

**STATE OF MINNESOTA  
OFFICE OF ADMINISTRATIVE HEARINGS  
FOR THE  
MINNESOTA PUBLIC UTILITIES COMMISSION**

**In the Matter of the Application of Xcel Energy for  
a Certificate of Need and Route Permit for the  
Mankato - Mississippi River 345 kV Transmission  
Line Project in Southeast Minnesota**

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**NOCAPX 2020 AND THE PREHN FAMILY**

**COMMENTS ON DRAFT ENVIRONMENTAL IMPACT STATEMENT**

**PUBLIC COMMENTS ON MERITS OF CERTIFICATE OF NEED APPLICATION**

**PUBLIC COMMENTS ON MERITS OF ROUTE APPLICATION**

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Thank you for this opportunity to submit Comments on the Environmental Review and the merits of the Certificate of Need and Route Permit applications.

NoCapX 2020 and the Prehn Family, hereinafter “NoCapX and Prehn,” hereby submits these Comments on the Draft Environmental Impact Statement and on the merits of the Certificate of Need and Routing Applications in the above-captioned “Mankato – Mississippi River” dockets. Our comments are primarily procedural. Attached is DNR Response to DPA Request and prior Comments in this docket for inclusion in the record and consideration. .

Per the Commission’s Notice, Comments are solicited regarding the following issues:

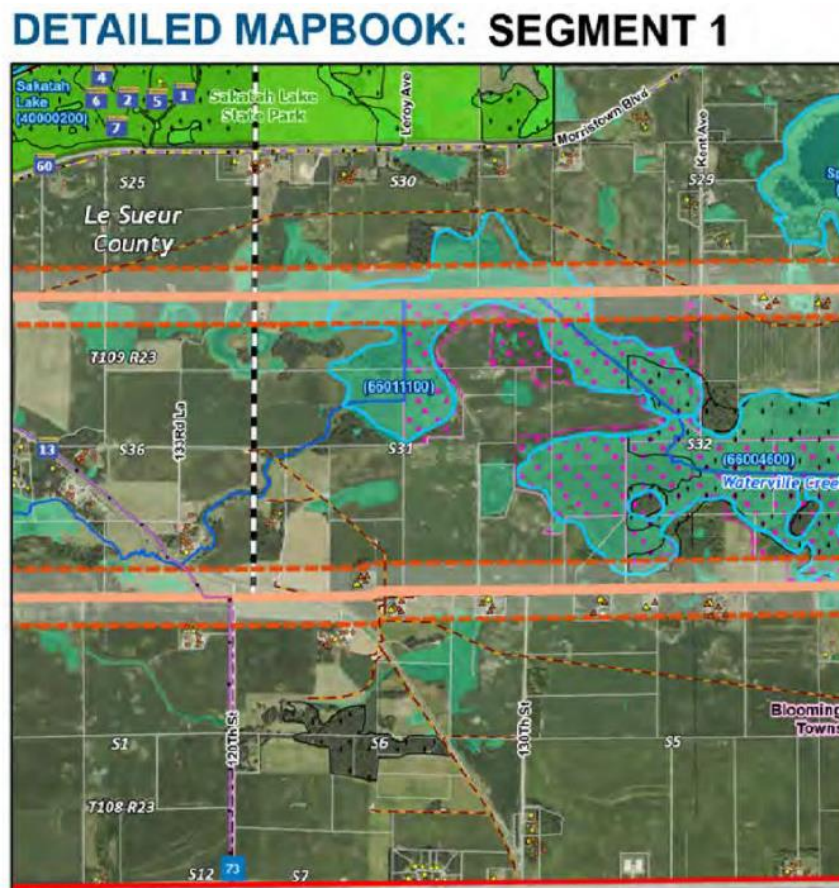
- What information needs to be clarified or included in the draft EIS to ensure that the

final EIS is complete and accurate?

- Should the Commission grant a certificate of need for the proposed MMRT Project?
- Should the Commission grant a route permit for the proposed MMRT Project?
- If granted, what additional conditions or requirements should be included in a route permit?

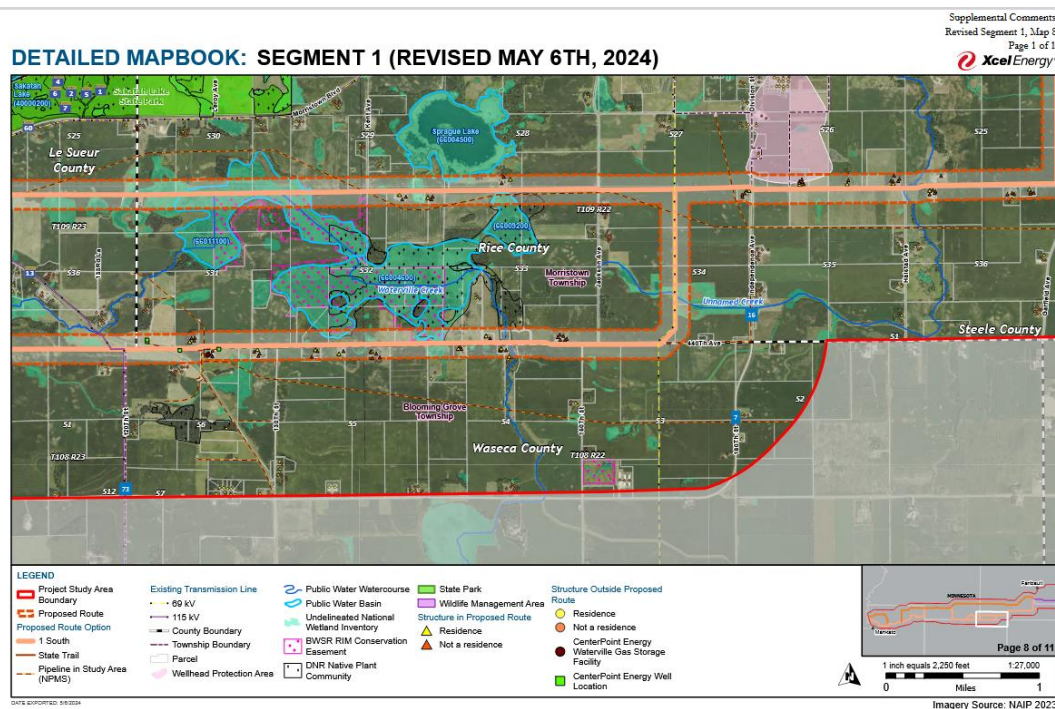
These are very general questions, only touching the tip of this iceberg of the many issues the Commission must consider, including significant systemic procedural problems.

The Prehn Family's interest is in the southern alternative that ran just south of Waterville and Sakatah State Park – which also traversed the CenterPoint natural gas underground storage dome as shown in the application:



Application, Mapbook, Segment 1.

This was altered by Xcel in its May 6, 2024 Supplemental Comment<sup>1</sup> with some, but **NOT** all of the gas wells shown:



Once the existence and location of the gas dome was revealed by the Prehns, it was quickly acknowledged by Xcel and CenterPoint was informed – again, AFTER the application.

