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SCOPING MEETING - DECEMBER 18, 2013 - 6:30 - 13-805  
BEFORE THE MINNESOTA DEPARTMENT OF COMMERCE  
FOR THE PUBLIC UTILITIES COMMISSION

In the Matter of the Intent to File Route Permit  
Application Under the Alternative Permitting Process for  
the Proposed Minnesota Power Canisteo Project - Itasca  
County, Minnesota

PUC Docket Number: E-015/TL-13-805

Bovey City Hall  
402 2nd Street  
Bovey, Minnesota

COURT REPORTER: Christine Simons, RPR

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1 MS. TRACY SMETANA: Well, good evening,  
2 everyone, and thanks for coming. My name is  
3 Tracy Smetana. I am with the Public Utilities  
4 Commission. I am going to kick things off here.

5 Quite often when we do these we have a  
6 projector and a screen up here, but we don't have  
7 that today so I have the presentation printed out  
8 and you can follow along. So this is the public  
9 information and scoping meeting for Minnesota  
10 Power's proposed Canisteo transmission line project.  
11 Kind of a mouthful.

12 So we are going to start off just with  
13 some introductions and talk a little bit about the  
14 roles and the process for the route permit. We'll  
15 ask Minnesota Power to provide a project summary,  
16 and you see they have some maps and pictures up here  
17 as well.

18 Mr. Storm, from the Department of  
19 Commerce, will talk about the environmental review  
20 process, and then we'll get to the main event, which  
21 is opening it up for your comments and questions.

22 So as I said, I am with the Public  
23 Utilities Commission. And we regulate permitting  
24 for power plants, pipelines, transmission lines,  
25 local and in-state long distance phone companies,

1 investor-owned electric and natural gas utilities.  
2 We have five Commissioners appointed by the  
3 governor, and we have about 50 staff that assist  
4 with that process.

5 I always like to give a little  
6 introduction about the Public Utilities Commission  
7 because I am guessing a lot of folks haven't heard  
8 about it before. I know I hadn't until I applied  
9 for a job there so it's always good to get a little  
10 information about who we are.

11 Some other folks that you might run into  
12 as we work through this process, the applicant,  
13 that's the company asking for the transmission line  
14 route permit, in this case Minnesota Power.

15 We also have the Department of Commerce,  
16 Energy Environmental Review and Analysis, sometimes  
17 abbreviated EERA. And you met Mr. Storm, he's the  
18 person in charge of that process.

19 There's also another arm of the  
20 Department of Commerce, the Energy Regulation and  
21 Planning area, and they represent the public  
22 interest when utilities ask to change rates,  
23 services, facilities, and so on.

24 Later on in the process we'll hear from  
25 the Office of Administrative Hearings. You might

1 see that abbreviated as OAH. They're a state  
2 agency, and an administrative law judge will come  
3 back out and hold hearings, summarize the facts and  
4 the record, and make recommendations to the  
5 Commission.

6 And then if you flip over, continuing on  
7 the who's is who at the Public Utilities Commission,  
8 there's a public advisor. That's me. My job is to  
9 work with folks to help you understand the process,  
10 where you fit in, when you can submit comments, that  
11 type of thing. We also have a staff analyst who  
12 assists in building the record, informs  
13 Commissioners on the impacts of different decisions.  
14 And neither one of us is an advocate for any  
15 particular position in the case. Our role is to be  
16 neutral, and we also cannot offer legal advice.

17 So why do we care about this project?  
18 Well, the rules define it as a high voltage  
19 transmission line because it will operate at 100  
20 kilovolts -- sometimes abbreviated kV, you might see  
21 that -- or more, and it's greater than 1,500 feet in  
22 length. If that's true then the law says it  
23 requires a route permit from the Public Utilities  
24 Commission.

25 So some other terms that you might see in

1 the context of the route permit, the permitted  
2 route, that's just the location of the line between  
3 two endpoints, and route width can vary quite a bit,  
4 up to 1.25 miles. Smaller within that permitted  
5 route is the right-of-way, and that's a term you  
6 might have heard before, it's the land required  
7 within that route for construction, maintenance, and  
8 operation of the line. And then smaller yet is what  
9 we call the anticipated alignment, where we think  
10 the lines and poles will actually be placed.

