 5. “A Model for Sizing High Consequence Areas Associated with Natural Gas Pipelines”, by Mark J. Stephens, prepared for Gas Research Institute (October 2000).³⁷
 6. Miscellaneous documents (press releases, news stories, meeting minutes from Rochester Public Utilities, resolutions) regarding proposed generation infrastructure plans for Rochester Public Utilities.³⁸
- Thomas Roetzler questioned how close buildings could be from pipelines, whether you could plant trees on the pipeline right-of-way, and how compensation is handled under eminent domain proceedings. (see Document ID [20164-119800-01](#), pages 39 – 42).
 - John Donovan inquiries addressed pipeline safety, whether the safety standards are set by the federal or state government, and depth of burial. Mr. Donovan also wanted to know if the pipeline was going to be located on private land or located in public road right-of-way (see Document ID [20164-119800-01](#), pages 42 – 47).
 - Mark Darnell and Stan Dee expressed concern about the location of MERC’s preferred route on their property (Section 29 Rochester Township), approximately 200 acres, and indicated they would prefer the alternate route which would not split their property down the middle. Mr. Darnell suggested that the preferred route be moved south approximately 300 yards in order to follow their property lines and a natural tree line, which meets up with 48th Street. By doing this, Mr. Darnell stated:

³³ See eDockets, Document ID [20164-120802-01](#).

³⁴ See eDockets, Document ID [20166-122015-01](#).

³⁵ See eDockets, Document ID [20164-120838-01](#).

³⁶ See eDockets, Document ID [20164-120797-01](#).

³⁷ See eDockets, Document ID [20164-120800-01](#).

³⁸ See eDockets, Document ID [20164-120796-01](#).

“you’d go right across our fence and you would not disrupt our farming operations or our business in there” (see Document ID [20164-119800-01](#), pages 47 – 52).

EERA Comment: See proposed Route Segment 19, [Figure 2](#), page 3.

- Frances Passe wanted to know why the proposed pipeline changes sizes, how it would cross the Zumbro River, and on what side of 60th Street the pipeline would be located. Ms. Passe suggested that MERC take the alternate route and not go kitty-corner across her field (see Document ID [20164-119800-01](#), pages 53 – 60).

EERA Comment: Ms. Passe’s comments were in reference to the existing BP pipeline location. The proposed location is on the west side of 60th Street.

- Dennis Dore pointed out that in the vicinity of where the preferred route ends (40th Street and Highway 63) is a protected wetland and that there is a transfer station there, as well as two hotels and two new apartment buildings under construction. Mr. Dore also pointed out that the alternate route which goes south of 45th Street is on the south side of a new development. Mr. Dore also commented that “in the last twelve months we’ve had 80 townhomes and over 410 apartments and two new hotels go up in the southeast section and they’re continuing to build down there.” Given the restrictions mentioned by Mr. Dore he would like to be appraised of updates (see Document ID [20164-119800-01](#), pages 60 – 63).
- Douglas Cranston wanted to know what happens in the event of a leak or rupture of the natural gas pipeline and the operating pressure of the pipelines proposed by MERC and NNG (see Document ID [20164-119800-01](#), pages 63 – 67).

Evening Oral Comments

- Bruce Ryan indicated that he has some nice mature trees on his property and would like to see the pipeline moved approximately 50 feet to the west so as to be located in the farm field. Subsequently Mr. Ryan submitted in writing an alternative route proposal discussed elsewhere in this document (see Document ID [20164-119800-01](#), p. 89 – 91).

EERA Comment: See proposed Route Segment 12, [Figure 2](#), page 3.

- Gary Vasdev asked: 1) how pipe that large could be bent and whether bending would affect the longevity of the pipe; 2) why not just follow the existing road right-of-way because the easements are already there and 3) is there compensation from the company for going over farm fields in the summertime (see Document ID [20164-119800-01](#), pages 91 – 93, 97 - 98).
- Bud Hanson. Wanted to know where the pipeline would be in relation to buildings on his property and how close the pipeline can go to his house (see Document ID [20164-119800-01](#), pages 93 – 96).

- Robert Pyffeeroen wanted to know what the construction timeline is (see Document ID [20164-119800-01](#), pages 96 – 97).

EERA Comment: The CEA will address the oral comments provided at the public information meetings.

Written Comments Received by April 13, 2016

Minnesota Department of Transportation (MnDOT), (see eDockets Document ID [20164-120024-01](#).

In its April 13, 2016, letter MnDOT noted that pipelines may be placed across cross trunk highways as provided for in Minn. Stat. Section 222.37, subd.2. MnDOT requested that: “The environmental document address the permit requirements of MnDOT as well as all relevant permits or authorizations the Applicant must obtain from road authorities relating to any formal policy and procedures for accommodation of utilities, including pipelines, on the highway rights-of-way” and referenced their “Utility Accommodation Policy” available on their website (<http://www.dot.state.mn.us/utility/policy/utilitypolicy.html>).

MnDot’s comments also noted that the proposed project crosses highways US 14 and US 63 and that permits to cross those “highways will need to address matters such as construction methods for boring under highways, impact on other utilities, traffic control in construction areas, authorized access points for construction activities, impact on highway drainage, impact on highway vegetation, and other similar concerns.” Additionally, “Because the proposed US 63 crossing (40th St SE/SW may be within 75 feet of a MnDOT Bridge, the Applicant’s Application for Utility Accommodation on Trunk Highway Right Of Way would also include a thorough review from our Bridges and Structure Office.”

MnDOT’s closing comments addressed Oversize/Overweight Permits for the hauling of pipe and equipment, including delivery or storage of materials or equipment that may affect MnDOT right-of- way and that MnDOT should be involved in planning and coordinating such activities.

EERA Comment: The CEA will address MnDot’s comments.

Minnesota Department of Natural Resources (MNDNR), (see eDockets Document ID’s [20164-120059-01](#), [20164-120059-02](#), [20164-120059-03](#) and [20164-120059-04](#).

The letter dated April 13, 2016, from the Minnesota Department of Natural Resources (DNR) offered several comments for consideration in the CEA for the proposed project. DNR’s early coordination letter (August 2014) identified several sensitive, rare and valuable features within the project area (Sites of Biodiversity Significance, noted areas of high biological diversity, rare feature records, calcareous fens, karst features, DNR public waters, native plant communities ranked S3-vulnerable and Si–critically impaired) and suggested that potential impacts to these resources be fully explored and considered in the CEA and in route selection. DNR’s letter also commented that calcareous fens (seepage meadows, wet seepage prairies) and impacts (direct or indirect) are regulated by the DNR in accordance

with the Minnesota Wetland Conservation Act, which prohibits any drainage unless the DNR, under an approved management plan, decides the alteration is necessary (Minnesota Statutes 103G.223).

DNR's letter also noted that several of the applicants proposed route segments involve the crossing of a DNR public water, wetland, or land and that crossing these features requires a DNR License to Cross. Other comments by the DNR suggested that portions of the preferred route, alternate routes and proposed DRS "polygon" have the potential to impact protected natural resource features and that a combination of routes and/or route segments that avoid these features may be warranted. In its letter the DNR encouraged the evaluation of a new route segment that would extend from the alternate route along 48th Street to the east and then north to the DRS "polygon" location.

DNR also suggested that the CEA should include an assessment of horizontal directional drilling as a mitigation measure for any impacts to native plant communities, Minnesota Biological Survey Sites of Biodiversity Significance, areas with rare plant species, or any other sensitive environmental feature found in surveys. DNR requested a description of where wildlife friendly erosion control will be used, and recommended it be used wherever possible, with a focus on areas used by amphibians, water crossings, near wetlands, and rare species habitat.

EERA Comment: The DNR's comments will be addressed in the CEA. DNR's route segment suggestion is identified as Route Segments 28 and 29 (See [Figure 2](#), page 4).

Rochester-Olmsted Planning Department (see eDockets Document ID [20164-120596](#)).

In its letter dated April 13, 2016, the Rochester-Olmsted Planning Department noted that MERC's preferred alignment, as originally proposed between County State Aid Highway (CSAH) 8 (Milepost (MP) 9.6) and 11th Ave SW (MP 11.6) bisects through developed, residentially planned land within the present Rochester urban growth area and that this alignment will affect the development potential of these properties. They also suggested that an alternative alignment further south along the 48th St. SW right-of-way would not have a negative effect on the growth of the area.

The planning department also commented that the "proposed pipeline cuts through the Decorah Edge in several locations, mostly on the southerly and easterly portion of the construction zone. The "Decorah Edge" is defined as the area in which the Decorah, Platteville, or Glenwood formation is the first encountered bedrock. To minimize impact on this sensitive feature it was suggested that the applicant: 1) minimize grading, 2) install seep collars or other mitigation strategies to control ground water movement along the pipe and 3) the use of vegetation to control erosion to mitigate potential changes to groundwater flows.

Their letter also questioned what construction mitigation strategies will be employed if subsurface excavation uncovers or exacerbates karst features, and if it is possible to replace tree cover within the pipeline right-of-way to minimize impact on wildlife habitat and visual appeal.

The planning department, in closing, requested that MERC share their Spill Prevention, Containment and Countermeasures Plan and other similar hazard mitigation documents with the Olmsted County Sheriff's Department, the City of Rochester Emergency Management Department, and the Rochester-Olmsted County Planning Department to ensure inclusion of these hazard/mitigation strategies into these public emergency management plans.

EERA Comment: The CEA will address the concerns identified by the Rochester-Olmsted Planning Department.

Irrold Hanson (see eDockets, Document ID [20164-120598-01](#))

Commented that "the proposed pipeline should be located in road rights-of-way."

EERA Comment: Nearly all route segments proposed and identified parallel existing road rights-of-way, rather than occupy rights-of-way because of existing right-of-way restrictions and safety related issues associated with longitudinal placement of linear infrastructure facilities within existing rights-of-way (roads, railroads, other types of pipelines, electric utility transmission lines, as well as any other type of right-of-way). There is also a difference in requirements depending on whether it is a perpendicular crossing or one that may parallel. This topic will be examined in the CEA.

Meyer Farms Inc. (see eDockets, Document ID [20164-120638-01](#))

Harry Meyer, president of Meyer Farms Inc., expressed opposition to MERC's preferred route along 70th Street between MP 4.1 and 4.5 because of the four farm tile lines crossing the road and the header tile running parallel with the road. Tiles are also located at 90 foot intervals for the entire one-half mile of road that the pipeline would parallel. The British Petroleum product pipeline also crosses Mr. Meyer's land. He expressed a preference for locating the proposed pipeline on the west side of that right-of-way.

Eugene Peters—Westridge Hills Corp (see eDockets, Document ID [20164-120640-01](#))

Mr. Peters provided comments via two emails and one attachment on April 11 and April 12, 2016. Mr. Peters is treasurer for the Westridge Hills Corporation (Westridge) and provided background on Westridge's proposed development and addressed MERC's preferred route that crosses Section 27 in Rochester Township.

Mr. Peters indicated that the land owned by Westridge was acquired for development purposes more than 20 years ago and that they have 165 acres in Section 27. "The boundaries of the property are 48th St. SW on the South, 40th ST. SW on the North and 11 Ave SW on the East. We have created a general development plan for this property which is comprised of single family residential lots, a church site, commercial land, and regional retention pond and city parkland. The proposed route runs directly thru the back lots of our residential portion. These are the premium single family lots in this development with many 100 + year old trees in the direct path of this pipeline. Each of these lots is projected to sell for \$250,000 per lot. Any removal of the trees within these lots will generally diminish each

lots value.” In February 2007, Westridge filed a General Development Plan (06-275) to develop 79.31 acres of land for single family lots and a church located north of 48th Street SW.