However, that natural gas storage dome is a well-known part of Minnesota utility infrastructure. The route over the dome should never have been proposed and accepted by the Commission and Commerce-EERA. It's very strange that this option was accepted as a potential route, that the dome was not disclosed by Xcel in its application, and without disclosure or inclusion in the application, the application should not have been declared "complete." Though the Prehn's route of concern has been perhaps eliminated due to Xcel's preference for the route North of the state park, their concerns about the blatant omissions and acceptance by the Commission of a route over the gas dome remain. It's odd, to say the least.

Following in the "odd" column, just before the public hearings, it was discovered that

<sup>1</sup> Online at eDockets: [20245-206448-02](https://edockets.dhs.gov/record.aspx?id=20245-206448-02)

1,341 landowners did not receive notice. While the statutes excuse failure to provide notice, where landowners have not been given notice, those routes should not be considered.

# **I. THE APPLICATION WAS DEEMED COMPLETE WHEN IT WAS NOT COMPLETE**

In the application, Xcel proposed a route that would traverse a 13 square mile underground natural gas storage dome – and it did not disclose the fact of the dome’s existence and location of that gas storage dome, nor did it even inform CenterPoint of its plans! It was NoCapX 2020 and the Prehn Family that gave notice of this route to CenterPoint, and raised other issues that should have rendered the application incomplete.

In the Completeness round of comments, Xcel ducked its failure to address gas storage:

With respect to identification of the underground natural gas storage and associated natural gas facilities in Project maps, publicly available pipeline and infrastructure data was used in the filed Application detailed maps in Appendix K.<sup>8</sup> The Applicant completed additional review and contacted CenterPoint for additional information of this storage site and will continue to work with CenterPoint on any mitigation measures that may be needed. The Company is providing a revised version of Segment 1, Map 8 from Appendix K as Attachment B to these Reply Comments to indicate the location of the CenterPoint facility. The Applicant notes that it has extensive experience working with natural gas companies and other pipeline companies on evaluating and implementing AC mitigation when transmission lines cross or are located parallel to pipelines, which is a relatively common occurrence throughout the system.

Xcel Completeness Comments<sup>2</sup>, p. 7. Supplemental Comments were more forthcoming.

As an example of the incompleteness of the application, early on at a Commission meeting, when raising the issue of the missing CenterPoint natural gas dome, despite it not being included in the Application, the Chair stated that the Commission was well aware of the gas dome, likely due to the Commission docket regarding the Texas freeze and shortage of natural gas. Despite the Commission’s knowledge, Xcel was not instructed to include details about the gas dome in relation to its transmission proposal in the application:

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<sup>2</sup> Online at eDockets: [20244-206133-02](https://edockets.com/dockets/20244-206133-02)

The Prehn family and NoCapX 2020 also raised a number of arguments regarding application completeness, including that the application fails to discuss: an existing underground gas storage facility in the project area, an identification of all homesteads within at least one-half mile of the proposed route, the potential for corrosive impact of transmission lines on pipelines, potential cumulative impacts on other transmission lines in the area, the need for a new easement if the full route does not fit within the existing easement, line losses, reactive power, electric and magnetic fields, socioeconomic impacts, property tax impacts, and an identification of the full system megawatt loading used in the modeling.

The Commission has considered the concerns raised by the Prehn family and NoCapX 2020 and determines that these issues would be best considered and addressed as part of the scoping process and further record development. The Commission also agrees with EERA, which argued that any contested issues can be addressed through the contested case hearing process that is required under the full permitting process for the route permit.

Order Accepting Applications As Complete, Establishing Procedural Requirements, and Notice of Order For Hearingr, June 26, 2024<sup>3</sup>.

The Prehns and NoCapX 2020 had raised the presence of the natural gas dome early on, and that basic fact of its existence should not have been ignored and the Commission should not have allowed Xcel to proceed with proposing a segment over the gas dome. Failure to provide this information is an example of an incomplete application.

## **II. DEIS DOES ADDRESS CENTERPOINT GAS STORAGE BUT DOES NOT ADDRESS “AVOIDANCE” OR “MINIMIZATION” AND DOES NOT REMOVE THE ROUTE ALTERNATIVE OVER THE GAS DOME FROM CONSIDERATION**

The DEIS does have some information about the gas dome<sup>4</sup>. However, the DEIS does not include sufficient information about the CenterPoint natural gas dome, and the FEIS should more fully disclose locations of wells and monitors and the potential issues disclosed by Xcel in routing transmission over the gas dome.

The DEIS has a table showing nine wells wihtin the Segment 1 Right of Way. DEIS, p. 181, Table 5-20. Xcel’s May 6, 2024 Sebment 1 map appars to show only 4. The FEIS must clarify how many gas wells and monitors (observation well?) are in the route area.

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<sup>3</sup> Available on eDockets: [20246-207975-02](https://edockets.oregon.gov/20246-207975-02)

<sup>4</sup> DEIS, p.180-184,fn. 167-171.



The DEIS discusses “Potential Impacts,” followed by “Mitigation.” There is no section on “Avoidance” or “Minimization,” the two actions preceding Mitigation. Jumping to Mitigation presumes no “Avoidance” or “Minimization,” particularly concerning when it appears that “Avoidance” is the most sound option. The FEIS must address “Avoidance” and “Minimization.”

The FEIS must describe “flashing in the event of a natural gas venting release,” which Xcel raises in its May 6, 2024 Supplemental Comment, but it is nowhere in the DEIS.

The DEIS must also address corrosion of pipeline due to interaction with electricity, a common occurrence when transmission and pipelines are sited parallel. There is no discussion of this, and because the pipelines have been in place for so long, what level of cathodic protection is present and what level is needed, and what cost of increasing protection would be.

Had Xcel included the CenterPoint facility in its application, had Xcel had to notify CenterPoint of its wish to route over the gas dome, had CenterPoint learned of the proposed route and had to meet with Xcel rather than learn of it from the Prehns,, the transmission route the company proposed over the gas dome would likely not have been proposed in the application, and the Prehns would not have had to intervene to address their interests in this application due to their living on top of the gas dome and ongoing issues with the CenterPoint gas dome over the last sixty years. Presumptions, yes, but the failure to disclose is significant, and should be addressed. How will Xcel be held accountable for necessary disclosures?

The Prehns and NoCapX 2020 had documented most, but not all, of this gas dome infrastructure after an extensive survey of the area and provided a map in a scoping comment<sup>5</sup> filed in July.

In response to a Data Practices Act Request to the DNR, NoCapX and the Prehns

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<sup>5</sup> PUC unique ID: [20247-209032-02](#) Larger map attached to this Petition.

received a map that was provided to Commerce-EERA, documenting additional wells and monitors, plus the area of leased land, that had not been provided previously.

In its May 6, 2024 Supplemental Comments, Xcel acknowledged the existence of the CenterPoint dome and disclosed that it had finally met with CenterPoint personnel on May 1, 2024, long after the application was submitted.