11 So some of the things that the Public  
12 Utilities Commission considers when it makes a  
13 decision on the route, where it should go, things  
14 like human settlement: Where are people, where are  
15 there buildings, those types of things. Public  
16 health and safety. The economy including  
17 agriculture, tourism, mining. Archeological and  
18 historic resources, the natural environment, and  
19 Mr. Storm is going to talk about that a little bit  
20 further.

21 Continued on the next page, some other  
22 factors. Maximize efficiency, allow for future  
23 expansion. If there are existing rights-of-way, we  
24 definitely like the company to look at those  
25 factors. If there are natural boundaries that make

1 sense. Of course we're concerned with reliability  
2 of the electrical system, and also the cost. That's  
3 one of the factors that we consider as well.

4 Next there's a chart that gives you kind  
5 of an idea of how the process works. So where we're  
6 at right now is you see application accepted. The  
7 Commission has said, yeah, the application meets the  
8 requirements to be an application. We can move  
9 forward with reviewing this project. And then the  
10 next box underneath that project is public  
11 information and scoping meeting, and that's where  
12 are today.

13 So you can see we're very early on in the  
14 process, and there's a lot of things that are going  
15 to happen between now and the end of the line where  
16 the Commission makes a final decision on this permit  
17 application.

18 On the next page there's a timeline, and  
19 I have to apologize. There's an error in the  
20 printout here. It shows the public information and  
21 scoping meetings as December 5th. Clearly today is  
22 not December 5th, today is December 18th. And then  
23 the comment period as well would be extended as  
24 noted on the comment form from Mr. Storm.

25 So this just gives you a rough idea of

1 when things will happen next. This is all an  
2 estimate at this point and so as things change  
3 throughout the process folks will be notified and  
4 the dates will be firmed up a little bit.

5 Now, how do you get more information?  
6 Because people are interested in knowing what's  
7 happening with the project and how to learn more  
8 about it. The Department of Commerce has a project  
9 website and the address is listed here on that page.  
10 It has a lot of information about the timeline, kind  
11 of where things are at. It has a nice little  
12 timeline feature at the top that kind of tracks the  
13 steps along the way.

14 Also, all of the documents that are  
15 submitted in this project are included in what we  
16 call our eDocket system. And those are available to  
17 the public and the instructions for how to access  
18 those and how to read them are listed on this slide.

19 If you want to receive notice when  
20 something new happens in the case, we have an e-mail  
21 subscription service, and the instructions are  
22 listed there on how to subscribe to that. It's  
23 right from our website. And what would happen is  
24 when something new comes in in the case you would  
25 receive an e-mail saying, hey, something new



1           happened here, and then there's a link where you can  
2           click on it to open up that document and then you  
3           would be able to read it right from there.

4                       We also have a project mailing list for  
5           folks who aren't interested in e-mail or maybe don't  
6           want to receive a notice about everything, you just  
7           want to know about when there are meetings or when  
8           there are opportunities to submit comments. And so  
9           you can let me know by filling out one of these  
10          orange cards that you would like to be added to that  
11          list, and if you think about it later my contact  
12          information is listed on there as well if you don't  
13          take a card tonight.

14                      The next slide just has some additional  
15          resources. The Department of Commerce -- if you're  
16          looking for some really nice bedtime reading, the  
17          Minnesota statutes and rules are also available  
18          online. The Public Utilities Commission, our  
19          website would include a calendar that has  
20          information about meetings that are coming up. You  
21          can also access that subscription service or that  
22          eDocket system from our website as well.

23                      And as I mentioned earlier, there are two  
24          folks at the Public Utilities Commission that you  
25          may interact with as a part of the process. The

1 first is the public advisor, that's me, and the  
2 other is our staff analyst, Mike Kaluzniak, he is  
3 here as well. You can say hello to Mike.