Mr. Peters, who also contacted MERC, states: “After reviewing the new map the pipeline is shown crossing in the middle of the development planned by Westridge Hills Corp. This would effectively prevent the installation of city utilities north of the pipeline. Unless the line is very deep it will affect the placement of Sanitary Sewer, Water and Stormwater pipes in the middle of the development.” Mr. Peters also stated a preference for locating the proposed preferred route along the 48th Street right-of-way and that if additional land along this route is needed Westridge would work with MERC. Mr. Peters also noted that along the original route proposed by MERC that rock will be encountered between two and three feet from the surface.

EERA Comment: MERC did submit a route alternative that follows 48th Street. See route segments 22 and 24, as illustrated on [Figure 2](#), pages 3 and 4.

Jeff Broberg (WSB & Associates) on behalf of Mr. Franklin Kottschade (See eDockets, Document ID [20165-121015-01](#))

On April 13, 2016, Jeff Broberg (WSB & Associates) submitted comments objecting to the pipeline route proposed by MERC on behalf of Mr. Franklin Kottschade. Mr. Kottschade owns 14 parcels encompassing 190 acres located in the north half of the northwest one-quarter of the northwest corner of Section 26, Township 106N Range 14W, in the city of Rochester (see [Figure 2](#), page 4). The comments note that “the proposed preferred route and route alternative buffer extending from station (Mile Post) 11.6 on the west, to 12.4 on the north, indirectly impacts his entire development and directly impacts 8 of Mr. Kottschade’s 14 parcels.”

The comments indicate that “the 14 Kottschade parcels located west of US 63, south of 40th St. SW, east of 11th Ave. SW and north of the platted lots to the south, encompassing a total of 190.5 acres, have been under various stages of development for more than 15 years. The Kottschade parcels, formerly known as the Cote Farm were subject to zoning changes and conditional use permits for mining and grading since the mid 1990’s.”

The comments point out that Mr. Kottschade “has sought and received permits, recorded plats and has entered into contractual Development Agreements with the City of Rochester and has outstanding option agreements for future commercial development.” These “development plans accommodate sand and gravel extraction, site grading and infrastructure to serve 150 residential lots and 450,000 square feet of commercial buildings. These parcels have been substantially improved and received numerous permits and are not simply open agricultural lands as they might appear on air photos or on a quick site visit.”

Closing comments note that “Mr. Kottschade objects to the proposed route for the Minnesota Energy pipeline through the ‘SJC Parcels’ as proposed. The alignment does not take into account the development history or the development plans and does not take into

account major disruptive impact that the pipeline would have to any plans and future development.” Mr. Kottschade is requesting that the Commission “reject the proposed route and remand MERC’s route proposal back to consider alternatives that do not have such a substantial impact on the growth of the southern corridor of the City of Rochester.”

In a June 9, 2016, phone conversation Mr. Kottschade’s representative informed EERA staff that sewers were installed on some of the commercial parcels during the winter of 2015-2016.

WSB, Mr. Kottschade’s representative also filed 15 separate attachments related to various development plans for the parcels of land that will be developed within the city of Rochester. [Attachment 5](#) provides an eDocket index and description of the documents submitted on behalf of Franklin Kottschade.

EERA Comment: MERC submitted a route segment alternative to minimize impact on the parcels Mr. Kottschade plans on developing. See route segments 8P (RS 8P) on [Figure 2](#), pages 3 and 4.

Donna M. Anderson (See eDockets, Document ID [\(20164-120670-01\)](#))

Ms. Anderson suggested a route segment that would begin at the existing NNG TBS 1D in Section 30, just east of 60th Avenue and then proceed westward one-mile, adjacent to an existing NNG right-of-way that contains two natural gas pipelines, one operational and the other abandoned, to 70th Avenue. Ms. Anderson suggested this new route segment because it uses agricultural land (with lots of room) and only crosses 60th Avenue and not 19th Street, avoids crossing the lawns of two occupied homes on the north side of 19th Street and would be further away from the Olmsted County landfill.

EERA Comment: This suggestion is identified as proposed route segment 10 (RS 10) on [Figure 2](#), page 1.

Bruce Ryan (See eDockets, Document ID [\(20164-120680-01\)](#))

Mr. Ryan suggested widening the route width along the British Petroleum Pipeline between MP 7.1 and 7.4 “in order to save the mature line of trees” as highlighted on the map he provided. To avoid the trees, Mr. Ryan suggested alternatives 1 and 2 on the map he provided. Mr. Ryan also commented that he believes the best place for the route would be to follow 60th Avenue immediately west of his property.

EERA Comment: Mr. Ryan’s suggestion for increasing the route width is reflected in route segment 12 (RS 12), as illustrated on [Figure 2](#), pages 2 and 3.

Ronald Jacobson (see eDockets, Document ID [\(20164-120688-01\)](#))

Mr. Jacobson stated a preference for the pipeline to be extended to 55th Avenue, follow 55th Avenue north and connect to the British Petroleum products pipeline right-of-way north of 40th Street. Mr. Jacobson provided two aerial photos depicting route proposals.

The first route proposal, would begin where the British Petroleum products pipeline right-of-way crosses 40th Street SW then extend southward approximately 0.5 miles the along the road right-of-way of 55 Avenue SW, then turn east to intersect the British Petroleum pipeline right-of-way (along MERC's original alternate route).

EERA Comment: This suggestion is identified as route segments 13 and 15 (RS 13 and RS 15) as illustrated on [Figure 2](#), page 3.

Me. Jacobson's second route alternative, would begin where the British Petroleum products pipeline right-of-way crosses 40th Street SW then extend southward approximately 1.0 mile adjacent to the road right-of-way of 55 Avenue SW, then turn east and follow 50th Street SW east to the point where it intersects the British Petroleum pipeline right-of-way.

EERA Comment: This suggestion is identified as route segments 13 and 17 (RS 13 and RS 17) as illustrated on [Figure 2](#), page 3.

Jerry Dee (see eDockets, Document ID [\(20164-120687-01\)](#))

Mr. Dee commented that "Our family owns the land between mile marker 9.3 and 9.6 in section 29 Rochester Township. We would prefer the gas line route to run on the preferred route along the north side of the farm." EERA staff spoke with Mr. Dee and he preferred that the route be widened so that the pipeline may be placed on the north side of the farm, rather than the south side as presently proposed by MERC. When asked about the trees along the property line, Mr. Dee indicated that they were "junk trees" and not important.

EERA Comment: Mr. Dee's suggested would widen out route segment 16 (RS 16) as illustrated on [Figure 2](#), page 3, where it crosses his property, located just west of Highway 8.

Mark A. Darnell and Stanley Dee (see eDockets ID [20164-120689-01](#))

The comments by Mr. Darnell and Mr. Dee state:

Our properties are located in Section 29 of Rochester Township. Mr. Dee and I stand united on our input and request. In general we do not oppose the natural gas line and understand the need for it to serve the growth of Rochester and Olmsted County. However, we do oppose the "**Proposed**" placement of the pipeline. Between the two of us we own approximately 200 acres. The "Proposed" gas line route will sever our properties in the middle. This would create hardship to Mr. Dee's farming and cattle operation and to my ranching operation.

The most notable hardships for me would include, (depending the time of year the pipe is laid out and trenched), the inability to reach my hay field and grazing pasture, and the inability to contain my horses without significant work. The pipeline would sever two pastures in an East/West direction and my fence lines run in a North/South direction. Between the two pastures I have twenty six (26) head of horses. Also located in the East pasture is a

horse arena. During the months of May through October we host several sanctioned saddle club horse shows and clinics. The line as proposed, would disrupt those shows. As for Mr. Dee the proposed route would sever his hay and corn field. Mr. Dee is dependent on his hay and crops to feed his cattle. The proposed route of the line crosses the wettest portion of my property, crossing three waterways and as it rises to Mr. Dee's property rock, shell rock and limestone are encountered making trenching a challenge.

In lieu of accepting the proposed "Alternate" route as indicated on the map We would suggest yet another possible route that would not disrupt our operations. If the route were moved approximately 300 yards to the south (see attached Map-Option 2) it would follow the natural property lines and limit disruption to our properties. By following the natural property lines you would also gain the benefit of better ground for digging. The ground on our south fence lines is predominately dirt.

EERA Comment: Mr. Darnell's and Stan Lee's first suggestion (Option 2) is identified as (RS 19), as illustrated on [Figure 2](#), page 3. Their second suggestion (Option 1) is identified as (RS 18 and RS 20) and requires a widening RS 18 on the east side of the BP products pipeline right-of-way, as well as on the north side of 50th Street SW, as illustrated on [Figure 2](#), page 3.

Minnesota Energy Resources Corporation (see eDockets, Document ID [20164-120035-01](#))

In its April 13, 2016 filing, MERC, in response to landowner feedback, comments and concerns proposed two additional route segment alternatives for Commission consideration and inclusion in the CEA that will be prepared for this project.

MERC commented that landowner comments focused on issues associated with paralleling the existing BP products pipeline right-of-way (exposed pipeline, depth of burial product pipeline, constructability issues due to surface bedrock), and two proposed developments (Westridge Hills and Kottschade Mixed Use Development) that have received preliminary zoning approval (See discussion of Eugene Peters and Franklin Kottschade comments).

Because of these issues, MERC is proposing two alternative routes: 1) one as an alternate route to avoid the BP Pipeline and 2) a route alignment within the Route Alternative Buffer to avoid a potential development area.

Paralleling the BP Pipeline – 60th/40th Route Segment

In its Route Permit Application (November 2015), MERC proposed its Preferred Route to parallel the existing BP Pipeline through Sections 19 and 30 of Rochester Township. MERC selected this as its Preferred Route because it was a route that minimized linear length and also allowed the Project to parallel existing linear infrastructure. MERC did not propose an alternative segment in its Route Permit Application in this area but had evaluated other routing options before selecting the Preferred Route and summarized its analysis of those options and the

reasons for not considering them further in its Route Permit Application (Pages 19, 20 and 50).

During the Scoping Meetings, we heard from several landowners regarding their concerns about the existing BP Pipeline in the area of our proposed Preferred Route. Of particular note were the comments some landowners made regarding the depth at which the BP Pipeline is buried on these properties. Comments at the Scoping Meetings and subsequent conversations with landowners indicate that the BP Pipeline in this area is buried at a shallow depth and perhaps may even be exposed in some areas. The construction of our Project near a crude oil pipeline located at a shallow depth poses significant constructability and right-of-way concerns related to the Project. If the BP Pipeline is located at a shallow depth, MERC would not be able to locate its Project directly adjacent to the existing pipeline right-of-way as was contemplated in the Route Permit Application because a shallow depth would necessitate additional space for construction equipment, construction safety, and access. Further, constructing parallel to a shallow depth pipeline would increase construction costs for the Project as additional construction protocol would need to be developed, including the potential need for additional ground matting and the purchase of additional land rights for construction access because construction equipment would not be able to cross the existing pipeline right-of-way.

Based on those concerns, MERC requests that the Comparative Environmental Analysis to be prepared by the Department of Commerce, Energy Environmental Review and Analysis (EERA) include the route segment (identified as the 60th/40th Route Segment) shown on Attachment 1 to this letter.

The 60th/40th Route Segment follows 60th Avenue SW south one mile from the intersection of 60th Avenue and Sections 18 and 19 of Rochester Township and Sections 13 and 24 of Salem Township. The 60th/40th Route Segment then turns east and follows 40th Street SW for approximately two miles to County Road 8. The 60th/40th Route Segment then turns south and follows County Road 8 for approximately one half mile until it rejoins the Preferred Route between Sections 28 and 29 of Rochester Township. The 60th/40th Route Segment is 500 feet in width, as is the Preferred Route. This route follows existing road rights-of-way for its entire length. A table comparing the 60th/40th Route Segment to the comparable segment of the Preferred Route alignment is included as Attachment 2 to this letter. The list of landowners within the proposed 60th/40th Route Segment 500-foot route width in this area is included as Attachment 3 to this letter.