The Company is aware of the CenterPoint underground gas storage facility and is coordinating with CenterPoint concerning the location of the Project and any necessary mitigation. The CenterPoint facility is used to store natural gas during the summer and to withdraw gas in the winter heating season with gas stored several hundred feet below ground in the Mount Simon Sandstone formation.

On May 1, 2024, Company representatives met with CenterPoint staff to discuss the proposed Project and the CenterPoint facilities in this area. The proposed routes were discussed, as well as the 150 foot wide easement needed for the proposed 345 kV transmission line. The Company indicated that typical foundations for the proposed 345 kV transmission line structures range from 40-70 feet in depth, depending on site-specific soil and geologic conditions, and CenterPoint noted that these would have no impact on the underground storage facility, which is located several hundred feet underground.

CenterPoint noted that the proposed Segment 1 South, Route Alternative 1L is near four wells associated with their facilities (see revised Segment 1, Map 8 attached to these Supplemental Comments which shows wells within 500 feet of the proposed centerline) and indicated that it requires a minimum clearance of 70 feet above each well for access and maintenance work. CenterPoint also noted that, while unlikely, transmission lines crossing over valve sites could experience flashing in the event of a natural gas venting release.

The Company will continue to coordinate with CenterPoint to ensure that the proposed routes and transmission structures are adequately set back from the existing wells, valves, pipelines, and associated facilities to avoid any potential impacts. Additionally, the Company will work with CenterPoint to evaluate the need for potential AC mitigation.

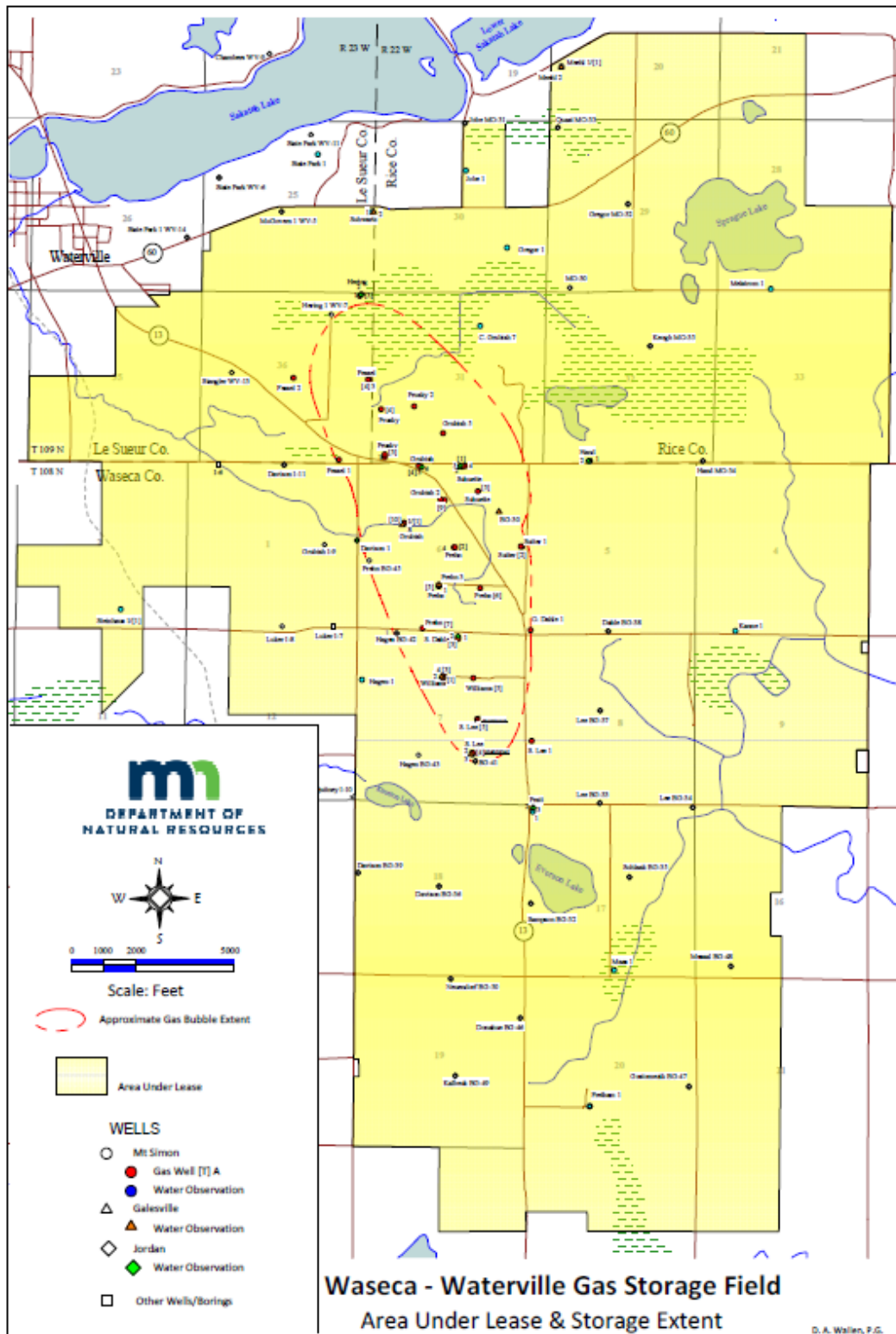
Xcel Supplemental Comments<sup>6</sup>, p. 4, May 5, 2024.

This DNR map shows that some of CenterPoint's infrastructure was not recorded in our area reconnaissance. The yellow area is land under lease for the gas dome, but obviously the dome does not observe the property lines, and likely extends beyond, evidenced by the wells in

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<sup>6</sup> Online at eDockets: [20245-206448-02](https://edockets.dnr.state.tx.us/dockets/20245-206448-02)

the State Park:



See Attachment A, p. 2, DNR Response to Data Request. This map should be in the FEIS, t



together with discussion of potential impacts, as disclosed by Xcel:

CenterPoint noted that the proposed Segment 1 South, Route Alternative 1L is near four wells associated with their facilities (see revised Segment 1, Map 8 attached to these Supplemental Comments which shows wells within 500 feet of the proposed centerline) and indicated that it requires a minimum clearance of 70 feet above each well for access and maintenance work. CenterPoint also noted that, while unlikely, transmission lines crossing over valve sites could experience flashing in the event of a natural gas venting release.

May 6, 2024 Supplemental Comments.

Repetition of this information is not beating a dead horse. Failure to provide notice to CenterPoint, failure to include such obvious and material information in an application, proposing what appears to be an unconstructable transmission route in its application, and the Commission's declaration of this application as "complete," are examples of why the Commission's "completeness" decision is an inadequate base on which to build a record to support any decision.

A review of the DEIS<sup>7</sup> does show that it includes some information about the CenterPoint gas dome, but not enough. It discusses coordination as if it is necessary because the route is open for consideration, and does not eliminate it from consideration due to potential interaction between the utility infrastructure. Although Xcel has stated that its preferred route is the northern route through that area, the alternative route over the gas dome apparently remains available.