4 And with that I am going to turn it over  
5 to Minnesota Power.

6 MR. DAN McCOURTNEY: Thanks, everyone,  
7 for coming here tonight. My name is Dan McCourtney,  
8 and I am with Minnesota Power. I think as most  
9 people in this room are aware, there's been a strong  
10 demand for taconite in Northeastern Minnesota. And  
11 as a result, Magnetation is looking to build a  
12 facility on the north side of the Canisteo pitch,  
13 just on the north side of town here.

14 I don't know if everyone knows this or  
15 not, but mining facilities take a significant amount  
16 of electrical power in order for them to operate.  
17 So to accommodate that, what Minnesota Power is  
18 proposing is to build two parallel 115 kilovolt  
19 transmission lines and an electrical substation. As  
20 Tracy said, this permit requires a route permit from  
21 the Public Utilities Commission, and it's really the  
22 reason why we're here tonight.

23 I'll just give you a general idea of what  
24 the lines will look like. They're going to be built  
25 out of wooden H-frame structures, which is what you

1 see here. Both lines would be on a single 160 foot  
2 right-of-way. And then the substation, this is  
3 generally what it would look like here.

4 Now there has been one change since we  
5 originally submitted the application to the state.  
6 Magnetation has finalized their facility site, and  
7 it has kind of shifted everything on our project to  
8 the east a little bit. It's moved with the original  
9 location of the substation. From the original  
10 application it was over here on the west side.  
11 Since then it's shifted over about a half mile to  
12 the east.

13 You can't see it very well here, but I do  
14 have fact sheets in the back. I'd encourage  
15 everyone to pick one up and take a look at it and it  
16 shows the changes in locations there.

17 Minnesota Power will be submitting a  
18 notice for an alternate location to be evaluated to  
19 both the Public Utilities Commission, as well as the  
20 Department of Commerce, to be evaluated in the  
21 environmental assessment.

22 That really summarizes the project and  
23 why we're here tonight. As we move forward, if  
24 anybody has any questions or comments please feel  
25 free to ask them and I'll be happy to answer them.

1 Thank you.

2 MS. TRACY SMETANA: All right. Next  
3 we'll turn it over to Bill Storm with the Department  
4 of Commerce.

5 MR. BILL STORM: Good evening. Thanks  
6 for coming. As Tracy said, my name is Bill Storm.  
7 I work for the Department of Commerce, Energy  
8 Environmental Review and Analysis Unit. Our unit is  
9 responsible for doing the environmental review on  
10 energy projects, transmission lines, as this one is.

11 And as part of that responsibility we  
12 come out to the public and we solicit from the  
13 public their concerns, their issues, any  
14 alternatives they may want me to study as I do my  
15 environmental review.

16 Since we have a small group here tonight  
17 and we don't have the slides up, you're going to  
18 have to page through with me. The second slide from  
19 my presentation is just a graphic of the whole  
20 process. As you can see, this diagram is sort of  
21 just my variation of the one Tracy showed you, and  
22 there are areas where the public can participate.

23 Where we are at now is where it says you  
24 are here, it's that shaded block. And this is the  
25 environmental review portion, and we are at the

1 public meeting. And part of the public meeting is  
2 to solicit input to the environmental review and  
3 explain the environmental review.

4 So the first part is I am just going to  
5 run through how I do the environmental review and  
6 what the environmental review is all about. And  
7 then a little bit about how you can have some input  
8 in that, and then we'll let you go for the evening.

9 This permit has been applied for under  
10 what's called the alternative process. It's a  
11 process that's designed for less significant  
12 projects, smaller projects, in which it's  
13 anticipated that the impacts to the environment and  
14 the people will be less. So it's a more streamlined  
15 process.

16 The process does include a public  
17 meeting, scoping, and comment period, a scoping  
18 decision, and the preparation of an environmental  
19 review document. And in this case the environmental  
20 review document is termed environmental assessment.

21 Next slide, the purpose of the scoping  
22 meeting is, one, provide the public with an  
23 opportunity to participate in the development of the  
24 scoping decision. The scoping decision is basically  
25 a table of contents to the environmental document.

1 It lists what areas, what issues that I'll cover,  
2 that I'll study when I prepare my environmental  
3 document.

4 By rule the scoping decision which comes  
5 out from the Department of Commerce, it's our  
6 commissioner, the commissioner of the Department of  
7 Commerce, who issues the scoping decision based on  
8 the record from this meeting and the comment period  
9 following this meeting.

