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February 5, 2014

VIA ELECTRONIC FILING

Dr. Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

Re: In the Matter of Minnesota Power's Application for a Gas Pipeline Routing Permit
for the Laskin Energy Center Natural Gas Pipeline Project
Docket No. E-015/GP-13-978

Dear Dr. Haar:

Minnesota Power's hereby electronically submits its Proposed Findings of Fact, Conclusions of Law and Order in the above-referenced Docket. An Affidavit of Service is included.

Please contact me at the number above if you have any questions regarding this letter.

Yours truly,

David R. Moeller

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c: Service list



STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

In the Matter of Minnesota Power's
Application for a Gas Pipeline
Routing Permit for the Laskin Energy
Center Natural Gas Pipeline Project

Docket No. E-015/GP-13-978

PROPOSED FINDINGS OF FACT

The Applicant

1. The applicant is Minnesota Power (Applicant or Minnesota Power). The Laskin Energy Center (LEC) Natural Gas Pipeline Project (Project) will be constructed, owned, and operated by Minnesota Power.

The Project

2. The project is a 5,900 foot natural gas pipeline with a maximum outside diameter of 10.75 inches. The proposed route is located approximately one mile west of Hoyt Lakes, west of Colby Lake and southwest of Minnesota Power's Laskin Energy Center. Minnesota Power's preferred pipeline alignment will originate from Northern Natural Gas Company's pipeline system and traverse approximately 5,900 feet in a northeasterly direction to its terminus at the Laskin Energy Center.
3. The pipeline Maximum Allowable Operating Pressure (MAOP) will be 1,480 pounds per square inch gauge (psig) and established by the company metering the natural gas (Northern Natural Gas). The normal operating pressure of the pipeline and associated facilities will be 0 to 1,480 psig. The maximum design capacity for the natural gas pipeline and associated facilities is roughly 1,500 million cubic feet per day at 1,480 psig. The minimum designed capacity is 0.0 million cubic feet per day. The wall thickness and pipe grade will be established in part by pipe availability with a minimum nominal wall thickness of 0.255 inch used for open areas and a minimum nominal wall thickness of 0.330 inch used for road crossings, railroad crossings, and horizontal directional drills (HDDs). The pipeline will be buried to a depth of at least three feet to the top of the pipe.
4. The primary purpose of the Project is to allow for the conversion of a coal-fired station into a natural gas-fired station at the LEC. LEC is currently a coal fired generating

station with two generating units. Units 1 and 2 are sister boilers, similar in design and intended operation. The units are tangentially-fired steam generators and were both put into service in 1953. LEC Units 1 and 2 each operate with a gross generation capability of 60 MW gross (55 MW net) with 5 MW of existing station service steam to operate auxiliary equipment. As part of Minnesota Power's 2013 Integrated Resource Plan (MPUC Docket No. E015/RP-13-53), LEC is being converted from a coal-fired electric generating station to a natural gas-fired electric generating station with approximately the same generating capacity. The pipeline will transport natural gas from the transmission pipeline system to the plant site where it will be used as a substitute fuel for coal. Associated work will take place within the overall gas conversion project to allow the boiler to burn natural gas. Conversion from coal to natural gas carries many environmental benefits including reduction of mercury, sulfur dioxide and other pollutants as well as elimination of coal ash.

5. Minnesota Power intends on installing associated facilities as part of the Project. Minnesota Power will install a fenced gas delivery station at the juncture of the pipeline and the Northern Natural Gas pipeline. The gas delivery station will contain all required valving, odorization, an in-line inspection tool launcher/receiver, and necessary equipment required for custody transfer of gas. This facility will be approximately 100 feet long by 100 feet wide. Above ground appurtenances (launcher and receiver) will be installed at each end of the pipeline to accommodate the passage of in-line inspection tools. A cathodic protection system to prevent corrosion of the pipeline will be installed. Due to proximity to high voltage electric lines, alternating current mitigation procedures will be permanently installed, as warranted. A natural gas odorization system will be installed at the fenced gas delivery station.
6. The total estimated cost of the pipeline project is \$2.0 million. Construction has been targeted to begin as soon as August 2014, with a planned in-service date of May-June 2015.
7. Additional project details, route details, and safety features of the pipeline and route are provided in the Application for a Gas Pipeline Routing Permit (Application) eFiled with the Minnesota Public Utilities Commission (Commission) on November 13, 2013.