**III. THE "INFORMAL" PROCESS IN THIS DOCKET HAS NO DIRECTION FROM THE COMMISSION, AND IS UNSUITABLE FOR REVIEW OF A CERTIFICATE OF NEED APPLICATION FOR A PROJECT OF THIS SIZE AND INTEREST**

The "informal" process "may be used when contested case proceedings are not required" and the rule gives specific examples of where this is appropriate – review of this Certificate of Need

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<sup>7</sup> DEIS, p. 181-184..

application does not fit within any of the categories where informal process is allowed, i.e., where:

- A. there are no material facts in dispute;
- B. the parties and the commission have agreed to informal or expedited proceedings; or
- C. informal or expedited proceedings are authorized or required by statute.

See Minn. R. 7829.1200.

Looking at the criteria for informal proceedings, there's no basis for informal proceedings for this Certificate of Need Application.

- Are there material facts in dispute? Whether a project is “needed” is the most basic of material facts, and MISO “approval” and MISO and Xcel desire for the project are not need. Even with the many filing exemptions for Xcel, these exemptions are not exemptions from provision of information to prove up need. Xcel relies solely upon MISO for its need claim, and MISO is not the decider. MISO’s criteria is not the Commission’s criteria. MISO “approval” does not convey approval of the Commission – the Commission has statutory criteria that must be met.
- Have the parties and the commission agreed to informal proceedings? No. Comments and briefing papers document the Prehn Family and NoCapX 2020’s request for a contested case.
- Are informal proceedings authorized or required by statute? Nope.

Under the rules, a Contested Case may be requested at any time before the end of the Public Comment period. The Public Comment period ends today, June 10, 2025. Staff briefing papers acknowledged the possibility that, as provided by the rules, a contested case may be requested during the Comment period:

Concerning the hearing process, staff notes that with one exception, there have been no requests to refer the certificate of need application for a contested case proceeding; however, due to the anticipated controversy and because the route permit application review process must include a contested case proceeding, the Commission may want to consider forwarding the certificate of need application to the OAH with the route application for joint proceedings.

In addition, the Commission should be aware of the possible scenario where a contested case is requested on the certificate of need application during the reply comment period on the merits, which is months into the review process. Considering the need for a contested case and then conducting one at that time would likely add additional time to the review schedule.

Staff Briefing Papers, May 22, 2024<sup>8</sup>.

The Informal process was Ordered by the Commission with only nominal direction:

Hearings in this matter will be conducted in accordance with the Administrative Procedure Act, Minn. Stat. §§ 14.57-14.62; Minn. R. 1400. 5010-8400; and to the extent they are not superseded by those rules, the Commission's rules of Practice and Procedure, Minn. R. 7829.0100 to 7829.4000. Hearings may be recessed and reset by the ALJ pursuant to Minn. R. 1405.1400 to .2300.

Order Accepting Applications As Complete, Establishing Procedural Requirements, and Notice of Order For Hearingr, June 26, 2024<sup>9</sup>.

The Commission hereby accepts the certificate of need permit application as substantially complete and authorizes review using the informal process.

Id., p. 9. No other direction was given.

Initial and Reply Comment periods were set, Comments were filed, and then what? How would a record be developed, Findings of Fact sufficient to support a Certificate of Need decision? What is the role of the Administrative Law Judge in the Certificate of Need docket? Or would fact finding be left to Commission staff, or to the Commissioners, to the Commission's Order writer, or would Xcel write those "Findings of Fact." The murkiness of the process is disturbing.

What will be considered a part of the record? Many scoping and public comments addressed need for the project. Would Commenters have to specifically direct their comments to the CoN docket? Would they have to resubmit comments made to be considered? Commenters at the public meetings and hearings were not provided the option to testify under oath, oath was not offered, and testifying under oath is allowed under the rules. What weight would the comments not under oath receive?

Xcel's pre-application meetings, EERA's Scoping meetings, and Public Hearings were

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<sup>8</sup> Online at eDockets: [20245-207007-02](#)

<sup>9</sup> Order, p. 6, eDockets: [20246-207975-02](#)

very well attended, and commenters were frequent and eloquent. Many of the members of the public present at informational and public scoping meetings, many of the commentors, have raised the issue of need – need itself is in its essence a contested matter. A review of the Commission’s decision does not provide any rationale for assigning this docket to the “informal” process. There are material facts in dispute – **NEED** is the most basic material fact. See NoCapX Prehn 3-28-2025 Initial, 4-1-2025 Supplemental Initial, and 4-25-2025 Reply Need Comments.

The Commission’s authorization of use of the “informal” process<sup>10</sup> did not set out any framework for review, did not offer specifics for how this process would proceed. The process in this docket is not flawed, it’s nonexistent.

At this time, the Prehn Family and NoCapX 2020 again request a contested case. In the alternative, we request Findings of Fact, Conclusions of Law, and a Recommendation of the Administrative Law Judge.

**IV. ALTHOUGH THERE’S A STATUTORY OUT WHERE NOTICE IS NOT PROVIDED, FAILURE TO PROVIDE NOTICE SHOULD ELIMINATE THOSE LANDOWNERS’ LAND FROM CONSIDERATION FOR TRANSMISSION.**

Unfortunate as it is for landowners, Minnesota law is clear that notice is nice, but failure of notice is not a dealbreaker:

The failure to provide mailed notice to a property owner or defects in the notice do not invalidate the proceedings, provided a bona fide attempt to comply with this subdivision has been made.

Minn. Stat. §216I.05, Subd. 8(4)(d). What constitutes a “bona fide attempt” where land may be taken, and where the U.S. and Minnesota Constitutions require due process?

In this docket, it’s been revealed that 1,341 landowners did not receive notice. Failure of notice for 1,341 landowners is no small matter. How this happened is not clear, but what is clear is that affected landowners should not pay the price for failure of notice. Landowners who did not

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<sup>1010</sup> Id.

receive notice have been denied the opportunity to Intervene, as the best case of Notice was Xcel's mailing on January 31, 2024, two weeks after the Intervention deadline. The Commission did not send notice until days before the Public Hearings. At least one very upset landowner did appear at a Public Hearing, perhaps more at other hearings, but looking at the timeline, did landowners have sufficient "YOUR LAND MAY BE AFFECTED" notice to learn how this process works and what they could do to advocate for themselves? It's doubtful.

See Attached 6-5-2025 DoC Response to NoCapX Prehn IR-1; 6-6-2025 Xcel Response to NoCapX Prehn IRs 4 & 5;

All property of landowners who did not receive notice should be removed from consideration as a route option..

NoCapX 2020 and the Prehn Family are eFiling prior comments to assure they are included in the hearing record for both dockets. We are grateful for this final opportunity to comment in the above-captioned proceeding, and appreciate Xcel's preference of the route alternative that does not cross CenterPoint's natural gas storage dome.