EERA Comment: The 60th/40th proposal by MERC as described above, is illustrated on [Figure 2](#), page 2 (RS 4P), that continues south 1.0 mile then turns east to parallel 40th Street for two miles until it intersects County 8 then turns south paralleling County Road 8 for 0.5 miles as illustrated on [Figure 2](#), page 3 (RS 5P).

Development near Highway 63 – 11th/40th Route Segment

In our continuing discussions with stakeholders, a landowner recently notified MERC of a new mixed residential and commercial development within the Route Alternative Buffer proposed in its Route Permit Application. The Route Alternative Buffer was proposed because MERC identified this area as a high probability development area given the historical development in this area and its proximity to Highway 63. A General Development Plan has been approved by the City of Rochester and platted by Olmsted County in the north half of Section 26 of Rochester Township west of Highway 63. The same person also owns the property in the northwest quarter of this section and has a preliminary General Development Plan on file with the City of Rochester and has informed MERC he is in the process of preparing the filing for approval at this time. The Preferred Route alignment bisects both of these development plans. Because of this, MERC requests that the Comparative Environmental Analysis also include an alignment (with a 500-foot route width) within the Route Alternative Buffer that would follow 11th Avenue SW north for approximately a half mile from the Preferred Route, turn east on 40th Street and follow 40th Street SW for approximately a half mile until it rejoins the Preferred Route just west of Highway 63 (the 11th/40th Route Segment). The 11th/40th Route Segment follows existing road rights-of-way for its entire length within the Route Alternative Buffer. A map showing the 11th/40th Route Segment is included as Attachment 4 to this letter. A table comparing the 11th/40th Route Segment alignment to the comparable segment of the Preferred Route alignment is included as Attachment 5 to this letter. The property within the 11th/40th Route Segment 500-foot route width is entirely within the Route Alternative Buffer included in the Route Permit Application for the Project. In its review of the area, MERC did consider a route that would continue from the 60th/40th Route Segment along 40th Street SW east from 60th Avenue SW to rejoin the Preferred Route alignment instead of following County Road 8 south. MERC concluded, however, that the topography of the area along 40th Street SW and the proximity of homes to the 40th Street SW right-of-way would not allow for a route that was capable of being constructed along 40th Street SW in Section 27 of Rochester Township. MERC's Route Preference has compared the two route segments it proposes to be included in the Comparative Environmental Analysis with the comparable segments of the Preferred Route. Based on its review, MERC would prefer if the Project followed these two route

segments instead of the Preferred Route in these areas. By following the 60th/40th Route Segment instead of the Preferred Route, the Project increases the total percentage of right-of-way paralleling by just over 10 percent, decreases the amount of forested area that would need to be cleared, and decreases total acres of wetland impacts for the Project. By following the 11th/40th Route Segment instead of the Preferred Route in this area, although the total Project length increases, the total percentage of right-of-way paralleling increases from zero to 100 percent. Also, fewer acres of wetland impacts are anticipated with the 11th/40th Route Segment. For these reasons, at this time, MERC prefers the Modified Preferred Route as shown on Attachment 6 to this letter for the Project.

MERC requests that EERA include the 60th/40th Route Segment and the 11th/40th Route Segment in the Comparative Environmental Analysis that EERA is preparing.

EERA Comment: MERC's second route segment proposal (RS 8P) is illustrated on [Figure 2](#), page 4.

Written Comments Received by May 30, 2016

Wayne and Earlen Laursen (see eDockets, Document ID [20166-122017-01](#))

The Laursen's comment stated: "The preferred route is, by far, our choice."

EERA Comment: The Laursen's, who live on 50 St SW, reference is to MERC's preferred route identified in its November 3, 2015, route permit application and now identified as route segment 16 (RS 16) as illustrated on [Figure 2](#), page 3.

EERA Proposed Route Segments and Route Width Increases

EERA staff is proposing several route segments, as well as route width increases, as suggested by others and where EERA believes that an increase in the route width is warranted for consideration by the Commission.

Route Segment Proposals

The following EERA route segment proposals are intended to provide for cross-over points or links that connect one route segment to another, thereby increasing the routing options to be analyzed and evaluated in the record of this proceeding. Additionally, one route segment is proposed as an alternative to a proposed route segment that may not be viable for reasons identified in the following discussion.

RS 21 is a short segment connector that parallels County Road 8 between Sections 28 and 29 in Rochester Township. RS 21 increases the possible routing options by connecting

route segments 5P, 16, 19 and 20 to route segments 6P and 22, as illustrated on [Figure 2](#), pages 3 or 4.

RS 23 is proposed as a connector between MERC's preferred route segment 6P in Section 27 in Rochester Township and the routes proposed to parallel 48 Street SW (RS 22 and RS 24), as illustrated on [Figure 2](#), pages 3 or 4. This connector is proposed to increase the number of routing options for analysis and evaluation in the CEA.

RS 27, [Figure 2](#), page 4, is proposed as an alternative to RS 28. EERA staff believes RS 28, as suggested by the DNR may not be viable because 48th Street crosses over Highway 63 rather than under the highway. EERA also has concerns about: 1) the length of the horizontal directional drill (HDD) crossing that would be required to cross the Highway 63 and 48th Street SE interchange at its widest part, 2) the presence or absence of other infrastructure-water, sewer or other utilities-that may be located in or associated with this highway interchange, 3) the separation distance (75 feet) MnDOT requires between a pipeline and bridge, 4) the extra temporary work space necessary for a HDD crossing, and 5) the existing commercial development in proximity to the interchange (Target, Lowes, Fleet Farm, and gas service stations).

RS 29 is located between 48th Street SE and 40th Street, and connects the route segment proposed by DNR (RS 28) and EERA (RS 27) to MERC's proposed endpoint for the high-pressure pipeline at the DRS Buffer, as illustrated on [Figure 2](#), page 4.

Increased Route Width Proposals

In its route permit application, MERC requested a route width of 500-feet. In most cases, this proposed width provides adequate space for the selection of a centerline and right-of-way (permanent and temporary) for the proposed project. However, EERA staff supports increasing the width of several proposed route segments in order to:

- Provide for greater flexibility in the analysis and evaluation of route segments;
- Identify a right-of-way that minimizes potential impacts;
- Increase the potential to coordinate Phase 3 of the proposed project with the Rochester-Olmsted County Planning Department on road and other infrastructure requirements that may be necessary to support the growth anticipated in that area, as well as developers that have approved plans; and
- Allow for geological considerations associated with Decorah Edge and karst features.

RS 4P

The increased route width (approximately 200- feet) is proposed to avoid a line of trees in the northwest quarter of Section 19 in Rochester Township. See RS 4P as illustrated on [Figure 2](#), page 3.

RS 12

The increased route width (865-feet) is proposed to accommodate safety concerns associated with construction and a scoping suggestion to increase the route width on the west and east side of the existing BP products pipeline right-of-way.

RS 18 and RS 20

The increased route width (800-feet) is proposed to accommodate an alignment that would locate the pipeline on the east side of the BP pipeline and the north side of 50 Street SW. The increased width provides for additional flexibility, if necessary.

RS 22 and RS 24

The increased route width (800-feet) along 48th Street SW would extend 250 feet to the south of the 48 Street SW centerline and the remaining 550-feet to the north of the 48th Street for increased route flexibility.

RS 27

The reasons for proposing RS 27 are discussed above. EERA also believes the highlighted south-half of the US Highway 63 and 48th Street SE interchange, as illustrated on [Figure 2](#), page 4, should be considered by the Commission for further study and evaluation. If further study and analysis determines that RS 27 and RS 28 are not viable, the inclusion of this expanded study area may provide for other routing options. At this time we do not have design information for the US Highway 63 and 48th Street SE interchange. A review of the design information may assist in the identification of alternative routing options in this area.

DOC EERA Staff Analysis and Comments

Scoping

In Minnesota, the scoping process for environmental review is designed to identify and analyze “*only those potentially significant issue relevant to the proposed project*” and alternatives to the project.³⁹ Under Minnesota Rules, Chapter 7852 [Route Permit; Pipeline] a scoping decision is not required.

All of the oral comments at the public information meetings and the written comments received, including route proposals, were summarized and presented in the “*Scoping Comments and Route Proposals*” section of this document. In some instances commenters suggested topics and issues that should be examined in the CEA to be prepared for this project. As noted above, a “Draft Scoping Document” dated February 29, 2016, was available at the public information meetings (see [Attachment 2](#)); however, no comments on

³⁹ Minn. R. 4410.2100, subp. 1.

that document were received. EERA noted earlier that all issues and topics identified, as warranted, will be addressed in the environmental document.

Route and Route Segment Proposals

MERC identified a preferred route and an alternative route in its route permit application filed with the Commission on November 3, 2015.⁴⁰ Minnesota Rule 7852.1400 provides for a minimum of 70 days for the public, agencies and others to propose other routes and route segments for Commission consideration. When a route or route segment is proposed during the scoping process, EERA staff evaluates the proposal for compliance with part 7852.1400.

The route segment proposals received during the scoping period, as discussed above, present minor variations to MERC's preferred and alternate routes, rather than entirely new routes between the proposed projects identified endpoints. Several of the commenters recognized a need for the proposed project to support continued growth in the Rochester area.

EERA staff also evaluated the route and route segment proposals against the criteria for pipeline route selection in Minnesota Rule, part 7852.1900 to determine if any of the proposed route or route segments presented a major conflict with the criteria, prior to presenting them for the Commission's consideration. No significant conflicts were identified.

To facilitate analysis and evaluation, MERC's preferred and alternate routes and other route segment proposals submitted have been reduced into individual route segments and numbered (1 to 29). Route segments are designated as preferred (or modified preferred where MERC's scoping comments stated a preference for a segment over what was originally preferred in its Route Permit Application). These segments have a "P" extension, for example 1P. All of the proposed route segments are listed in Table 1, with a location reference to [Figure 2](#) showing the location of each route segment.

Table 2, summarizes and presents the route segment width increases proposed during the scoping period and as identified by EERA staff in its evaluation of the proposed route segments.

Routes and Route Segments Not Proposed

Two other route segments (60th Avenue NW and 40th Street SW) were considered; however, based on additional review and evaluation these two route segments are not being recommend for Commission consideration based on the following:

⁴⁰ See eDockets, Document ID [201511-115408-01](#), Figure 1, p. 7.

60th Avenue NW

Over the years several short- and long-range documents have been completed that have provided planning direction for the future transportation system needs in Olmsted County and the city of Rochester in response to expected population and employment growth. The Rochester-Olmsted Council of Governments (ROCOG) 2035 and 2040 Long-Range Transportation Plan and the 60th Avenue/CSAH 14 Corridor Management Plan provide the planning direction for the CR 104/60th Avenue corridor, which is identified as the western portion of an outer arterial ring surrounding the Rochester urbanized area (see [Figure 2](#), page 1). The ROCOG Long Range Transportation Plan outlines this corridor’s role in terms of the larger transportation system within Olmsted County and the City of Rochester, and the 60th Avenue/CSAH 14 Corridor Management Plan provides a policy plan for preservation of this corridor as a future arterial roadway.