Procedural History

8. Pursuant to Minnesota Statute 216G.02, "A person may not construct a pipeline without a pipeline routing permit issued by the Public Utilities Commission...". In this case a pipeline is defined as, "...A pipe designed to be operated at a pressure of more than 275 pounds per square inch and to carry gas." (Minnesota Statute 216G.02, subdivision 1(2)). The maximum allowable operating pressure for this pipeline would be 1,480 psig. The project does not meet the definition of a large energy facility promulgated in Minnesota Statute 216B.2421, subdivision 2, paragraph 4 and 5; therefore, a certificate of need is not required.

9. A pipeline route permit and partial exemption application was eFiled by Minnesota Power on November 13, 2013, for the 5,900 foot preferred pipeline route in accordance with Minnesota Rule 7852.0600, subpart 1 and 7852.2000.
10. Partial exemption from pipeline route selection procedures are promulgated in Minnesota Rule, chapters 7852.0600 and 7852.0700.
11. On December 5, 2013, the Minnesota Department of Commerce Energy Environmental Review and Analysis (DOC EERA) staff submitted Comments and Recommendations addressing the completeness of Minnesota Power's Application. DOC EERA recommended that the Commission accept the Application as substantially complete concluded that the Applicant had complied with the application procedures of Minnesota Rule 7852.0600, subpart 1 and 7852.2000 and that the Application contained all the information identified in Minnesota Rule 7852.0600, subpart 1 and 7852.2100 to 7852.3000.
12. The Commission accepted the application as complete in an Order issued on December 20, 2013.
13. The Commission issued a notice on December 27, 2013 that included a description of the Project, a map of the route, the date of public information meeting, and comment period. This notice was also published in the *Mesabi Daily News* around January 9, 2014, and was sent via mail/certified mail along with a copy of the route application in accordance with Minnesota Rules 7852.0600, subpart 2 and 7852.2000, subpart 6. Minnesota Power eFiled an affidavit on January 6, 2014 attesting to the mailing.
14. Pursuant to Minnesota Rule 7852.0600, subpart 4, Commission and DOC EERA staff held a public information meeting on January 22, 2014, in Hoyt Lakes, Minnesota, to discuss the project and procedures for commenting on the partial exemption. No members of the public attended the meeting except for Minnesota Power employees. The comment period to submit written and/or email comments was open until February 5, 2014.
15. The Minnesota Department of Transportation – Office of Land Management (MnDOT) submitted a written comment dated February 4, 2014. MnDOT stated in part that the “project area and the preferred alignment do not directly abut a state trunk highway. However there may be highway-related considerations related to oversize/overweight hauling of the pipeline and equipment. Specifically, these large loads of freight are often transported along nearby interregional corridors such as US 169, US 53, and TH 61. Because MnDOT's highway construction activities could impact the Applicant's plans to haul oversize loads to the proposed site, the Applicant will need to coordinate with MnDOT when planning such loads. If the Laskin Energy Center Natural Gas Pipeline Project or its associated facilities should happen to intersect with the trunk highway system, the Applicant will need to apply for and obtain permits for those locations.”