10 The rules say a scoping decision must  
11 include alternative routes if any were brought up.  
12 It must talk about specific potential impacts to be  
13 addressed. The table of contents, basically here  
14 are the things I am going to address. The schedule  
15 for completion of the EA and any other matters  
16 deemed appropriate to be an EA.

17 Again, the next slide, the environmental  
18 assessment. The environmental assessment is  
19 basically the written document that describes the  
20 human and environmental impact that a project -- and  
21 the alternatives proposed for the project -- will  
22 have. Basically what the rules state that the  
23 environmental assessment must have is it needs to  
24 have a general description, it needs to have an  
25 alternate route, if any were identified, it needs to

1 describe the potential impacts of this project and  
2 its alternatives.

3 It needs to discuss how can the impacts  
4 be mitigated for a project. It needs to discuss the  
5 feasibility of the alternatives and the mitigation.  
6 It also has to give you a list of permits so you can  
7 anticipate what downstream agencies, the Army Corps  
8 of Engineers, the DNR, the PCA. There are  
9 downstream permits that will have to be obtained  
10 after the applicant gets the approval from the PUC  
11 to construct the project, and the rules basically  
12 spell out the things that need to be in an  
13 environmental document.

14 If you notice when you came in on the  
15 table there was a guide sheet that I put together.  
16 I term this a draft scoping document. And what it  
17 is, you can look at it as a draft scoping decision.  
18 It lays out what the environmental review is all  
19 about and why we do it, but more importantly if you  
20 open it up and go to section five it shows you the  
21 table of contents of what I think should be in an  
22 EA, and these are the issues that I think should be  
23 covered in an environmental review document for a  
24 project this size.

25 One of the reasons I am here tonight is

1 to ask the public to help me fill in the details of  
2 this table of contents. I am trying to get at the  
3 local concerns and local knowledge that you may have  
4 that I don't have that will fill in the detail into  
5 these categories.

6 So if we go to the next slide you can see  
7 this first slide is a draft scoping document. It's  
8 hard for me to read it this size. I am getting old.  
9 It's hard for me to see it not up on the screen so  
10 if you don't mind I am going to switch to one that  
11 my old eyes can see.

12 Okay. Draft scoping document, when you  
13 looked at that table of contents there are the very  
14 issues that I was going to cover. One of the  
15 categories is natural environment, subcategories  
16 being flora, vegetation.

17 Through this process it may come up that  
18 somebody, either a local unit government official, a  
19 county official, a citizen, may say, you know, Bill,  
20 there's a rare buttercup along this route somewhere  
21 and I want you to be aware of it. And that's what I  
22 mean when I say I want you to help me fill in the  
23 detail into this table of contents that's in the  
24 draft scoping document.

25 The next slide takes basically the same



1 concept. There's a draft environmental scoping  
2 document, and one of the categories is alternative  
3 routes or route segments. And what I am soliciting  
4 from the public is just, like, are you concerned  
5 about something or do you have an issue that you  
6 want to make sure that I cover.

7 This is also your opportunity to say,  
8 Bill, you know, their route's okay but I have an  
9 alternative route that I would like you to study. I  
10 don't like this route for whatever reason and I want  
11 you to look at this route alternative that I  
12 developed and I want you to study that in your  
13 environmental document. Okay. And that's how you  
14 can see how it went from a draft scoping document  
15 with the general categories to we end up with the  
16 John Doe alternative route segment.

17 And the second slide, which is probably  
18 going to be hard for you to see in paper form. I am  
19 sorry about this. I am used to a slide projector.  
20 You can see the slide following the next slide is  
21 somebody submitted a route alternative. And the  
22 example is, you can see on the purple on this sheet  
23 is a route that the applicant proposed at one time  
24 in the past, and the public person came up who had a  
25 specific concern. They were concerned about a

1 historical building being impacted by this line and  
2 this route, and they drew out an alternative.

3 Okay. After considering what their issue  
4 was, that alternative was carried forth in the  
5 scoping decision, and when I produce the  
6 environmental document for this project I evaluated  
7 the feasibility and the impacts associated with that  
8 alternative route segment.