For additional information, see “Corridor Management Plan 60th Ave NW/CSAH 14 Expressway” and “Reaffirmation of 2040 Long Range Plan at:

- <https://www.co.olmsted.mn.us/planning/trnsprtng/cr104study/documents/2003corridormgmtstudy.pdf>
- <https://www.co.olmsted.mn.us/planning/rocog/2040lrtp/Pages/default.aspx>

TABLE 1			
ROCHESTER NATURAL GAS PIPELINE ROUTE SEGMENT PROPOSALS			
MERC MODIFIED PREFERRED ROUTE SEGMENTS	ROUTE SEGMENT LOCATION ON FIGURE 2 MAPS	OTHER PROPOSED ROUTE SEGMENTS	ROUTE SEGMENT LOCATION ON FIGURE 2 MAPS
1P	Fig 2. P. 1	10	Fig 2. P. 1
2P	Fig 2. P. 1 & 2	11	Fig 2. P. 1 & 2
3P	Fig 2. P. 2 & 3	12	Fig 2. P. 2 & 3
4P	Fig 2. P. 2 & 3	13	Fig 2. P. 3
5P	Fig 2. P. 3 & 4	14	Fig 2. P. 3
6P	Fig 2. P. 3 & 4	15	Fig 2. P. 3
7P	Fig 2. P.3 & 4	16	Fig 2. P. 3
8P	Fig 2. P. 3 & 4	17	Fig 2. P. 3
9P	Fig 2. P. 4	18	Fig 2. P. 3
		19	Fig 2. P.3
		20	Fig 2. P. 3
		21	Fig 2. P. 3 & 4
		22	Fig 2. P. 3 & 4
		23	Fig 2. P. 3 & 4
		24	Fig 2. P. 3 & 4

TABLE 1			
ROCHESTER NATURAL GAS PIPELINE ROUTE SEGMENT PROPOSALS			
MERC MODIFIED PREFERRED ROUTE SEGMENTS	ROUTE SEGMENT LOCATION ON FIGURE 2 MAPS	OTHER PROPOSED ROUTE SEGMENTS	ROUTE SEGMENT LOCATION ON FIGURE 2 MAPS
		25	Fig 2. P. 3 & 4
		26	Fig 2. P. 3 & 4
		27	Fig 2. P. 4
		28	Fig 2. P. 4
		29	Fig 2. P. 4

Table 2			
ROUTE SEGMENT WIDTH INCREASES			
Route Segment No.	Original Route Width	Proposed Route Width	Figure 2 Page No.
4P	500	700	3
12	500	865	2 & 3
16	500	700	3 & 4
18 & 20	500	800	3
20 & 22	500	800	3 & 4
27	500	2,000	4

40th Street SW

In its April 13, 2016, comment letter, MERC noted that they “Did consider a route that would continue from the 60th/40th Route Segment along 40th Street SW east from 60th Avenue SW to rejoin the Preferred Route alignment instead of following County Road 8 south. MERC concluded, however, that the topography of the area along 40th Street SW and the proximity of homes to the 40th Street SW right-of-way would not allow for a route that was capable of being constructed along 40th Street SW in Section 27 of Rochester Township.”⁴¹ Staff concurs with this analysis. See [Figure 2](#), pages 3 and 4.

Route Proposal Acceptance

Commission consideration of “Route Proposal Acceptance,” is addressed in Minnesota Rules 7852.1400, Subp 1 as follows:

⁴¹ April 13, 2016, MERC comment letter, See eDockets, Document ID [20164-120035-01](#), p. 3.

The Commission shall accept for consideration at the public hearing the routes and route segments proposed by the applicant and may accept for public hearing any other route or route segment it considers appropriate for further consideration. No route shall be considered at the public hearing unless accepted by the Commission before the notice of the hearing. Routes shall be identified by the Commission in accordance with part 7852.1600 [Published Notice of Routes Accepted]. A proposer of a route or route segment that the Commission has accepted for consideration at the hearing shall make an affirmative presentation of facts on the merits of the route proposal at the public hearing.”

Commission staff may also propose routes or route segments directly to the commission as provided for by part 7852.1400, Subp. 2.

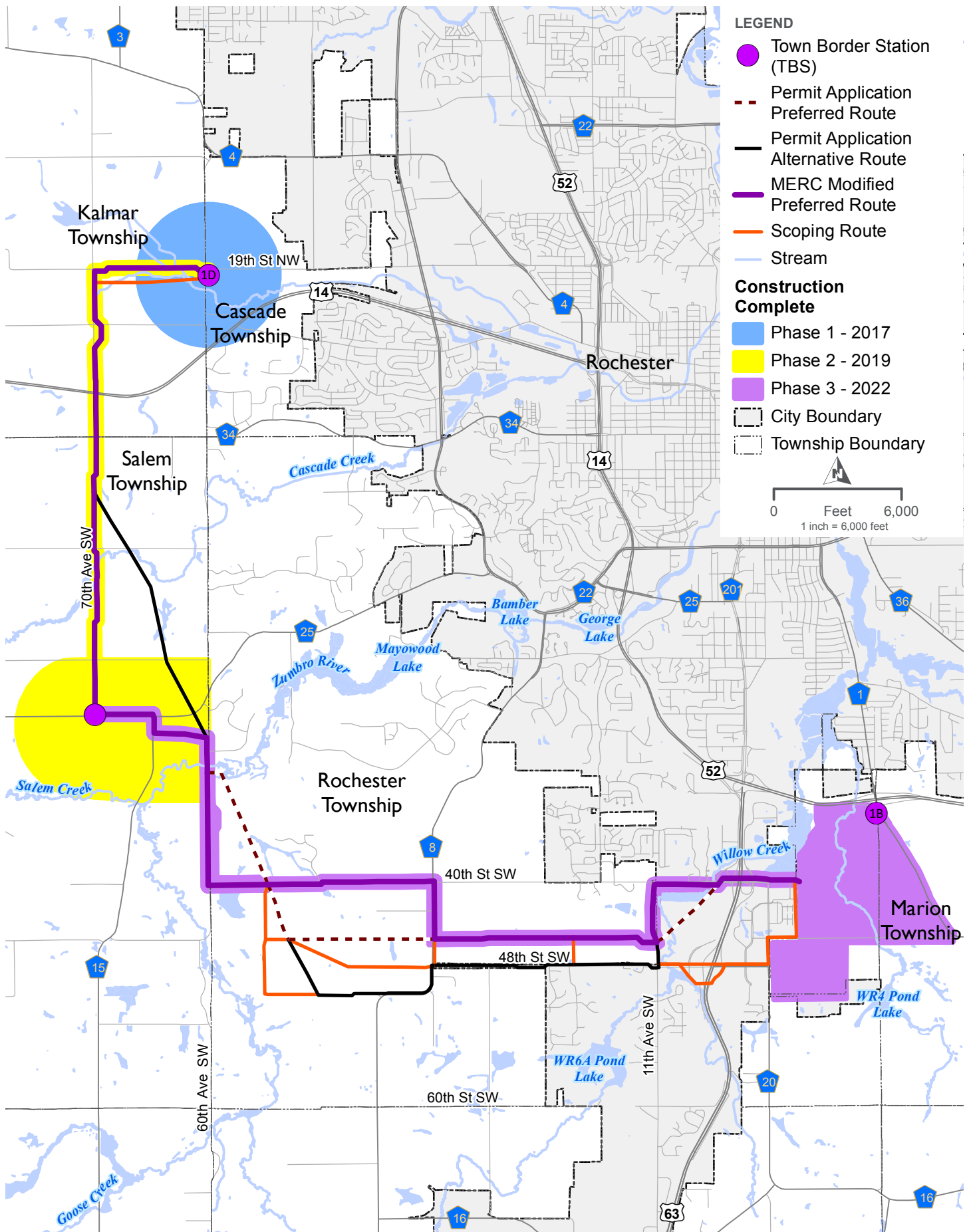
EERA Staff Recommendation

Based upon review of the route and route segments proposed, EERA believes the route segments, as identified in Table 1 and illustrated in [Figure 2](#), are appropriate for consideration by the Commission and acceptance for consideration at the public hearing, including evaluation and analysis in the environmental review document prepared for the proposed project.

A similar evaluation was also undertaken for the “route width requests” presented above and as identified in Table 2 and illustrated in [Figure 2](#). EERA believes the requests are reasonable and recommend consideration by the Commission and acceptance for consideration at public hearings and analysis in the environmental review document prepared for the proposed project.

Figure 1

Project Overview Map



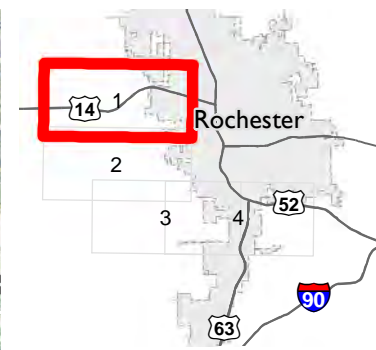
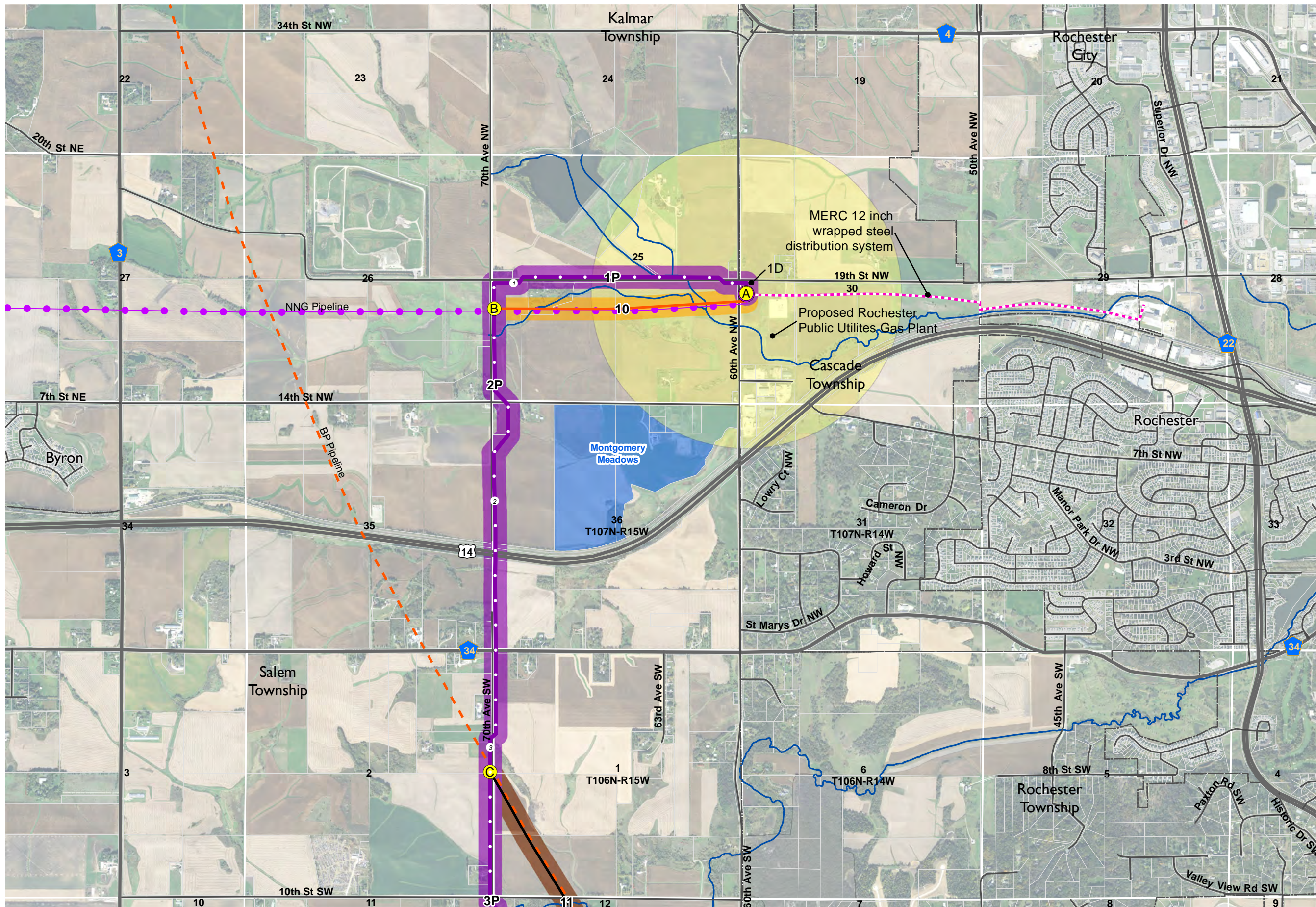
LEGEND