June 10, 2025



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Carol A. Overland MN #254617  
Attorney for No CapX 2020 and the Prehn  
Family  
Legalelectric – Overland Law Office  
1110 West Avenue  
Red Wing, MN 55066  
(612) 227-8638  
[overland@legalelectric.org](mailto:overland@legalelectric.org)





## Data Request Form

Date (mm/dd/yy):

Name: Carol A. Overland - Legalectric

Address: 1110 West Avenue

City: Red Wing

State: MN

ZIP code: 550566

Phone number: (612) 227-8638

Email: [overland@legalelectric.org](mailto:overland@legalelectric.org) (preferred)

**Note:** You do not have to provide any of the above contact information. However, we may not be able to clarify your request or provide copies without contact information. All requests must be made in writing by using this form or by sending an email or letter.

Please describe the data you are requesting in the box below and if you would like us to provide:

☒ Inspection

☐ Copies

I'm requesting a file inspection, seeking information on CenterPoint's (formerly Minneogasco) natural gas storage in the dome along Hwy 13, between Waterville & Waseca, specifically including, but not limited to:

- 1) Information on the current capacity of the dome storage;
- 2) Map of the physical location;
- 3) An accurate map of the boundaries of the dome storage showing underground and enough of roads and landmarks on surface to identify where it is;
- 4) Documentation of 1972 drilling at Lake Sakatah State Park;
- 5) Documentation of whether gas dome storage extends under Lake Sakatah State Park;
- 6) Copy of the ORIGINAL/INITIAL license/permit for the facility;
- 7) Copy of the current license/permit for the facility;
- 8) Copy of water treatment plant license/permit;
- 9) Contact info for consulting engineer --years ago Dr. Wetherspoon's health was failing and I'm guessing he's no longer on the project.

... and such other as is in the file.

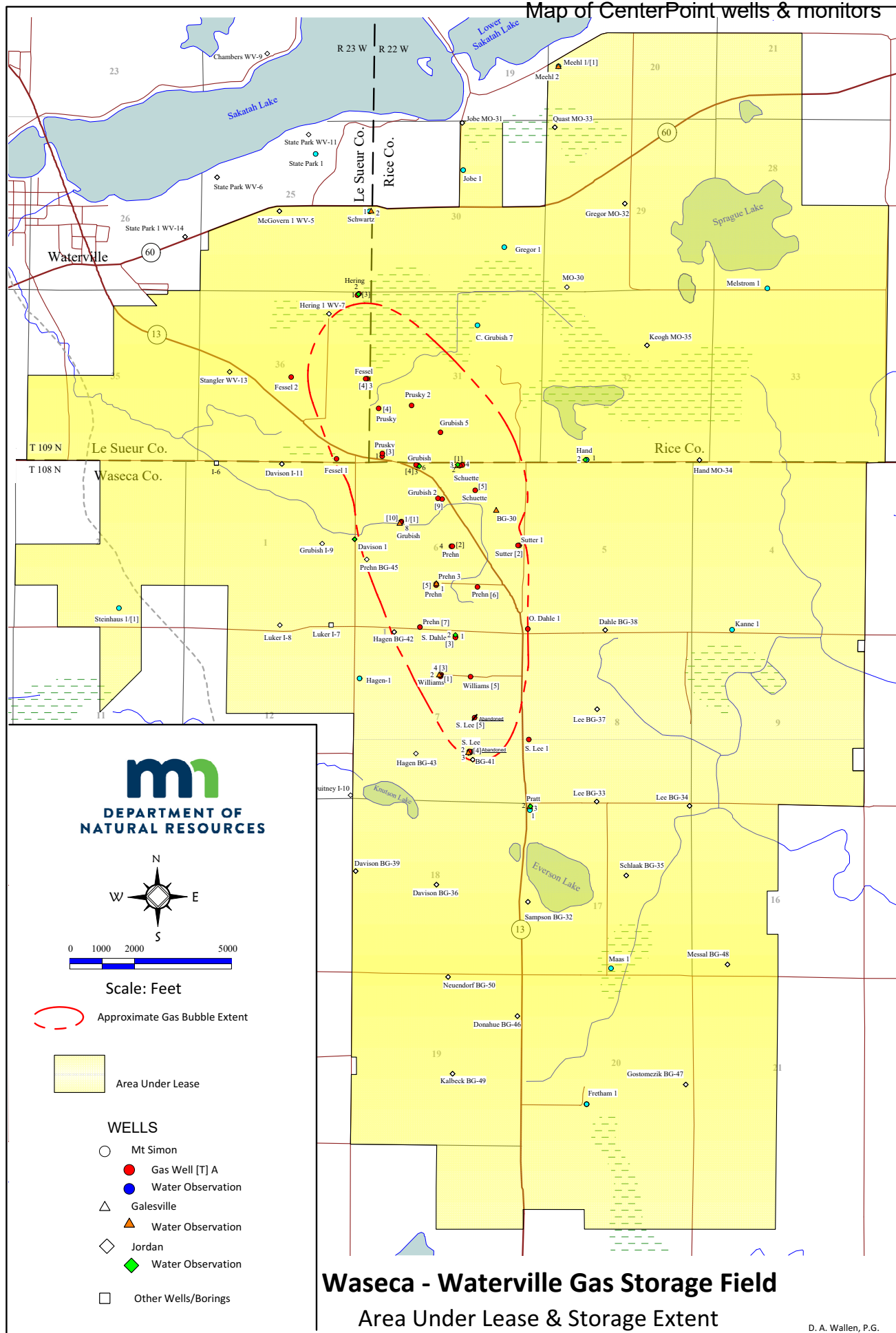
Thanks,

MS § 13.03, subd.3, authorizes DNR to charge fees to recover costs to provide copies of data. Prepayment is required prior to receiving copies of data.

Submit by mail, fax, or email to:

Minnesota Department of Natural Resources  
Data Practices Compliance Official  
500 Lafayette Road  
St. Paul, MN 55155-4075  
Fax: 651.296.0902  
Email: [datarequest.dnr@state.mn.us](mailto:datarequest.dnr@state.mn.us)

For questions, call the Data Practices Compliance Official at 651.259.5345



STATE OF MINNESOTA  
DEPARTMENT OF CONSERVATION

In the Matter of the Application of  
Minneapolis Gas Company for a Permit  
To Displace Underground Waters in  
Consolidated Formations by the Under-  
ground Storage of Natural Gas Under  
Pressure (P.A. 67-962)

PERMIT

Upon the application of the Minneapolis Gas Company, and pursuant to the Findings, Conclusions, and Order thereon made by the Commissioner of Conservation on August 16, 1968, after due investigation, hearing, and consideration as provided by law, there is hereby granted to the Applicant a permit to displace underground waters by the underground storage of gas under pressure in the Mount Simon member of the Dresbach formation which underlies the Towns of Iosco and Blooming Grove in Wascea County, the Town of Waterville in Le Sueur County, and the Town of Morristown in Rice County subject to the following conditions and restrictions:

1. The Permittee, before injecting gas under this permit, shall file the following with the Commissioner of Conservation:  
(a) A list of both the property included within any proposed storage contour and within any reasonable property buffer zone required by the Commissioner extending beyond any proposed storage contour; and (b) evidence of the Permittee's right to use such property. Storage contours referred to in this permit are those described on Commissioner's Exhibit "J", Structure Map – Mount Simon "A" Zone, a copy of which is attached, or any revised structure map approved by the Commissioner. Upon satisfactory completion of the filing requirements of this paragraph, a Certificate of Use shall be issued to the Permittee pursuant to the provisions of Minnesota Statutes, Section 84.62.