Land Requirements

16. Minnesota Rule 7852.0100, subpart 31, defines “route” as, “...the proposed location of a pipeline between two endpoints. A route may have a variable width from the minimum required for the pipeline right-of-way up to 1.25 miles.” The route is a variable-width 250 to 1,400 foot route, allowing for sufficient flexibility in determining centerline and construction right-of-way during final pipeline design, landowner negotiations, and in-field routing decisions.
17. This alignment crosses Colby Lake Road immediately after leaving the Northern Natural Gas pipeline, then crosses the transmission line right-of-way, avoiding a wetland, and then parallels the transmission line easement along its northwesterly side. The total length of the preferred pipeline alignment is 5,900 feet. Assuming a 100-foot wide construction right-of-way, approximately 13.5 acres would be disturbed along its length. Following construction, the temporary right-of-way will be allowed to revert back to its previous condition, leaving a 30-foot-wide permanent right-of-way for pipeline operation. A maximum of 4.1 acres of new permanent right-of-way is expected to result from the Project.
18. The preferred pipeline alignment avoids more underground utilities, but requires two crossings of larger transmission rights-of-way. However, collocating with the transmission line has potential to restrict the ability of Minnesota Power to construct future transmission lines along the right-of-way. If the western side of the transmission right-of-way is considered a future Economic Development Area (EDA), this location could also restrict development. Although a previously disturbed wetland lies in proximity to this alignment, trenching through this wetland can be avoided during construction. An approximate 100-foot by 100-foot area will be occupied by the gas delivery/meter station, and a 100-foot by 100-foot area regulation facility will be installed within LEC. The total land area required for associated aboveground facilities is estimated to be 0.50 acres.
19. Prior to the commencement of any construction activities, Minnesota Power will coordinate closely with all landowners to obtain the necessary easements and temporary workspace agreements. In addition, Minnesota Power will provide all affected landowners with complete information about the project, keeping them informed throughout the initial survey, right-of-way acquisition, right-of-way preparation, construction, restoration, and future operation and maintenance.
20. Clearing and grading of the right-of-way will commence after the centerline survey and taking has been completed. Right-of-way clearing will be completed in accordance with all applicable permits and previously obtained landowner agreements. Clearing of vegetation and obstacles will be limited to the extent of the defined 100-foot right-of-way. Debris created by clearing will be disposed of at a licensed facility. Tree stumps will be removed at the landowner’s request or when necessitated due to trench location. Temporary gates will be installed as needed to prohibit public access to the right-of-way during construction.

Trench and Depth of Cover Requirements

21. Preceding any trenching or grading activities, Minnesota Gopher State One-Call will be notified to ensure demarcation and potholing of utilities located within the Project area. The trench will be excavated to a depth that sufficiently allows for at least three feet (36 inches) of backfill from ground surface to the top of pipeline (49 CFR Part 192.37) and at least four and one-half feet (54 inches) of backfill from ground surface to top of pipeline when the pipeline crosses the right-of-way of any public drainage facility or any county, town or municipal street or highway and where the pipeline crosses cultivated agricultural land (Minnesota Statute 216G.07, subdivision 1). Allowing for a nominal 10.75-inch-outside-diameter pipe, the top of the pipe will be approximately four feet below the ground surface. The bottom of the pipe trench will be approximately three feet wide and the top of the trench approximately five feet wide. If areas of rock are encountered during trenching, padding material such as finer grain sand, soil, or gravel will be placed in the bottom of the trench to protect the pipeline during backfilling activities. No topsoil will be used as padding material.
22. The pipe will be installed underneath Colby Lake Road (County Road 633) near the Northern Natural Gas juncture by using the boring method, open cut or horizontal directional drilling technique, thereby reducing the estimated total trench length by approximately 300 feet. There would be approximately 5,600 feet of trench excavation, amounting to approximately 5,460 cubic yards of soil excavated from the proposed pipe trench.
23. During periods of excessive precipitation or where high water tables are encountered, the excavated trench may collect water and may need to be dewatered. Heavily silt-laden water will not be discharged from the trench into wetlands or waterbodies. To the extent practicable, discharges will be directed to well-vegetated upland areas. If discharge activities need to be located off the right-of-way, landowner consent will be obtained and locations will be chosen that will minimize off-right-of-way impacts and impacts to sensitive resources. In accordance with agency permits and approvals obtained for the Project, water will be discharged into an energy dissipating device if necessary (e.g., straw bale structure, filter bag, etc.). All discharge activities will comply with applicable agency permits or approvals.

Agriculture Mitigation Plan

24. The project will not impact cultivated agricultural land, therefore an agricultural mitigation plan is not required (Minnesota Statute 216E.10, subdivision 3(b)).