- Town Border Station (TBS)
 - Permit Application Preferred Route
 - Permit Application Alternative Route
 - MERC Modified Preferred Route
 - Scoping Route
 - Stream
- Construction Complete**
- Phase 1 - 2017
 - Phase 2 - 2019
 - Phase 3 - 2022
 - City Boundary
 - Township Boundary

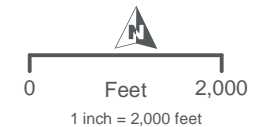


Figure 2

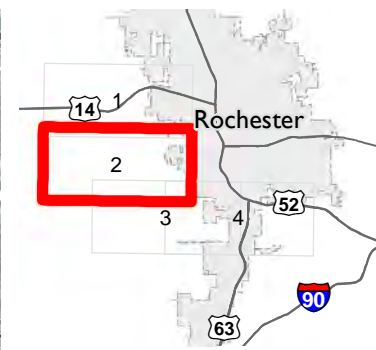
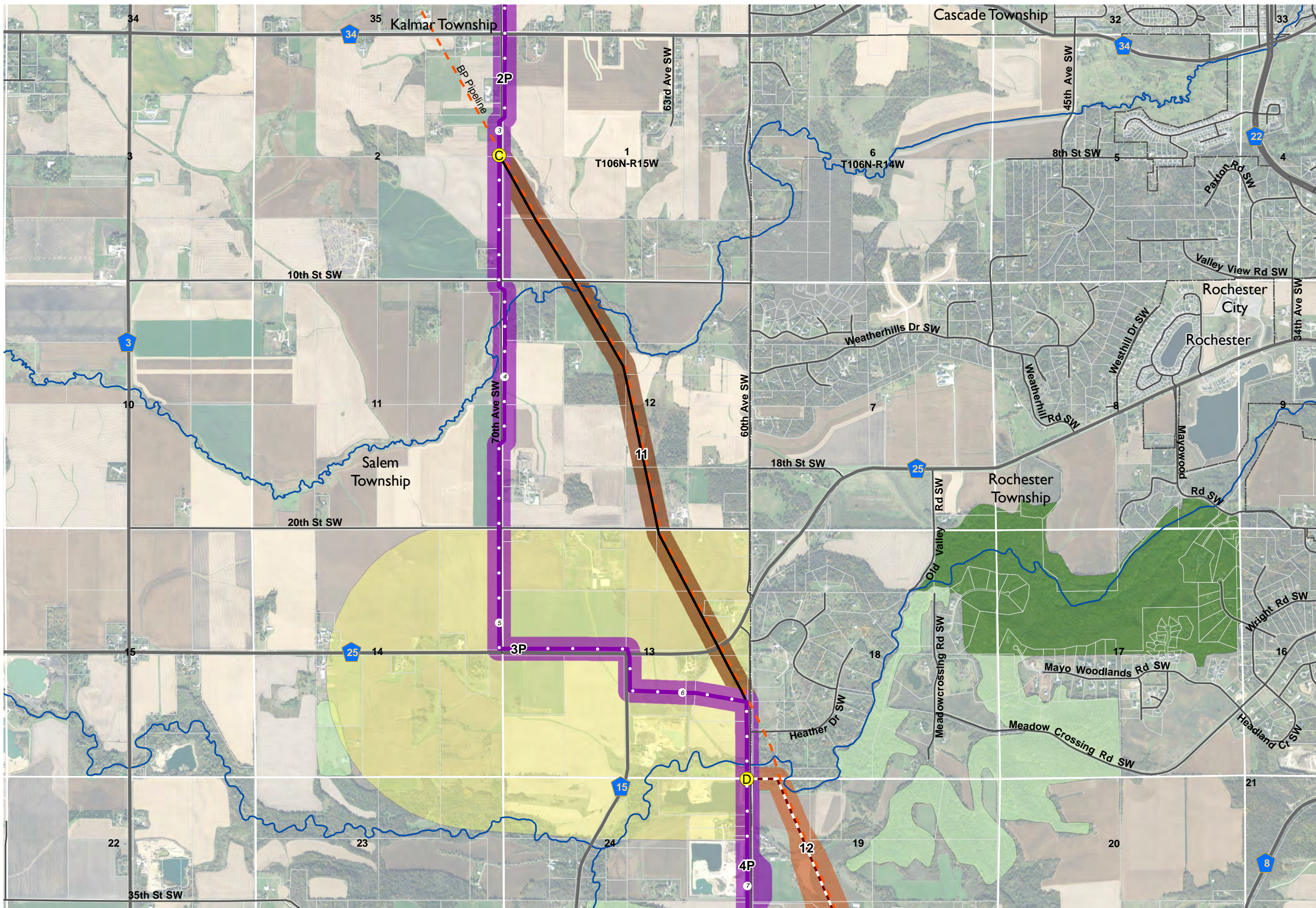
Route Alternatives



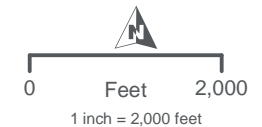
- LEGEND**
- Town Border Station (TBS)
 - Permit Application Preferred Route
 - Permit Application Alternate Route
 - MERC Modified Preferred Route
 - Scoping Route
 - Proposed Town Border Station Buffer
 - Proposed District Regulator Station Buffer
 - Future Development
- MBS Sites of Biodiversity Significance**
- Outstanding
 - High
 - Moderate
 - Below
 - City Boundary
 - Township Boundary
 - PWI Stream
 - Segment Endpoint
 - Comparison Endpoint
 - Milepost (1/10th mile)
 - Milepost (1 mile)
 - # Segment
 - #P MERC Preferred Segment



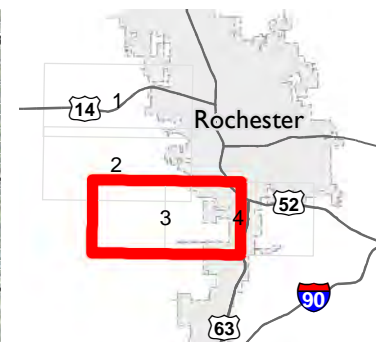
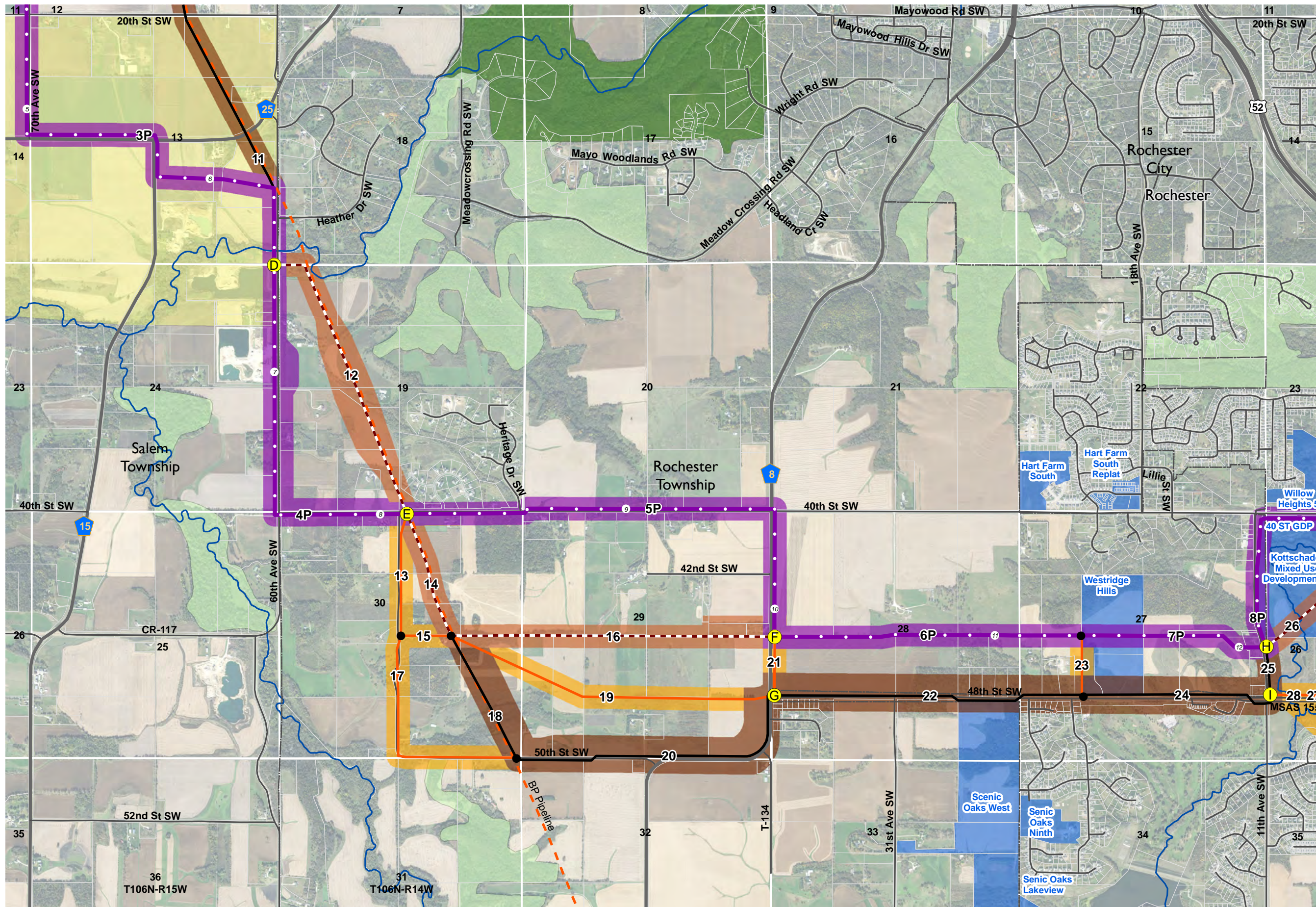
ROUTE ALTERNATIVES
ROCHESTER NATURAL GAS PIPELINE
 FIGURE 2 (PAGE 1 OF 4)