2. The Permittee shall maintain in force liability insurance in an amount fixed by the Commissioner, not less than \$20,000,000 to cover all types of business liability, including any damages for which it might become liable as a result of its operation of the gas storage reservoir described herein. The Permittee shall supply the Commissioner with a certificate of insurance from a company authorized to do business in Minnesota certifying that such a policy is in effect, the period for which it is in effect, and that the insurer will notify the Commissioner of its alteration, cancellation, or termination, at least 30 days before alteration, cancellation, or termination. The Permittee also shall notify the Commissioner of any alterations, cancellation, or termination of the policy at least 30 days before alteration, cancellation, or termination. Not less than thirty days before the expiration of a policy required by this paragraph, the Permittee shall renew the insurance and supply the Commissioner with a certificate of insurance required by this paragraph.

3. Wells shall be completed in a manner satisfactory to the Commissioner so as to minimize the possibility of mechanical leakage of gas. Standard oil field techniques and equipment, and high quality cement shall be used in well completion. Cement bond logs for all wells in the storage formation shall be furnished to the Commissioner.

4. The Permittee, before injecting gas under this permit within any proposed storage contour, shall test all known water wells within the proposed storage contour for the presence of combustible gas. The Permittee also shall test a representative sample of all known water wells within a one mile buffer zone beyond any proposed storage contour for the presence of combustible gas. These wells shall be tested once each week for a period of three months after the start of gas injection and once every two weeks for the next three months. Thereafter, if conditions remain normal, the number of wells tested may be reduced and the tests may be reduced to twice per year, unless the Commissioner directs otherwise in writing. If the Permittee injects gas beyond a storage contour within which all known water wells have been previously tested, all known water wells beyond the previous storage contour but within a proposed new storage contour shall be tested as required above, except for the original sample taken in any buffer zone beyond any previous storage contour. The Permittee, when injecting gas beyond a previous storage contour, also shall test a representative sample of all known water wells within a one mile buffer zone beyond any proposed new storage contour. At the request of the Commissioner and with the consent of any affected property owner, the Permittee shall vent any well or well housing which might serve to create a hazardous condition if any gas should escape to the surface.

5. Until otherwise directed by the Commissioner in writing, the Permittee shall operate and maintain continuous fluid level recorders on its Jordan, Galesville, and Mount Simon wells at or in the immediate area of the Waseca-Waterville Field which it does not use for the injection or withdrawal of natural gas and at such other observation wells as the Commissioner may require. Beginning at least ten days before gas is first injected at the Waseca-Waterville Field, and continuing for the first two months after gas is first injected, the Permittee shall check and read all of these recorders at least once each twenty-four hour period. After the first two months of gas injection, the Permittee shall check and read these recorders at least once each seven-day period. The Permittee shall maintain a recording barometer at a point, indoors or outdoors, no farther away from the Waseca-Waterville Field than Waterville, Minnesota, until otherwise directed by the Commissioner in writing. The Permittee shall furnish the Commissioner, at least once each month, a copy of all fluid level recorder charts and a graph or graphs showing fluid levels as measured by the recorders referred to above and the barometric pressure reading for the area of the Waseca-Waterville Field at a given hour each day

6. During reservoir operations, the Permittee shall not maintain any pressures in the storage reservoir in the Mount Simon during injection, storage, or withdrawal in excess of 405 pounds per square inch gauge without the approval of the Commissioner. During the first two months after the start of gas injection, gas pressure at the bottom of any injection well shall not exceed 331 pounds per square inch gauge in the Mount Simon "A" sand, except that such

pressure may be increased, after seven days of injection, to not more than 341 pounds per square inch gauge if necessary to obtain injection at the rate of one million standard cubic feet of gas per day. Two months after the start of injection, such pressure may be increased to not more than 356 pounds per square inch gauge. Six months after the start of injection, such pressure may be increased to not more than 381 pounds per square inch gauge. Nine months after the start of injection and thereafter, such pressure may be increased to not more than 406 pounds per square inch gauge. If operating experience indicates that higher pressures are safe, the Commissioner may authorize in writing injection pressures in excess of 406 pounds per square inch gauge. The Permittee shall maintain accurate records of gas insertion pressures and shall submit such records in writing to the Commissioner at least once each month and at such other times as the Commissioner may request.

7. No gas shall be injected by the Permittee in excess of the following limitations: (a) A maximum of five billion cubic feet in storage for the initial injection, subject to the further limitation that initially injected gas shall remain within the +170 foot storage contour, as described on Commissioner's Exhibit "J", or any revised structure map approved by the Commissioner, except on the steep west flank where it is recognized that gas may reach levels below the +170 foot storage contour during initial injection; (b) Injections subsequent to the initial injection shall be in such volumes, within such storage contours, and subject to such conditions as the Commissioner, in his discretion, determines in writing. Before any injections subsequent to the initial injection and at the request of the Commissioner, the Permittee shall perform additional tests as the Commissioner shall require and shall furnish the Commissioner with such additional information, data, and reports as the Commissioner may require. On the Commissioner's own motion a hearing may be held, or, at the request of the Permittee or any other party in interest a hearing shall be held, in regard to any subsequent injection. Notice of the Commissioner's written determination in regard to any subsequent injection, whether or not a hearing is held, shall be published and mailed in the same manner as provided for the publication and mailing of the Findings, Conclusions, and Order in this matter.

8. Until otherwise directed by the Commissioner in writing, the Permittee shall test with a combustible gas meter, at least once each seven-day period, its Jordan, Galesville, and Mount Simon deep wells at the Waseca-Waterville Field which it does not use for injection or withdrawal of natural gas, and at any other observation wells required by the Commissioner, and shall maintain records of these test.

9. The Permittee shall promptly report to the Commissioner any escaped natural gas discovered above the Eau Claire and shall stop gas injection, except where such escape is related to minor mechanical leakage at an injection or withdrawal well, and shall take all necessary precautions to avoid or minimize hazards to persons and property which may result therefrom. If the static water level in any observation well in any stratum above the Eau Claire, corrected for barometric pressure, rises one-half foot or more in a month, and such rise is in direct correlation with the operations, the Permittee shall stop gas injection, notify the Commissioner, take all prudent steps to determine the cause of such rise, and take appropriate corrective measures. If the Commissioner determines that the operation of the field constitutes



a hazard to the public for any reason, the Permittee shall take such precautions, including but not limited to the stopping of injection and withdrawal, as the Commissioner may require. Gas injection may be resumed only with the Commissioner's consent after being stopped under the provisions of this paragraph for any reason.