Pipeline Safety

25. Minnesota Power will operate the LEC pipeline under the jurisdiction of the U.S. Department of Transportation, the Pipeline and Hazardous Materials Safety Administration, the Minnesota Public Utilities Commission, and the Minnesota Office of

Pipeline Safety. The Minimum Federal Safety Standards for Transportation of Natural and Other Gas by Pipeline (Title 49 CFR Part 192) will be strictly adhered to as summarized in the Application and identified in these findings.

26. The Minnesota Office of Pipeline Safety is responsible for enforcement of the pipeline safety standards. The Office of Pipeline Safety will monitor construction of the pipeline for compliance with the standards. The Office of Pipeline Safety also has an ongoing responsibility for monitoring the LEC pipeline facilities for compliance with the safety standards.

Alternatives to the Proposed Pipeline Route

27. In addition to the preferred pipeline alignment, Minnesota Power evaluated two alternative pipeline alignments and a no action alternative.
28. The northwest alternative alignment is shown on Figures 1 and 2 in the Application against backgrounds of USGS topographic and aerial photographic coverage, respectively. The northwest alignment crosses Colby Lake Road immediately after leaving the Northern Natural Gas Facility, and runs parallel to the road along its west side to the energy plant. At 5,600 feet, this alignment has the shortest total length of all the three that were considered. Assuming a 100-foot wide construction right-of-way, approximately 12.9 acres would be disturbed along this alternative alignment. Use of this alignment would entail the least amount of clearing of the three alternatives considered. This alternative alignment encounters obstacles, such as power poles, guy wires, and underground utilities. It will need to be necked-down considerably in the southern half to avoid transmission lines and poles. Multiple utilities on the northern half of the alignment will require the cutting of several trees. Also, the northern half may be contained within an area that is considered a future EDA. Additionally, it will cross smaller transmission rights-of-way at three locations. It will need to be routed around a water line and fire hydrant near the right-angle turn from east to south near the plant.
29. As depicted on a USGS topographic map (Figure 1) and aerial-based photograph (Figure 2) in the Application, this southeast alternative alignment originates at the Northern Natural Gas facility and travels in a northeasterly direction before heading north and crossing Colby Lake Road and then following the road right-of-way until reaching the plant. For roughly the southern half of the southeast alignment, it is located southeast of the northwest alternative. It has a length of approximately 5,900 feet. Assuming a 100-foot wide construction right-of-way, approximately 13.5 acres would be disturbed by construction of this alternative alignment. The southeast alignment avoids the poles and guy wires along the transmission right-of-way with less above-ground utilities to parallel through the southern portion. While this alternative would parallel an existing pipeline right-of-way, the location of the pipeline on the east side of County Road 663 and on the northern half of the alternative alignment may limit future construction in an area which may be considered a future EDA. The southeast alternative also poses construction concerns in the parking lot corner of the EDA property which contains, at a minimum, a waterline and fire hydrant. Following the parking lot, uneven terrain must be traversed

and vegetation cleared. Several underground utilities and power lines exist along the southeast alternative alignment. Both sewer and waterline utilities exist along the westernmost transmission line right-of-way will need to be crossed. The multiple utilities on the northern half of the alignment in the area between Colby Lake Road and the wood line immediately west of the road will force the cutting of all the trees in this area. Near the right angle turn from east to south near the plant end of the pipeline, the alignment will need to be rerouted around the water line and fire hydrant that follow the tree line. This will place the centerline near a smaller transmission line. Additionally, it will cross smaller transmission rights-of-way at three locations.

30. The no action alternative involves not constructing the proposed natural gas pipeline and therefore would avoid any impacts identified in this application. This alternative does not satisfy the need to provide the natural gas necessary to install natural gas igniters at LEC. As a result, coal would remain the only fuel option for the plant. Therefore, Minnesota Power rejected the no action alternative.

Standard and Criteria for Partial Exemption

31. In deciding whether to grant or deny a partial exemption from pipeline route selection procedures, the Commission must determine that the pipeline project will not have a significant impact on humans or the environment. The Commission must consider the impact of the pipeline project on the criteria set forth in Minnesota Rule 7852.0700, subpart 3.