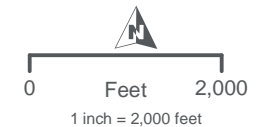
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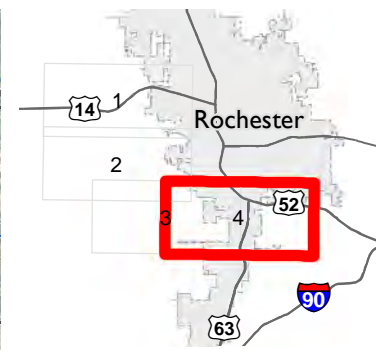
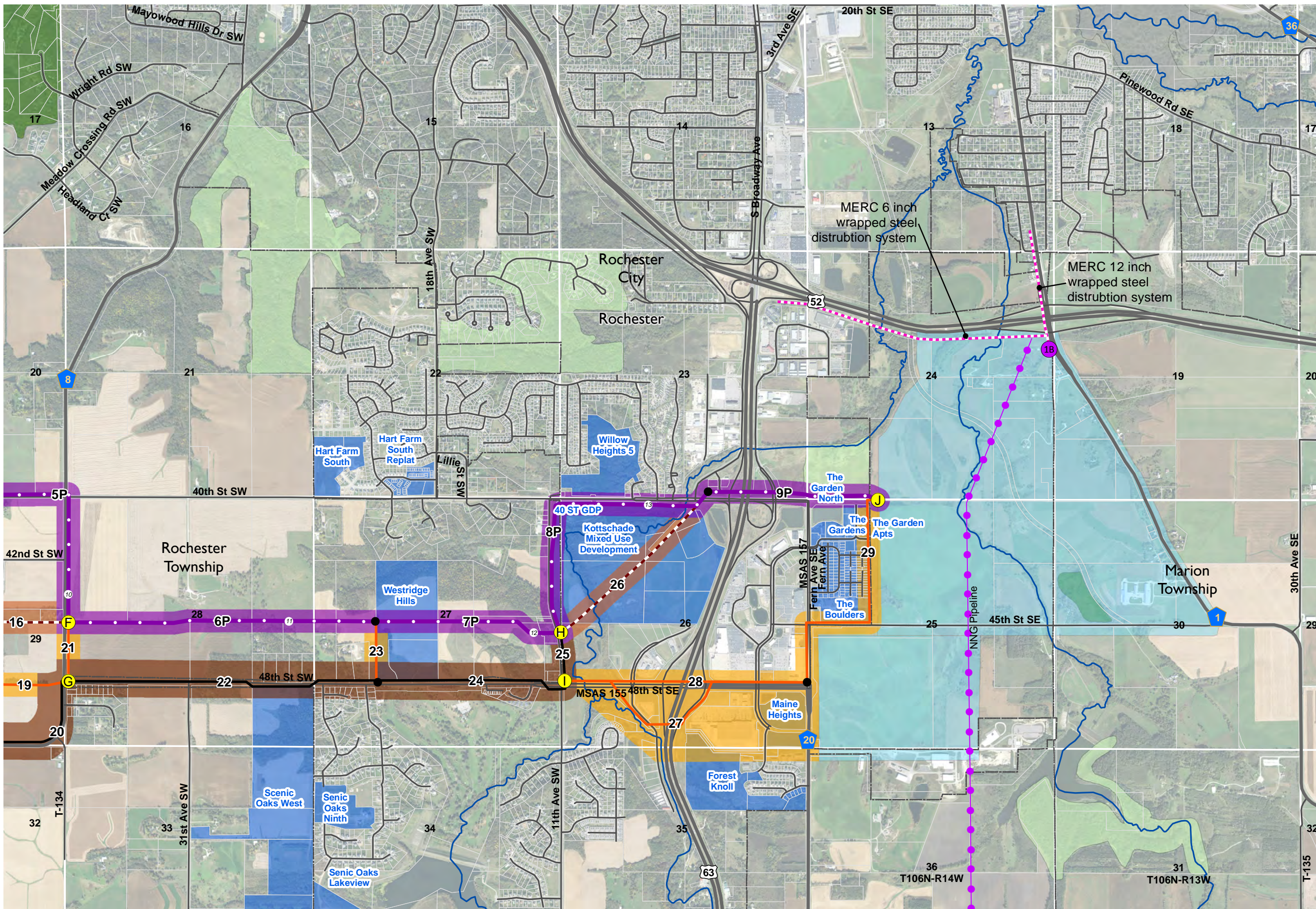
ROUTE ALTERNATIVES
ROCHESTER NATURAL GAS PIPELINE
 FIGURE 2 (PAGE 2 OF 4)



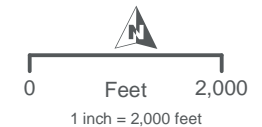
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ROUTE ALTERNATIVES
ROCHESTER NATURAL GAS PIPELINE
 FIGURE 2 (PAGE 3 OF 4)



- LEGEND**
- Town Border Station (TBS)
 - Permit Application Preferred Route
 - Permit Application Alternate Route
 - MERC Modified Preferred Route
 - Scoping Route
 - Proposed Town Border Station Buffer
 - Proposed District Regulator Station Buffer
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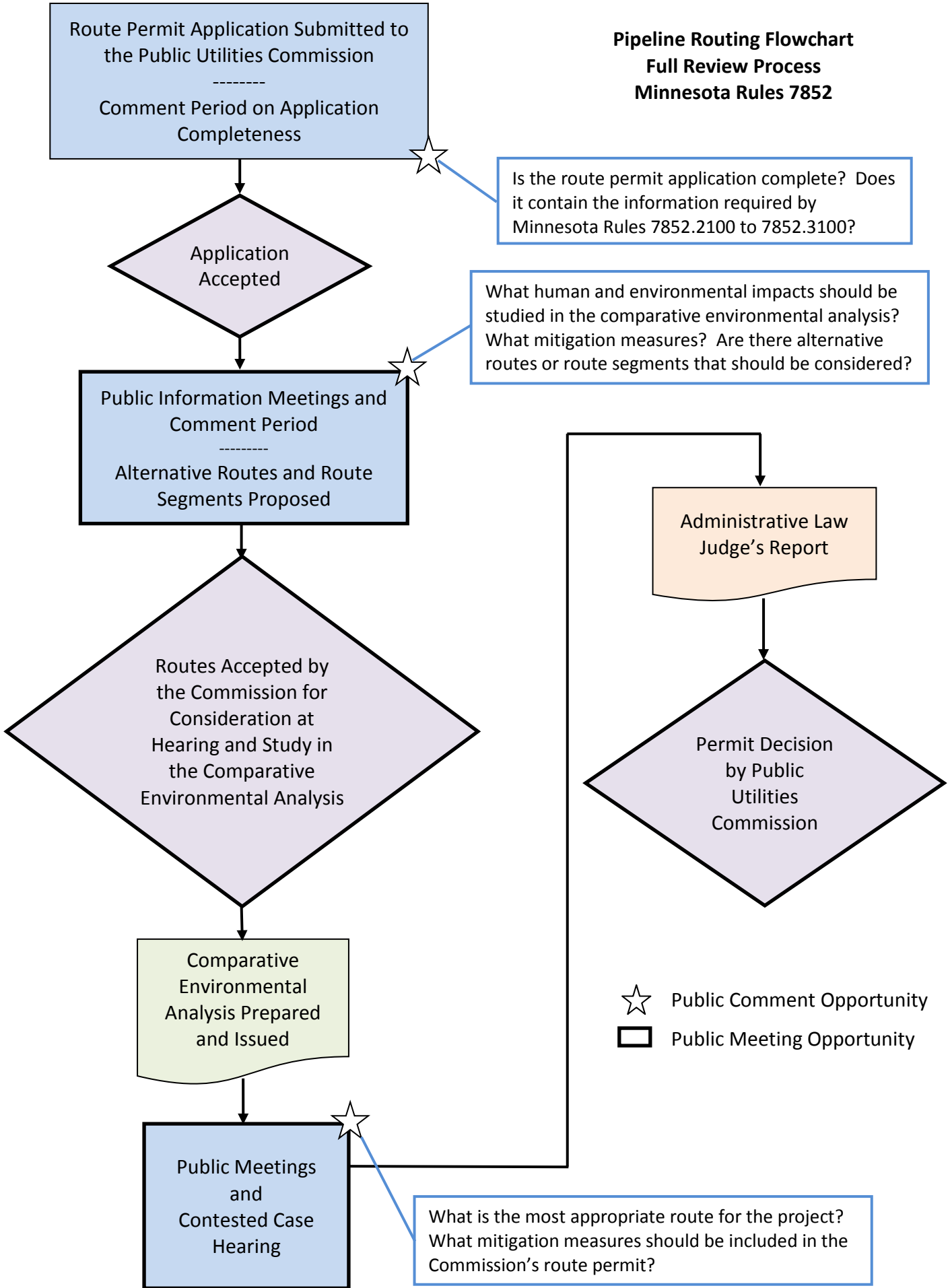


ROUTE ALTERNATIVES
ROCHESTER NATURAL GAS PIPELINE
 FIGURE 2 (PAGE 4 OF 4)

Attachment 1

Pipeline Permitting Flow Chart

**Pipeline Routing Flowchart
Full Review Process
Minnesota Rules 7852**



Is the route permit application complete? Does it contain the information required by Minnesota Rules 7852.2100 to 7852.3100?

What human and environmental impacts should be studied in the comparative environmental analysis? What mitigation measures? Are there alternative routes or route segments that should be considered?

What is the most appropriate route for the project? What mitigation measures should be included in the Commission's route permit?

Attachment 2

Draft Scoping Document



COMPARATIVE ENVIRONMENTAL ANALYSIS

Draft Scoping Document

for

Rochester Natural Gas Pipeline Project
PUC Docket No. G-011/GPO-15-858

Prepared by Department of Commerce
Energy Environmental Review and Analysis

February 29, 2016

This document is intended to provide information about the scoping process as well as the process for preparing a Comparative Environmental Analysis (CEA). At the conclusion of the scoping process, a formal decision will identify the issues and alternatives that the Department of Commerce (Commerce) determines would be useful to the Minnesota Public Utilities Commission (Commission) in making a permit decision, and therefore appropriate for inclusion in the CEA.

Introduction

On November 3, 2015, Minnesota Energy Resources Corporation (MERC or applicant) filed an application with the Commission for a pipeline route permit to construct approximately 13.1 miles of high pressure natural gas distribution pipeline and associated facilities that link the northern and southern portions of MERC's existing distribution system on the west and south side of Rochester in Olmstead County, Minnesota. The Commission docket number for this project is G-011/GP-15-858. A copy of the application is available at: <http://mn.gov/commerce/energyfacilities/Docket.html?id=34318>

Proposed Project

Project Purpose

The applicant's stated purpose is to expand the capacity of MERC's natural gas distribution system in and around the City of Rochester, which currently is at capacity. The Project will enable MERC to meet projected increases in demand from its existing Rochester area customers, as well as from new customers who will be added to MERC's system as the result of efforts to develop the Mayo Clinic as a Destination Medical Center.

Project Description

The applicant proposes to construct approximately 26,900 feet (5.1 miles) of 16-inch outside diameter steel pipe with a 0.375-inch wall thickness and approximately 42,500 feet (8.0 miles) of 12-inch outside diameter steel pipe with a 0.375 inch wall thickness for a total of approximately 13.1 miles of steel pipeline.

Planned operating pressure will be 400 to 475 pounds per square inch gauge (psig) for the 16-inch pipeline and 250 to 275 psig for the 12-inch steel pipeline. Maximum allowable operating pressure will be 500 psig for both pipelines.

Associated Facilities

The proposed project will also include construction of two town border stations and one district regulator station. Town border stations (TBS) receive high pressure natural gas from the natural gas transmission system (900 to 1,000 psig) and regulate it down for use on the local high pressure distribution system (400 to 500 psig). District regulator stations (DRS) take high pressure distribution natural gas (400 to 500 psig) and regulate it down further

(60 to 100 psig) for delivery to the low pressure distribution system. Other associated facilities include ball and or plug valves and flanges at the metering facilities of the TBS's and DRS. Other associated facilities include a cathodic protection system to prevent corrosion on the pipeline, a gas odorizing station using ethyl mercaptan to odorize the natural gas and natural gas pipeline markers at all road crossings.

Applicant's Preferred Route

The proposed project is located entirely in Olmstead County, Minnesota. See Figure 1 (attached) for MERC's preferred route originating close to its existing Town Border Station (TBS) near 19th St. NW and 60th Avenue SW in Section 30, of Cascade Township. The route then follows 19th Street NW to the west for one mile to 70th Avenue NW, then south along 70th Avenue SW for four miles to County State Aid Highway (CSAH) 25 and the new proposed TBS. The route then heads east for 0.5 miles along CSAH 25, then south along CSAH 15 for 890 feet, then east (cross country) for 0.5 mile to 60th Avenue SW. The route follows 60th Avenue SW for 1,635 feet, and then east to the existing British Petroleum (BP) refined oil products pipeline. The route follows the existing BP pipeline for 1.5 miles to southeast to about 0.5 mile past 40th Street SW. The route then heads east along the half section to 11th Avenue SW. The route continues to the northeast to 40th Street SW then crosses US Highway 63 at the 40th St SW interchange before terminating at the proposed district regulator station (DRS) on existing agricultural land in Section 24 or 25 of Rochester Township.