10. The Permittee shall maintain accurate records of gas injections into and withdrawals from this project area so as to make readily ascertainable the total approximate volume of natural gas, whether recoverable or nonrecoverable, in the project area at any time and shall report such volume in writing to the Commissioner at least once each month and at such other times as the Commissioner may request in writing.

11. The Permittee shall grant the Commissioner and his authorized representatives access to the project and to records relating to the operation and maintenance of the project at all reasonable times for the purpose of inspecting the operations authorized by this permit.

12. The Permittee shall at all times conduct its operations and maintain its facilities and equipment in accordance with standard practices followed in the operation and maintenance of aquifer storage reservoirs and in such a manner as to permit the owners of the lands lying within the boundaries of the proposed storage area or persons claiming under them, or the owners of minerals thereunder or those claiming under them, who are entitled to exercise such rights, to explore or, drill or, produce or develop for the recovery of oil or gas or minerals under said lands, or to drill wells on said lands for the development and production of water in accordance with the requirements of the Commissioner issued for the purpose of protecting underground storage strata or formations against pollution and against the escape of gas therefrom.

13. In all cases where the doing by the Permittee of anything authorized by the permit shall involve the taking, using, or damaging of any property, rights or interests of any other person or persons, or of any publicly owned lands or improvements thereon or interests therein, the Permittee, before proceeding therewith, shall obtain the written consent of all persons, agencies, or authorities concerned, and shall acquire all property, rights, and interests necessary therefore.

14. The Permittee shall take such precautions as are necessary to avoid undue or unreasonable interference with normal agricultural pursuits and with private property or interests therein not owned by the Permittee in the proposed storage area and to protect any public resources of the state which may be adversely affected.

15. The Permittee shall do all things reasonably necessary in the judgment of the Commissioner or other agency having jurisdiction, to minimize and control any objectionable odor resulting from the operation of the project under this permit.

16. This permit shall not release the Permittee from any liability or obligation imposed by applicable provisions of Minnesota Statutes or local ordinances relating thereto and shall

remain in force subject to all conditions now or hereafter imposed by law or this permit. This paragraph is not intended to determine the applicability to the Permittee, or its operations under this permit, of any law or ordinance.

17. Without limiting the provisions of paragraph 16, the Permittee shall comply with all laws relating to air and water pollution and all requirements of the Minnesota Pollution Control Agency and the Minnesota Department of Health.

18. The Permittee shall notify the Commissioner of its intention to abandon, or abandonment of, the project authorized by this permit. If it abandons the project, the Permittee shall discontinue operations using standard procedures followed in the abandonment of aquifer storage reservoirs, including but not limited to the capping of injection and withdrawal wells. At the request of the Commissioner the Permittee shall execute and file with the Commissioner a corporate surety bond to the State of Minnesota, approved by, and in an amount fixed by, the Commissioner, conditioned for the faithful performance of duties required by this paragraph. The Commissioner, when he is of the opinion that any bond given by the Permittee under this paragraph is inadequate for the purposes set forth in this paragraph, may require the Permittee to give additional bond in such amount as the Commissioner may require. Not less than ninety days before the expiration of any bond supplied under this paragraph, the Permittee shall renew the bond required by this paragraph unless the Commissioner determines that the bond is no longer required.

19. This permit is not assignable or transferable except with the written consent of the Commissioner.

20. Upon written notice to the Permittee, this permit may be suspended by the Commissioner at any time he deems it necessary for the safety of the public or for violation of any of the provisions of this permit. The suspension is effective on or after delivery of notice to the Permittee. The basis for any suspension shall be stated in the notice. Upon written notice to the Permittee, this permit may be terminated by the Commissioner at any time he deems it necessary for the safety of the public or for violation of any of the provisions of this permit. The termination is effective 30 days after delivery of notice to the Permittee, unless within this 30-day period the Permittee requests a hearing on the termination. The basis for termination shall be stated in the notice. The Commissioner shall grant the Permittee a hearing if so requested. If, after hearing, the Commissioner affirms his order terminating the permit, the termination takes effect 30 days after delivery of the affirming order to the Permittee.

21. This permit is permissive only. No liability shall be imposed upon or incurred by the State of Minnesota or any of its officers, agents, or employees, officially or personally, on account of the granting hereof or on account of any damage to any person or property resulting from any act or omission of the Permittee or any of its agents, employees, or contractors relating to any matter hereunder. This permit shall not be construed as estopping or limiting any legal claims or right of action of any person against the Permittee, its agents, employees, or contractors, for any damage or injury resulting from any such act or omission, or as estopping

or limiting any legal claim or right of action of the state against the Permittee, its agents, employees, or contractors for violation of or failure to comply with the provisions of the permit or applicable provisions of law.

Dates at Saint Paul, Minnesota, this 16<sup>th</sup> day of August, 1968.

JARLE LEIRFALLOM  
Commissioner of Conservation

ROBERT L. HERBST, Referee and  
Deputy Commissioner of Conservation



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MINN

DEPARTMENT OF NATURAL RESOURCES

Attachment A - DNR Response  
Map of CenterPoint wells & monitors

PHONE: 296-2549

October 6, 1978

Mr. Paul W. Kraemer, President  
Minnesota Gas Company  
733 Marquette Ave.  
Minneapolis, Minnesota 55402

Dear Mr. Kraemer:

UNDERGROUND GAS STORAGE PROJECT AT WASECA/WATERVILLE

Pursuant to Minnesota Statutes 1976, Sections 84.57 to 84.62 and in accordance with 6 Minnesota Code of Agency Rules, Section 1.5000, permit P.A. 67-962, issued on August 16, 1968 to the Minneapolis Gas Company, is hereby amended to include a fee schedule as specified in the attachments, Permit Amendment Number One, and the corresponding regulation, 6MCAR g 1.5000.

In accordance with this amendment, you will be receiving a billing in the near future for the actual costs of field inspection and monitoring activities conducted from August 15, 1974, the effective date of the regulations to the present. Thereafter, billings will be submitted on a regular basis.  
Sincerely,

Steven G. Thorne, Deputy Commissioner  
Department of Natural Resources

Encs.

cc: Larry Seymour  
Charles Applequist  
Philip Olfelt  
Wayne Olson

PERMIT AMENDMENT NUMBER ONE

The following Provision 22 is hereby amended to the permit P.A. 67-962:

Provision #22

Field Inspection Fees and Fees for Monitoring Activities shall be charged by the Commissioner to the Permittee in accordance with Minnesota Code of Agency Rules, Section 1.5000, as now existing or as hereafter modified, effective beginning August 15, 1974. Fees to be charged shall include field inspection fees as provided in Section G and monitoring activity fees as provided in Section H.