A. Impact on human settlement, existence and density of populated areas, existing and planned future land use, and management plans

32. The Project traverses land that has undergone significant development, including commercial facilities as well as rights-of-way for road, pipeline, and electrical transmission lines. As illustrated in Figure B-5 (Appendix B) of the Application, the entire preferred alignment lies in land that has been zoned as industrial by the City of Hoyt Lakes. Land within the permanent and temporary rights-of-way, temporary extra workspace, and workspace within the proposed aboveground facilities will be impacted during construction of the Project. The impact will be short-term, as the construction period normally lasts about two to three months. The primary permanent impact of construction will be the removal of trees and shrubs from the construction work area. Trees and shrubs within the temporary right-of-way and temporary extra workspaces will regenerate over time. The permanent right-of-way will be maintained in an open condition consisting of primarily herbaceous or shrub communities to facilitate maintenance and inspection activities.
33. The pipeline right-of-way crosses through the land owned by either Minnesota Power or the City of Hoyt Lakes. The land within the permanent and temporary rights-of-way and extra temporary workspaces will be subjected to short-term impacts for the duration of the construction. The primary and permanent impact to these areas will be removal of trees and shrubs in the permanent pipeline right-of-way. The temporary right-of-way and

extra workspaces will be allowed to regenerate over time. No impacts to property or residences are anticipated as a result of this Project.

34. Future development along the pipeline right-of-way is regulated by Minnesota Pipeline Setback Ordinance (Minnesota Statute 299J.05). The ordinance requires that no development occur within the permanent right-of-way and that the pipeline alignment is not in conflict with any existing or planned residential, commercial or industrial development in the area.
35. Transportation of equipment and materials to the pipeline right-of-way areas may result in minimum short-term impacts to traffic in the area. As requested by MnDOT, the Applicant will obtain all necessary permits for road right-of-way crossings.
36. The Project will not include new compression facilities so there will not be exhaust or other noise that can be associated with compressor stations. Noise impacts resulting from construction equipment will generally occur during daytime hours along the construction right-of-way. When in service, the pipeline will not generate noise under normal operations.
37. Potential air quality effects related to pipeline construction facilities include fugitive dust emissions during construction, and exhaust emissions from construction equipment. All of these potential effects are considered to be relatively minor and of short duration. The pipeline by itself will not have any long-term impacts on air quality. As part of the overall project to convert the Laskin Energy Center to natural gas, pollutants such as Particulate Matter, Sulfur Dioxide and Mercury will be dramatically reduced; a major air permit modification has been submitted to the Minnesota Pollution Control Agency (MPCA).
38. The pipeline right-of-way alignment will not significantly affect human settlement areas, planned future land uses, or any local management plans. Minnesota Power will coordinate closely with landowners to obtain the necessary easements and temporary workspace agreements.

B. Impact on the natural environment, public and designated lands, including but not limited to natural areas, wildlife habitat, water, and recreational lands.

39. Construction of the pipeline is not expected to have any direct effect on the cultural, historic or aesthetic values of the area. No significant changes in the vegetation, wildlife, wetlands, water quality, geology or soils are expected to result from the Project. The area presently has an existing natural gas pipeline, and high voltage transmission lines. Installation of the pipeline will not significantly change land use patterns. Consequentially, the cumulative potential effect of the Project is expected to be minimal.
40. The Canada lynx, a federally threatened species, and piping plover have been known to occur in St. Louis County. The project area is in close proximity to populated/industrial areas, lacks extensive boreal forest habitat, and is not specifically designated by the FWS as “critical habitat” for the Canada lynx. Therefore, it is unlikely that the area will be

occupied by resident Canada lynx. In the event that an individual is near the Project area during construction, it will likely relocate to a suitable habitat elsewhere until after the construction activities are complete. Canada lynx is a very reclusive and highly mobile species. As a result, Minnesota Power believes the Project is *not likely to adversely affect* the Canada lynx, subject to concurrence of the FWS.