Right-Of-Way Requirements

The applicant is requesting a route permit for a 500-foot-wide-route. The applicant also requests a 1.25 mile buffer area along the proposed route in select locations to site the pipeline, TBS, and DRS. The proposed project will require a 50-foot-wide permanent right-of-way, encompassing approximately 80 acres and an additional 50-foot-wide temporary construction right-of-way also encompassing approximately 80 acres. The temporary construction right-of-way may need to be wider at road or water crossing to accommodate boring or horizontal directional drilling equipment.

Trench or Ditch Dimensions

The proposed pipeline will be installed using boring, horizontal directional drilling (HDD) and open cut trench construction techniques. HDD segments account for 0.4 miles of the Preferred Route. HDD will be used at road, wetland, and waterway crossings. The open cut trench segments account for approximately 12.7 miles of the Preferred Route. The trench will generally have a depth of 6.5 feet, a bottom width of 3.5 feet, and a variable top width greater than 7 feet (to be determined based on soil and slope characteristics). Depth of cover above the pipeline will generally be 4.5 feet or more, unless rock is encountered.

Regulatory Background

The pipeline route permit application was filed pursuant to the pipeline route selection procedure process outlined in Minnesota Statute 216G and Minnesota Rules 7852.0800-1900.

Pipeline Route Permit

A person may not construct a pipeline without a pipeline routing permit issued by the Commission unless the pipeline is exempted from the Commission's routing authority. A pipeline requiring a permit may only be constructed on a route designated by the Commission.

A pipeline is defined in Minn. Stat 21G.02 as:

- (1) Pipe with a nominal diameter of six inches or more that is designed to transport hazardous liquids but does not include pipe designed to transport a hazardous liquid by gravity, and pipe designed to transport or store a hazardous liquid with a refining, storage, or manufacturing facility; or
- (2) Pipe designed to be operated at a pressure of more than 275 pounds per square inch and to carry gas.

Certificate of Need

In addition, an applicant cannot construct a large energy facility in Minnesota without first receiving a Certificate of Need (CN) issued by the Commission. Pipelines designed to transport natural gas at a pressure greater than 200 pounds per square inch (psi) for a length of 50 miles or more in Minnesota are define as a large energy facility. While capable of transporting natural gas at pressures greater than 200 psi, the proposed project is only 13.1 miles in length; therefore, it does not meet the definition of large energy facility, and, as a result, a CN is not required.

Eminent Domain

If issued a Pipeline Route Permit by the Commission, the applicant may exercise the power of eminent domain to acquire the land necessary for the project pursuant to Minnesota Statute 216G.02 and Minnesota Statutes 117.

Environmental Review

Commerce Energy Environmental Review and Analysis (EERA) staff conducts environmental review on pipeline route permit applications before the Commission. The intent of the environmental review process is to inform the public, decision-makers, local governments, state agencies, and others of potential impacts and possible mitigation measures associated with the proposed project.

Environmental review under the pipeline permitting process includes public information and scoping meeting(s), and preparation of a Comparative Environmental Analysis (CEA). A CEA is a written document that describes the human and environmental impacts of the proposed pipeline project and any selected alternative routes, and methods to mitigate impacts. Upon completion of the CEA a public hearing will occur.

Scoping Process

The scoping process provides opportunities for the public to participate in the development of the “scope” or content of the CEA. It includes at least one public meeting, a public comment period, and an opportunity to propose additional routes and or route segments. The purpose of the meeting is to provide information about the proposed project and applicable regulatory requirements, to answer questions, and to gather input regarding the impacts, mitigative measures, and alternatives that should be studied in the CEA. The scoping process concludes with a decision that outlines the scope of the CEA to be written.

Public Comment Period

The public comment period closes Wednesday, **April 13, 2016**. Comments must be post-marked or received electronically by the comment deadline. There are several ways to submit comments:

- Complete and submit a comment form to EERA staff at the public meeting
- Complete and mail a comment form
- Mail written comments to:
LARRY HARTMAN
MN DEPARTMENT OF COMMERCE
85 7TH PLACE EAST STE 500
SAINT PAUL MN 55101-2198
- Fax comments to Larry Hartman, EERA staff, at: (651) 539-0109
- Email comments to EERA staff at: larry.hartman@state.mn.us
- Use the online comment form at: <http://mn.gov/commerce/energyfacilities/#comment>

If commenting by email or fax use “*Public Comment: Rochester Natural Gas Pipeline Project (GP-15-858)*” in the subject line.

Comparative Environmental Analysis

The CEA will include the following:

- A. a general description of the proposed facilities;
- B. a general description of the proposed routes accepted by the Commission;
- C. a discussion of the potential impacts of the proposed project and each alternative site or route on the human and natural environment;
- D. a discussion of mitigative measures that could reasonably be implemented to eliminate or minimize any adverse impacts identified for the proposed project and each alternative site or route analyzed;
- E. an analysis of the feasibility of each alternative route considered;
- F. a list of permits required for the project; and
- G. a discussion of other matters identified in the scoping process.

Anticipated CEA Scope

EERA staff anticipates the CEA will address the following matters. (This section is not intended as a draft table of contents for the CEA.)

1.0 Background

- 1.1 Proposed Project
- 1.2 Project Purpose
- 1.3 Sources of Information
- 1.4 Issues Outside the Scope

2.0 Regulatory Framework

- 2.1 Certificate of Need
- 2.2 Route Permit
- 2.3 Environmental Review Process
- 2.4 Other Permits
- 2.5 Applicable Codes

3.0 Proposed Project

- 3.1 Project Detail/Design
- 3.2 Proposed Route
- 3.3 Alternative Routes Considered but Rejected
- 3.4 Right-of-Way Requirements and Acquisition
- 3.5 Construction
- 3.6 Operation and Maintenance
- 3.7 Cost

4.0 Alternative Routes and Route Segments (if applicable)

5.0 Potential Impacts

- 5.1 Archaeological and Historic Resources
- 5.2 Biological Resources
- 5.3 Cultural Resources
- 5.4 Environmental Setting
- 5.5 Human Settlement (for example, Aesthetics, Displacement and Property Values)
- 5.6 Land-based Economies
- 5.7 Land Use (for example, Zoning)
- 5.8 Natural Environment (for example, Air and Soils)

- 5.9 Public Health and Safety
- 5.10 Public Services
- 5.11 Rare and Unique Natural Resources
- 5.12 Socioeconomic Setting
- 5.13 Water Resources

6.0 Impact Comparison of Alternative Routes (if applicable)

7.0 Unavoidable Impacts

Schedule for Completion of the CEA

Depending on the outcome of the scoping process, EERA anticipates the CEA for the Rochester Natural Gas Pipeline Project will be completed in August 2016.

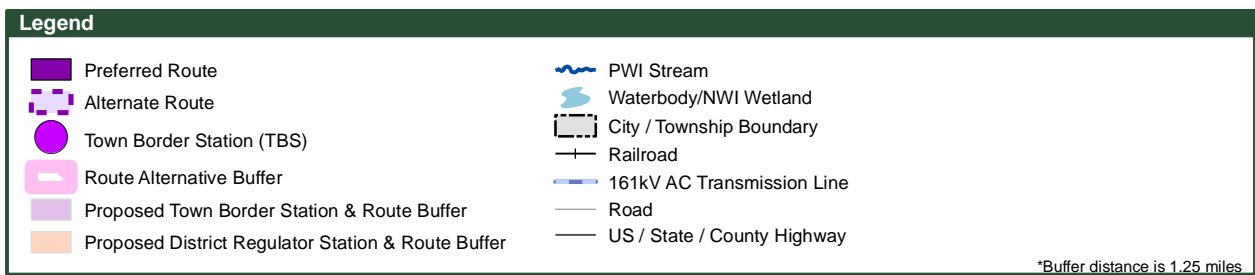
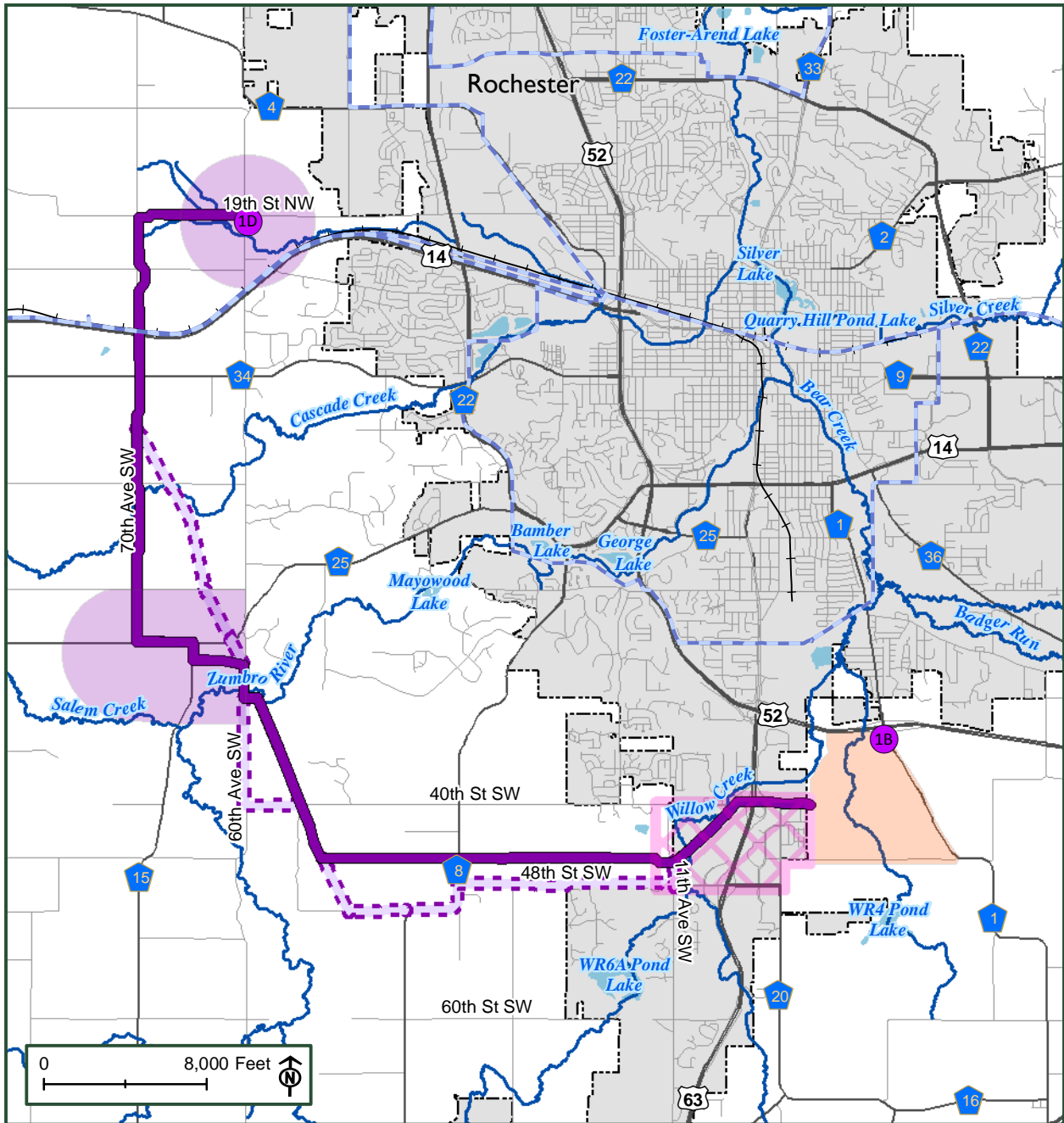
Upon completion of the CEA, EERA staff will notify those persons who have asked to be notified of its completion and the CEA be made available electronically on the EERA webpage at: <http://mn.gov/commerce/energyfacilities/Docket.html?Id=34318>, and the Minnesota eDockets webpage at: <https://www.edockets.state.mn.us/EFiling/search.jsp> by selecting “15” and “858”. EERA will also publish notice of availability in the EQB Monitor.