The procedures and scope of field inspection and monitoring include, but are not limited to, the following activities when they are performed by the State officers or employees or by State consultants hired for the project:


1. Periodic field collection of water samples for various types of laboratory analysis;
2. Periodic field inspection for monitoring and verifying those activities that are monitored by the permittee;
3. Routine checking of water wells, farm basements, etc., for detection of combustible gas;
4. Field inspection and monitoring of observation wells for determination and checking of water levels;
5. Field inspection and monitoring of pumping tests;
6. Field inspection and monitoring of observation and production well construction, reworking, tubing, modification, etc.
7. Field inspection and monitoring of well logging applications for new and existing wells;
8. Field inspection and monitoring of surface areas for detection of leakage gas;
9. Periodic monitoring of special areas, activities or problem areas as deemed necessary by the Commissioner;
10. Other monitoring of water or related land resources related to the project and determined by the Commissioner to be necessary;



11. Laboratory chemical analysis of water samples for water quality determinations;
12. Laboratory gas chromatography for analysis of water samples to determine presence and concentration of dissolved hydrocarbons;
13. Other laboratory analyses as required by the Commissioner;
14. Laboratory techniques and methodology necessary in the development and/or modification of specialized equipment and techniques required by the Commissioner;
15. Record keeping and data tabulations, graphing, comparison, review and analysis;
16. Review, analysis and preparation of progress reports and project related correspondence;
17. Meeting and conferring with consultants hired by the State in regard to monitoring and inspection of the project and areas of special problems or concerns;
18. Preparation of testimony, exhibits and other materials necessary for public meetings and hearings required by the Commissioner and/or Minnesota Statutes;
19. Participation in meetings and conferences relating to the specific project.

Fees are payable by the permittee within 30 days of receipt of billings, and payment shall be in the form of check or money order payable to the State Treasurer. Failure to pay fees within the allotted time is grounds for suspending the permit, or for taking other legal actions as required.

Dated at St. Paul, Minnesota, this 6th  
day of October, 1978.

  
Steven G. Thorne  
Deputy Commissioner of Natural Resources

MINNEGASCO'S WASECA-WATERVILLE UNDERGROUND GAS STORAGE PROJECT

Attached for your information is the Order of the Commissioner of Natural Resources allowing Minnegasco to increase, in staged increments, its underground gas storage inventory in the Waterville area to 10 billion cubic feet. Water levels in monitoring wells also have been amended to reflect experience in operating the reservoir.

Along with the Order, a press release is attached for your information.

Sincerely,

JOSEPH N. ALEXANDER  
Commissioner

STATE OF MINNESOTA  
DEPARTMENT OF NATURAL RESOURCES

ORDER AMENDING MINNESOTA GAS COMPANY'S  
PERMIT RELATING TO UNDERGROUND GAS STORAGE  
IN THE WATERVILLE AREA (P.A. 67-962)

WHEREAS, under the authority of Minnesota Statutes, Sections 84.57 to 84.62, the Minneapolis Gas Company (now the Minnesota Gas Company) was issued a Permit (P.A. 67-962) by the Commissioner of the Department of Conservation (now the Department of Natural Resources) on August 16, 1968, to store natural gas underground by displacement of underground waters in the Mt. Simon geologic formation, approximately 800 feet below the surface of the soil, within approximately 8,400 acres in the Towns of Iosco and Blooming Grove in Waseca County, the Town of Waterville in LeSueur County, and the Town of Morristown in Rice County, which Permit was issued pursuant to Findings, Conclusions, and Order dated August 16, 1968, following public hearings held September 22, 1967, and June 25, 1968; and

WHEREAS, the geologic structure comprising the underground storage reservoir was determined at that time to have a potential capacity for the storage of 29 billion cubic feet of gas within the plus 140 foot storage contour of the structure, but the initial injection of gas was limited by the Permit to 5 billion cubic feet of gas in storage, which limit was first reached in the fall of 1974; and

WHEREAS, the Permit also provided that injections of gas for storage beyond 5 billion cubic feet of gas would be allowed only after such additional testing as required by the Commissioner had been concluded to his satisfaction and also after submission by the Minnesota Gas Company of such additional information, data, and reports as required by the Commissioner; and

WHEREAS, tests have been concluded by the Minnesota Gas Company to the satisfaction of the Commissioner and additional information, data, and reports required by the Commissioner have been submitted by the Minnesota Gas Company; and

WHEREAS, in addition to the above, tests have been conducted and information acquired by the Department of Natural Resources independently of the Minnesota Gas Company; and

WHEREAS, the Minnesota Gas Company has made requests to the Commissioner to increase the maximum allowed inventory of gas beyond 5 billion cubic feet, the most recent of which requested a staged increase to 10 billion cubic feet of gas in storage; and

WHEREAS, two public hearings have been held (April 20, 1972, and October 2, 1978) in connection with requests for the increase of gas storage in inventory, which hearings were not

required by law but were convened by the Commissioner to inform the public of the on-going operation and monitoring of the gas storage project;

NOW, THEREFORE, IT IS HEREBY ORDERED that Permit P.A. 67-962, issued on August 16, 1968, and first amended on October 6, 1978, is amended as follows:

(PERMIT AMENDMENT NUMBER TWO)

Add the following at the end of Paragraph 7;

“(c) Injections subsequent to the initial allowed storage inventory of 5 billion cubic feet shall be staged substantially as follows: When approximately but not to exceed 7 billion cubic feet of gas is in storage, and before proceeding with additional injections, the Permittee shall demonstrate to the satisfaction of the Commissioner (within the terms of the Permit, applicable Use Certificates, and any other limitations established by the Commissioner) that 2.2 billion cubic feet of gas has been withdrawn from storage and reinjected into storage within twelve consecutive months after a withdrawal season has commenced. When approximately but not to exceed 9 billion cubic feet of gas is in storage, and before proceeding with additional injections, the Permittee shall demonstrate to the satisfaction of the Commissioner (within the terms of the Permit, applicable Use Certificates, and any other limitations established by the Commissioner) that 3.1 billion cubic feet of gas has been withdrawn from storage and reinjected into storage within twelve consecutive months after a withdrawal season has commenced. Total gas in storage may not exceed a maximum of ten billion cubic feet.”

(PERMIT AMENDMENT NUMBER THREE)

Amend the second sentence of Paragraph 9 to read as follows:

“If the static water level in any observation well in any stratum above the Eau Claire, corrected for barometric pressure, rises four feet or more in an injection season, and such rise is in direct correlation with the operations, the Permittee shall stop gas injection, notify the Commissioner, take all prudent steps to determine the cause of such rise, and take appropriate corrective measures.”

IT IS FURTHER ORDERED that this order be published and mailed in the same manner as provided for the publication and mailing of the Findings, Conclusions, and Order in this matter.

Dated at Saint Paul, Minnesota, this 19 day of March, 1980.

JOSEPH N. ALEXANDER  
Commissioner of Natural Resources

STEVEN G. THORNE, Referee and  
Deputy Commissioner of Natural Resources