41. The pipeline right-of-way will not cross any city, county or state-owned park or other designated land/recreational area.
42. The Project area is located within the St. Louis River watershed within the Western Lake Superior Basin. A watershed is defined as the entire physical area or basin drained by a distinct stream or riverine system, physically separated from other watersheds by ridgetop boundaries. No surface waters will be impacted by the Project, including those listed on the Minnesota Department of Natural Resources' (MN DNR's) Public Waters Inventory (PWI).
43. Wetland areas were initially identified using National Wetlands Inventory (NWI) data to assess wetlands that may be present within the Project area. The preferred pipeline alignment does not cross any wetlands in the NWI dataset or in the PWI dataset. Prior to construction, Minnesota Power will sponsor a formal wetland delineation of the Project area to field verify the presence of any wetlands. If wetlands are found within the preferred Project alignment, it will be modified to ensure that they are avoided. The MN DNR, and the U.S. Army Corps of Engineers (COE) regulate construction activities in wetlands in Minnesota. Since the alignment will avoid all wetlands, no permits or approvals will be necessary from these agencies for the Project.
44. No net loss of wetland is anticipated from pipeline construction activities or future operation and maintenance.

C. Impact on lands of historical, archaeological, and cultural significance.

45. On behalf of Minnesota Power, Merjent, Inc. conducted a literature review, and concluded that the Project will not affect properties listed on, or eligible for listing on, the National Register of Historic Places, and no known or suspected archaeological properties in the area will be affected by the Project. The assessment further concluded that no cultural resources field inventory is required. Figure B-10 (Appendix B) of the Application shows the result of cultural resources assessment. A report summarizing the findings was sent to the Minnesota State Historic Preservation Office (SHPO) on October 7, 2013. A response letter was issued by the Minnesota SHPO on November 4, 2013 concluding that there are no properties listed in the National or State Registers of Historic Places, and no known or suspected archaeological properties in the area that will be affected by the Project.
46. The pipeline will not adversely affect historical, archaeological or cultural resources. Although no impacts on such resources are anticipated, the pipeline routing permit

addresses preservation of archeological sites should any be discovered during construction.

D. Impact on economies within the route, including agricultural, commercial or industrial, forestry, recreational, and mining operations.

47. The Project area has been heavily disturbed by development activities. The Project area includes at least one road, transmission line, and natural gas pipeline. Economic benefits to the local economy will be realized during construction resulting from the influx of Project labor workforce. These benefits include material expenditures, workforce lodging, fuel sales, grocery sales and restaurant expenditures. Additional local benefits include easement payments, permit fees and property tax revenues.
48. The Project may result in short-term impacts to the human environment during pipeline construction activities. Impacts to existing roads would be minimized by installing the pipeline underneath these features through the use of the boring or HDD method. These crossing methods will minimize traffic interruptions and prevent disturbance to the road and rail surfaces. If boring or the HDD is not successful, roads may be crossed by open-cut construction methods. In the event that a road is open-cut, traffic disruptions will be minimized if possible by maintaining one open lane of traffic except when the pipeline is being trenched and backfilled. Transportation of equipment and materials to the right-of-way could also result in minimal short-term impacts to traffic in the area. Minnesota Power will obtain all necessary permits for road right-of-way crossings.
49. Pipeline routing permit conditions and construction specifications specifically address soil compaction, erosion control and right-of-way restoration. In addition, Minnesota Power will continue to work with state, regional, county and local units of government throughout the process to discuss any particular concerns that may arise.

E. Impact on pipeline cost and accessibility.

50. Minnesota Power has estimated that the pipeline will cost approximately \$2.0 million to construct.
51. The location of the pipeline may limit accessibility during the construction phase and would be minimal and temporary in nature.
52. The anticipated construction start date is August 2014, with a planned in-service date of May 2015.

F. Impact on use of existing rights-of-way and right-of-way sharing or paralleling.

53. Of the 5,900 feet crossed by the preferred pipeline alignment, 3,420 feet are collocated with existing high voltage power line rights-of-way amounting to approximately 58 percent of the lands crossed. The purpose of aligning the pipeline adjacent to existing

rights-of-way is to reduce the impact to current and future land uses and to minimize human and environmental impacts.