EERA Contact Information

If you have questions or need additional information, please don't hesitate to contact EERA staff members:

Larry Hartman
Environmental Review Manager
Larry.hartman@state.mn.us
(651) 539-1839

Andrew Levi
Environmental Review Specialist
Andrew.levi@state.mn.us
(651) 539-1840



*Buffer distance is 1.25 miles

Attachment 3

Scoping Comment Form

Energy Environmental Review and Analysis
MN Department of Commerce
85 7th Place East, Suite 500
Saint Paul, MN 55101-2198

Affix
Necessary
Postage
Here

LARRY HARTMAN
MN DEPARTMENT OF COMMERCE
85 7TH PLACE EAST STE 500
SAINT PAUL MN 55101-2198

FOLD HERE

Public Comment Period Closes Wednesday, April 13, 2016

Comments must be post-marked or received electronically by the comment deadline.

How to comment:

- Submit this form to the Environmental Review Manager at a public meeting
- Mail this form remembering to affix appropriate postage
- Mail comments in a separate envelope using the mailing address on this form
- Fax comments to the Environmental Review Manager: (651) 539-0109
- E-mail comments to the Environmental Review Manager: larry.hartman@state.mn.us
- Use the online comment form at: <http://mn.gov/commerce/energyfacilities/#comment>

Comments do not need to be on this form to be accepted. We encourage you to provide comments in whatever way is most convenient for you. If commenting by email or fax use “*Public Comment: Rochester Natural Gas Pipeline Project (G-011/GP-15-858)*” in the subject line.

THANK YOU for participating in the permitting process! By commenting you are helping inform the Minnesota Public Utility Commission’s decision regarding this project.

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Rochester Natural Gas Pipeline Project Docket No. G-011/GP-15-858

Applicant’s stated purpose: The Rochester Natural Gas Pipeline Project proposed by Minnesota Energy Resources Corporation (MERC) is designed to tie together the northern and southern portions of MERC’s existing natural gas distribution system and to provide firm and reliable natural gas service to an expanding Rochester customer base.

Please share your comments on the proposed project. Comments will be used to help focus the environmental review on the potential human or environmental impacts and issues important to making an informed permit decision. Please be as detailed as possible. Use additional pages as needed. Contact the Environmental Review Manager, Larry Hartman, with any questions about commenting generally or submitting your comment(s). For help suggesting an alternative route, refer to the meeting handout: *How to Suggest an Alternative Pipeline Route* available through the project information weblink below.

For project information visit: <http://mn.gov/commerce/energyfacilities/Docket.html?Id=34318> or contact the Environmental Review Manger at: larry.hartman@state.mn.us or (651) 539-1839.

Please provide your contact information. This information and your comments will be publicly available.

Name: _____ Phone: _____

Street Address: _____

City: _____ State: _____ ZIP: _____

Email: _____

Please share your comments on the proposed Rochester Natural Gas Pipeline Project

- What human and environmental impacts should be studied in the environmental analysis?
- Are there any specific methods to address these impacts that should be studied in the analysis?
- Are there any routes or route segments that should be considered? (Related to the *Route Permit*)

Attachment 4

Guidance Document: How to Suggest an Alternative Pipeline Route

Minnesota Energy Resources Corporation (MERC) filed an application with the Minnesota Public Utilities Commission (Commission) for a pipeline routing permit for the Rochester Natural Gas Pipeline Project on November 3, 2015. The application includes a preferred route and an alternative route. The project is intended to provide firm and reliable natural gas service to an expanding Rochester customer base.

Pipelines requiring a route permit can only be built on a route designated by the Commission, and a route can only be selected if it is considered at a public hearing. The applicant's preferred and alternative routes are automatically accepted; however, other route alternatives can only be considered at the hearing if they are accepted by the Commission before the hearing is publicized. This insures the public is informed of all proposed route alternatives under consideration prior to the start of the hearing process.

Any person (meaning any individual, organization, government agency, and so on) can suggest an alternative route or route segment. An alternative route or route segment is a location other than the one proposed by the applicant, but it must accomplish the project's stated need and purpose. An *alternative route* may replace all or a portion of the applicant's preferred route, but must include the identified end points proposed by the applicant. An *alternative route segment* would leave the preferred route to avoid a specific impact and then return to it – substituting for only a portion of the preferred route.

Tips for Suggesting an Alternative

Information is provided on the back side of this sheet to help you propose an alternative route or route segment. If you have any questions, don't hesitate to contact the Environmental Review Manager. Suggestions must meet the requirements found in Minnesota Rule 7852.1400, be received by April 13, 2016, and specifically identify the project.

The Life of Your Alternative: Step-by-Step

1. An applicant applies for a routing permit to construct a pipeline. This application includes a preferred route and alternatives.
2. You suggest an alternative to all or a segment of the preferred route providing the required information within the appropriate timeframe.
3. The Commission determines if your alternative will be considered at the hearing.
4. The environmental impacts of your alternative – as well as the preferred route and other suggested alternatives – are analyzed and made publicly available prior to the hearing.
5. You are expected to present your alternative at the public hearing supporting your alternative.
6. The public, including the applicant, has the opportunity to comment on all alternatives.
7. An Administrative Law Judge prepares a report that includes recommendation on alternative routes.
8. If the routing permit is approved, the Commission's permit decision might include your suggested alternative.
9. If your alternative is included, the pipeline must be constructed in that location.

1. Provide a Map

Providing a map is not only helpful to highlight an anticipated impact or identify a suggested alternative – it is required (Minn. R. 7852.1400, subp. 3(A)). To be useful maps must be of proper scale. At the wrong scale, a map will not provide enough detail to assist in pinpointing an impact or alternative. For example, the line created by a felt tip marker on a state highway map can cover entire cities and highways.

Use a county, township or city map depending on your alternative. You can also use free online mapping resources such as Google Maps, Google Earth, or similar websites. These maps can be zoomed and printed to provide appropriate levels of detail. If you are having trouble locating a map at the proper scale, contact the Environmental Review Manager.

2. Suggest an Alternative Route or Route Segment

Explain the reasons for suggesting an alternative. You do not need to provide the same level of detail or analysis in your explanation(s) as the applicant provided; however, your explanation(s) must be able to stand independently so others do not need to “fill in the blanks” to understand it.

Your alternative must be accompanied by a description of the environmental conditions along it, and its anticipated environmental and human impact (Minn. R. 7852.1400, subp. 3(B)). Do your best. Your explanation must discuss: 1) an anticipated impact created by the preferred route; 2) your alternative route or route segment and its impacts; and 3) how your alternative route or route segment mitigates the anticipated impact you identified.

These individual parts, taken as a whole, generally provide the information needed to fully understand your suggestion, determine if the alternative meets the required criteria, and, ultimately, if it will be accepted by the Commission for inclusion in the public hearing. If more information is needed, you will be requested to provide that information and will have 10 days to respond that request (Minn. R. 7852.1400, subp. 4).

Remember, if accepted, you are expected to present support for your alternative at a public hearing (Minn. R. 7852.1400, subp. 1).

3. Submit the Suggestion on Time

Route Alternatives must be post-marked or received electronically by **4:30 p.m., on April 13, 2016** (Minn. R. 7852.1400, subp. 3(C)).

For help submitting an alternative route or route segment, or to ask questions, don't hesitate to contact the EERA Environmental Review Manager. This is the staff person most familiar with the project.

Larry Hartman, Environmental Review Manager
Energy Environmental Review and Analysis
Minnesota Department of Commerce
85 7th Place East, Suite 500
Saint Paul, MN 55101-2198

(651) 539-1839
larry.hartman@state.mn.us

Attachment 5

Index to eDocket Filings Submitted on Behalf of Franklin Kottschade

Index to PUC Docket 15-858 Documents Submitted on Behalf of Franklin Kottschade

PUC Docket 15-858 Document No. 20165-	Kottschade Property Document Title	Page Numbers
121015-01	WSB Letter for Kottschade 4/13/16	Page 1-5
121015-02	Site Maps A. Kottschade parcels, B. proposed pipeline route HDR, C. Kottschade Concept Plan	Page 1 Page 2 Page 3
121015-03	Request for Council Action 6/19/06 1 of 2 A. Request for Council Action 6/19/06 B. Staff report 5/5/06 C. Project narrative amended CUP 4/11/06	Page 1-5 Page 6-10 Page 10-11
121015-04	Request for Council Action 2 of 2 A. Continued Project narrative B. Project narrative fill in floodway C. Project narrative shore land impact D. City council minutes 5/24/06	Page 1 Page 2-4 Page 5-6 Page 7-11
121015-05	Request for Council Action 6/19/06 A. Land use plan Amendment with comments from Planning and zoning commission B. Staff Report on LUPA 04-06 and Zoning district Amendment 04-14	Page 1-4 Page 5-10
121015 - 06	Request for Council Action 6/19/06 1 of 3 A. Zoning District Amendment 04-14	Page 1-2
121015-07	Request for Council Action 6/19/06 2 of 3 A. General Development Plan B. Staff Report C. GDP referral comments	Page 1-3 Page 4-11 Page 12-18
121015-08	Request for council Action 3 of 3 A. Continued GDP referral comments B. Request for Council Action GDP 243, LUPA 04-14 and Zoning district Amendment #04-14 C. Request for Council action Cash Payment in-lieu of Parkland	Page 1-6 Page 7-10 Page 11-14
121015-09	Request for council Action 6/19/06 Preliminary Plat 1 of 2 A. Request for Council Action Preliminary plat Bonnie Vista B. Staff Report C. Revised Report narrative Preliminary Plat bonnie vista	Page 1-7 Page 8-15 Page 16

121015-10	Request for council Action 6/19/06 2 of 2 A. Continued. Revised report B. Variance report: reduction of lot width in shore land C. Staff comments and referral for variance	Page 1-4 Page 5-8 Page 9-18
121016-01	Council Minutes 6/19/06 A. Land use Plan Amendment item E-4 B. Zoning district Amendment item E-5 C. General Development Plan item E-7	Page 5 Page 6 Page 7
121016-02	Site Map	Page 1
121016-03	Official Plat Willow Creek Commons	Page 1-4
101016-04	Construction plans: Mass Grading and Stormwater	Page 1-9
121016-05	Construction plans 2: Stormwater, Streets, Storm Sewer, Sanitary Sewer and Water main	Page 1-3
121016-06	Drainage Report 1 of 3 A. Cover letter B. Preliminary Drainage report	Page 1 Page 2-19
121016-07	Drainage report 2 of 3 Continued Preliminary drainage report	Page 1-17
121016-08	Drainage Report 3 of 3 A. Continued preliminary drainage report B. Water Quality Pond Calculations	Page 1-8 Page 9-10
121016-09	Economic Analysis 1 of 5 A. An Economic analysis of the Reconstruction of US Trunk Hwy 63 in Rochester, by Thomas Hamilton 8/23/12 (cover – pg 21)	Page 1-24
121016-10	Economic Analysis 2 of 5 A. Continued Hamilton report (pages 22-29) B. NAHB Metro Are Impact of Willow commons Comparing Costs to Revenue for local government C. NAHB – Income, jobs and Taxes generated D. Detailed table on single family construction (cover)	Page 1-8 Page 9-18 Page 19-23 Page 24

121019-01	Economic Analysis 3 of 5 A. Continued Detailed Tables single family B. Detailed Tables Multi Family C. Background and a Brief description of the Model used for Evaluate Economic Benefits D. REMI: Economic Impact of shopping centers development final Report 10/20/06 (cover page 7)	Page 1-4 Page 5-9 Page 10-17 Page 18-24
121019-02	Economic analysis 4 of 5 Continued REMI (page 8-31)	Page 1-24
121019-03	Economic analysis 5 of 5 Continued REMI (pages 32-47)	Page 1-16