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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.)

24

25