9 Now in saying that, I'd like to take you  
10 back one slide. If a person wants me to look at an  
11 alternative route or alternative route segment, the  
12 rules say you need to submit that in writing during  
13 the comment period and you need to explain why you  
14 want the alternative to be considered. And you can  
15 state whatever reason you want to state, but if your  
16 reason is I don't want to look at it, that's the  
17 impact, that's the total impact you feel. I don't  
18 want to look at it, that doesn't carry a lot of  
19 weight. And if that's your sole reason you're going  
20 to have -- it's probably not going to make it into  
21 the scope at the end so therefore it wouldn't be  
22 evaluated.

23 Now if your reason is, Bill, I want you  
24 to use a different route because there's a deer  
25 wintering stand here or there's a bobcat's nesting

1 area or whatever it may be, that's a significant  
2 issue for me to evaluate. And that kind of  
3 alternative route or alternative route segment would  
4 probably make it through a scope.

5 So if you do want me to consider an  
6 alternative route or even an alternative route  
7 segment, you know, just a deviation from this a  
8 little bit to avoid a natural feature that you're  
9 concerned about, to avoid a historical feature that  
10 you're concerned about, this is your opportunity to  
11 let me know that. And you'll have ten days from the  
12 close of tonight's meeting to submit your comment to  
13 me. You can e-mail your comment, you can handwrite  
14 your comment and snail mail it to me, or you can fax  
15 it to me. I do have comment sheets in the back for  
16 your convenience.

17 But that's the two main things I am  
18 looking to get out of tonight and out of the comment  
19 period for tonight is: Are there issues and  
20 concerns you want to make sure that I cover in the  
21 environmental review document that are more specific  
22 than the table of contents laid out here.

23 Like I said, I am going to look at the  
24 impact of the project to flora, but if you know  
25 there's a specific buttercup or a moon wart or



1 a slide of potential downstream permits that this  
2 project may need. An example, like I said, would be  
3 a license to cross public lands or water from the  
4 DNR, an erosion control plan from the PCA, a highway  
5 crossing or sharing of right-of-way with MnDOT. So  
6 there are downstream permits that may be necessary,  
7 and this is just a general list of them.

8 If you want to follow the project  
9 closely, as Tracy said, there are two ways to follow  
10 it. I'll put a plug in for our website, which is  
11 the Department of Commerce's website. I will upload  
12 public comments as I get them, I will upload  
13 comments from the agencies as I get them, and also  
14 show you some tracking information so you can track  
15 the project. So if you want to just keep an eye on  
16 the project, where it's going, that's a good website  
17 to do it at.

18 Now as I said, I am looking for input  
19 from the public and from local units of government  
20 into issues that you're concerned with for this  
21 project, concerns that you may have, the impacts  
22 that you may want me to study. And if you do want  
23 to propose an alternative route or alternative route  
24 segment, this is your opportunity to give it to me.  
25 And following tonight's meeting there is a ten-day

1 comment period, so January 3rd is the end of the  
2 comment period for that. Okay. My information is  
3 again here. My information is also on the comment  
4 sheets that are on the desk.

5 And we do have a court reporter here.  
6 Any comments you make on the record here tonight  
7 will be part of the record, will be part of the  
8 consideration of what I use to build the  
9 environmental recommendation for the scoping  
10 decision to my commissioner.

11 So with that I am going to ask if anybody  
12 wants to speak, and the gentleman from Magnetation  
13 had filled out a card. We're a small group so the  
14 cards are sort of -- usually on a controversial  
15 project I have 300 people so the cards sort of help  
16 me keep order, but I am at that point now so if you  
17 would like to speak please stand up, state and spell  
18 your name for the court reporter, and then ask your  
19 question or give your statement.

20 MR. MICHAEL TWITE: Thank you, Mr. Storm.

21 Good evening, everyone. My name is  
22 Michael Twite. I am the environmental manager for  
23 Magnetation. I'll get you a business card here.  
24 And Magnetation is obviously going to be the end  
25 client for this project for the construction of what

1 we are referring to as plant four. I'll keep my  
2 comments to the topic at hand. Specifically with  
3 respect to the question of what human and  
4 environmental impacts of the proposed transmission  
5 line should be studied in the EA process.