54. Construction of the pipeline will generally require a 25-foot-wide temporary construction right-of-way when trenching to allow for temporary storage of topsoil and spoil to accommodate safe operation of construction equipment.
55. Minnesota Power intends to use existing roads to access the construction right-of-way. Roads that are paved or graveled will not require modification. If dirt roads and two-track trails are needed, Minnesota Power may need to perform minor grading and filling to ensure the roads are passable to construction equipment. No wetlands will be filled if dirt roads and two-track trails are used as part of this Project.
56. Prior to the commencement of any construction activities, Minnesota Power will coordinate closely with all affected landowners to obtain the necessary easements and temporary workspace agreements. In addition, Minnesota Power will provide all affected landowners with complete information about the project, keeping them informed throughout the initial survey, right-of-way acquisition, right-of-way preparation, construction, restoration, and operation and maintenance.
57. Clearing and grading of the right-of-way will commence after the centerline survey and staking has been completed. Right-of-way clearing will be completed in accordance with all applicable permits and the previously obtained landowner agreements. Clearing of vegetation and obstacles will be limited to the extent of the defined right-of-way. Debris created by clearing will be disposed of at a licensed facility. Tree stumps will be removed at the landowner's request or when necessitated due to trench location. Temporary gates will be installed as needed to prohibit public access to the right-of-way during construction.

G. Impact on natural resources and features.

58. Construction of the proposed pipeline may cause a minor short-term impact on shallow groundwater if locally present, but is not expected to affect overall groundwater recharge in the Project area. Shallow groundwater is not a major source of drinking water in the area. The pipeline trench will be approximately four feet deep and will not intersect any drinking water aquifers. The proposed Project will not require the installation or abandonment of any water wells or connection to or changes in any public water supply. No known water wells were found within 200 feet of the preferred pipeline alignment using the County Well Index database that is maintained by the Minnesota Departments of Health and Natural Resources. Construction equipment could cause compaction of organic and mineral soils, resulting in locally reduced water infiltration rates. Potential short-term construction impacts to surficial aquifers may include increased temporary turbidity from excavation, short-term disruption of recharge and localized flow along the pipeline trench. Pipeline construction, operation, and maintenance activities are not expected to have long-term impacts on groundwater resources. Accidental equipment spills or leaks of fuel or oils could contaminate soil and groundwater. Contaminated soils

could continue to leach pollutants to the groundwater for an extended period after the spill or leak. A Spill Prevention Containment and Countermeasure Plan (SPCC Plan) will be developed and implemented during construction to manage equipment spills or leaks should they occur.

59. Potential temporary impacts to soils resulting from construction include erosion, compaction, mixing of soil horizons, and poor revegetation following construction. Any adverse impacts to soils will be minimized by implementing Best Management Practices. In addition, erosion control plans will be developed in accordance with the MPCA National Pollution Discharge Elimination System (NPDES) Construction Storm Water Discharge Permit. Erosion controls may include mulching, slope breakers, and silt fence.
60. Potential temporary impacts to soils resulting from construction of the Project include soil erosion; soil compaction; loss of soil productivity associated with mixing of topsoil; introduction of rock into the topsoil; and poor revegetation following construction. In order to protect topsoil resources, topsoil segregation procedures will be used as required in areas specified by applicable regulations, permit conditions or landowner requests. Adverse impacts to soils will be minimized by implementing Best Management Practices. Erosion control plans will be developed pursuant to the MPCA NPDES Construction Storm Water Discharge Permit. Temporary erosion controls will include slope breakers, mulching, and the use of silt fence. Following construction, application of seed, fertilizer and mulch will commence in accordance with any existing permit requirements and landowner agreements. Inspector(s) will be used to ensure contractor compliance with these procedures.
61. Inspectors may be used to ensure contractor compliance with soil erosion and reclamation procedures.

H. The extent to which human or environmental effects are subject to mitigation by regulatory control and by application of the permit conditions contained in part 7852.3400 for pipeline right-of-way preparation, construction, cleanup, and restoration practices.

62. Human and environmental impacts will occur as a result of pipeline construction. Many of the impacts associated with pipeline construction will cause only minor and temporary disturbance or disruption. Many of the impacts will be mitigated through compliance with regulatory control, strict adherence to the construction specifications, compliance with the pipeline routing permit conditions. Permits from other federal and state agencies and units of government are also designed to reduce or mitigate the impact of pipeline construction.
63. Following completion of construction operations, the right-of-way and all premises on which construction activities were conducted will be cleaned up and restored to pre-construction conditions to the extent practicable. This will include removal of debris, fence repair, removal of temporary road and ditch crossings, additional grading to correct

for soil settling, and seeding of the right-of-way as required route permit conditions and other federal and state agency permits.

I. Impact on cumulative potential effect of related or anticipated future pipeline construction.

- 64. There is no evidence in the record to indicate that cumulative adverse effects will occur that cannot be mitigated by compliance with appropriate permitting requirements and conditions. Compliance with applicable permits, regulations and agreements and strict adherence to the construction specifications will reduce the adverse effects of the project.
- 65. Although the proposed gas pipeline is designed to meet foreseeable natural gas supply needs for LEC, flow rates could be increased in the pipeline or an additional pipeline could be constructed within the permanent easement if the need arises in the future.

J. Impact on relevant policies, rules, and regulations of the state and federal agencies and local government land use laws including ordinances adopted under Minnesota Statutes, section 299J.05, relating to the location, design, construction, or operation of the proposed pipeline and associated facilities.

- 66. There is no evidence in the record indicating that the pipeline would be inconsistent with any relevant policies, rules and regulations of any known state or federal agencies or local land use laws.
- 67. A list of the known permits that must be obtained were provided by Minnesota Power in the Application.
- 68. All appropriate permits will be acquired by Minnesota Power prior to undertaking the activity for which a permit is required. Minnesota Power must comply with the terms and conditions of all required permits.
- 69. Minnesota Rule 7852.3700, and the pipeline routing permit provide a procedure to report complaints concerning violation of the pipeline routing rule requirements and pipeline routing permit conditions.
- 70. Minnesota Rule 7852.3800, provides procedures for permit modification or suspension for violation of the terms and conditions of a pipeline routing permit or of Minnesota Rules 7852.0100 to 7852.4100.

Based on the foregoing Findings of Fact, the Commission makes the following:

CONCLUSIONS OF LAW

1. Any of the foregoing Findings of Fact more properly designated as Conclusions are hereby adopted as such.
2. The Commission has jurisdiction over the subject matter of this proceeding pursuant to Minnesota Statute 216G.02.
3. The project qualifies for review under the partial exemption process of Minnesota Statute 216G.02 and Minnesota Rule 7852.0600.
4. The Applicant, the DOC EERA, and the Commission have complied with the procedural requirements for a partial exemption from pipeline route selection procedures as set forth in Minnesota Rule 7852.0600, including publication of application notice in a newspaper in the county where the pipeline will be located, and mailing the notice and application to required parties, including affected landowners, and holding a public information meeting and comment period.
5. The Commission has considered all the pertinent standards and criteria in accordance with Minnesota Rule 7852.0700 relative to its determination for a partial exemption from pipeline route selection procedures and issuance of a pipeline routing permit.
6. The Commission concludes that a route permit for the new pipeline should be conditioned in a number of respects, including imposition of those conditions specified in Minnesota Rules 7852.3600 and conditions agreed to by the Applicant.

Based on the Findings of Fact and Conclusions contained herein and the entire record of this proceeding, the Minnesota Public Utilities Commission hereby makes the following:

ORDER

1. The Minnesota Public Utilities Commission hereby grants Minnesota Power a partial exemption from the pipeline route selection procedures of Minnesota Rule, chapter 7852.
2. The Minnesota Public Utilities Commission hereby issues a pipeline routing permit to Minnesota Power for construction of approximately 5,900 feet of natural gas pipeline and associated facilities along the route described in Conclusion Nos. 17 and 18. The pipeline routing permit is attached hereto with a map showing the approved route, including the description of the route with a variable width of 250 to 1,400 feet, and the inclusion of conditions.

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