6 And I'll offer two thoughts for the  
7 record. Number one, we talk about the human impacts  
8 on this project. The construction of this plant,  
9 plant four, is actually about \$120 million direct  
10 construction cost, but the real benefit is the 160  
11 direct jobs that it creates. Those jobs have an  
12 annualized wage and benefit package of about \$75,000  
13 per position. So that's another \$12 million in the  
14 local economy just in wages and benefits, not in the  
15 project.

16 Another economic impact of this project,  
17 there's approximately 1,200 acres of tax forfeited  
18 land that's come back onto the tax roll as a result  
19 of lands that Magnetation is leasing from the DNR or  
20 from Itasca County. That directly benefits the  
21 county, that directly -- just the tax benefit of  
22 that comes back to the county, it comes back to the  
23 legal municipalities, it comes back to the local  
24 school districts. Not to mention just the direct  
25 carrying costs of those leases that go back to

1           either the state or the county. So there's a large  
2           environmental impact, a positive environmental  
3           impact from the plant being built. The plant  
4           doesn't get built without adequate electrical power.

5                     The second point I'd like to offer up for  
6           your consideration, we talked about the  
7           environmental impacts. As the environmental manager  
8           for Magnetation, along with Mr. Vidmar, we live in  
9           this world. The environmental impacts of flora,  
10          fauna, wetlands. How do you choose your routes, how  
11          do you work through your permits, how do you do  
12          things in a responsible manner?

13                    The route that's been chosen on here  
14          really was focused on what was the shortest route to  
15          come down from the existing power line to get down  
16          to the Canisteo mine pit and get onto those heavily  
17          disturbed historical mining lands. So it was chosen  
18          for -- one of the facets was how do we minimize the  
19          amount of ground that's covered that's not  
20          historical mining property? So it's coming in from  
21          the northeast, so that was one aspect.

22                    That line where the line parallels the  
23          north side of the Canisteo mine pit was laid out  
24          largely so it's laying right on the northern edge of  
25          the Biwabik iron formation, which is considered the



1 northern boundary of mineable area. So it's as  
2 close as reasonable to that line, yet far enough  
3 back where it doesn't impede future mining  
4 development.

5 Okay. This route also supports  
6 Magnetation's long term mining plans. We had looked  
7 at some other possibilities and also talked with the  
8 Department of Land and Minerals at DNR about the  
9 other possibilities, but this alignment fits best  
10 with our long term plans for this area and eventual  
11 mining back within the -- in the buckeye end of the  
12 Canisteo mine pit.

13 The other thing that this route and this  
14 project I want to make mention of is that all of the  
15 Magnetation controlled land in Coleraine, in the  
16 municipality of Coleraine, whether they are  
17 Magnetation owned or Magnetation leased have now all  
18 been rezoned back to industrial. So that was a  
19 recent zoning change that happened in support of the  
20 overall project.

21 So thank you for your time.

22 MR. BILL STORM: Thank you. Anyone else  
23 want to take the opportunity to speak?

24 Okay. Please remember you have until  
25 January 3rd if you think of something, a concern

1           that you want to put forth for my consideration for  
2           my recommendation as to what should be in the  
3           scoping decision and therefor in the environmental  
4           document.

5                        Okay.  If there are no more comments for  
6           me, I'll turn it back to Tracy.

7                        And Tracy is saying, okay, just thank you  
8           for coming.

9                        I want to thank you all for coming.  One  
10          of my colleagues always said that the world is ruled  
11          by those who show up.  So I am glad that we had some  
12          people show up tonight.  If you have any questions  
13          about the process or where we're at or what I am  
14          thinking, my information is on the slide, the copy  
15          slide.  Give me a call any time at my office, and I  
16          can help you work out whatever it is that you're  
17          having trouble understanding or what you want more  
18          information on.  And remember, for the scope of the  
19          environmental document the comment period closes on  
20          January 3rd.

21                        Thank you.  Have a safe drive home,  
22          folks.

23                        (Public comment concluded.)

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