STATE OF MINNESOTA OFFICE OF ADMINISTRATIVE HEARINGS

FOR THE PUBLIC UTILITIES COMMISSION

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

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND RECOMMENDATIONS

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MPUC Docket No. G011/GP-15-858 OAH 8-2500-33180

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FINDINGS OF FACT, CONCLUSIONS OF LAW AND RECOMMENDATIONS

This matter came before Administrative Law Judge Eric L. Lipman on November 9, 2016, for two public hearings and an evidentiary hearing. The public hearings were held at the Centerstone Plaza Hotel, 401 - 6th Street S.W., Rochester, Minnesota, at 1:00 p.m. and 6:00 p.m. The evidentiary hearing was also held at the Centerstone Plaza Hotel, and directly followed the close of the evening public hearing.

Kodi Jean Verhalen and Michael C. Krikava, Attorneys at Law, Briggs and Morgan, P.A., and Amber S. Lee, Regulatory and Legislative Affairs Manager, appeared on behalf of the Applicant, Minnesota Energy Resources Corporation (MERC, Applicant or the Company).

Eric F. Swanson, Winthrop & Weinstine, P.A., appeared on behalf of Northern Natural Gas Company (Northern).

Linda S. Jensen, Assistant Attorney General, appeared on behalf of the Department of Commerce, Energy Environmental Review and Analysis (EERA). With Ms. Jensen were Larry Hartman and Andrew Levi, Environmental Review Managers of the EERA.

Michael Kaluzniak, Project Manager, and Kevin George, Public Adviser, appeared on behalf of the Minnesota Public Utilities Commission (Commission).

STATEMENT OF ISSUES

1. Has the Applicant met the procedural requirements for issuance of a pipeline routing permit?

2. What combination of route segment alternatives best meets the criteria identified in Minn. R. 7852.1900, subp. 3 (2015), and minimizes the human and environmental impacts associated with the proposed project?

SUMMARY OF CONCLUSIONS

The Administrative Law Judge concludes that notice was provided as required by Minn. Stat. § 216G.02 (2016) and Minn. R. 7852 (2015) and that the parties to this proceeding carried out directives made to them from the Commission.

The hearing record demonstrates that the Modified Preferred Route, with one adjustment (along the east side of 70th Avenue, Southwest between the British Petroleum pipeline and 10th Street, Southwest, in Salem Township) is the best alternative. This alternative, as modified, best balances the particular factors set forth in Minn. R. 7852.1900, subp. 3.

For these reasons, the Administrative Law Judge recommends that that Commission grant a Route Permit for the Modified Preferred Route, as adjusted by the most-recent filings for the area along 70th Avenue, S.W.

Based upon information in the Route Permit Application for the Project (Application); the Comparative Environmental Analysis (CEA); and evidence in the hearing record, the Administrative Law Judge makes the following:

FINDINGS OF FACT

I. PARTIES AND PARTICIPANTS

1. MERC is a natural gas distribution services utility. It provides natural gas service to approximately 230,000 natural gas customers in 177 communities in Minnesota.¹

2. MERC is the sole provider of natural gas services to the City of Rochester, Minnesota, and the surrounding local communities.²

3. The purpose of the Project proposed in this proceeding is to expand the capacity of MERC's natural gas system to meet projected increases in demand from its existing customers and new customers. The proposed Project will provide MERC with the capability to shift supplies of natural gas to where they are needed within the Rochester service area.³

4. Specifically, the proposed Project will address two related needs: (1) eliminating the operating pressure and piping configuration issues that prevent MERC's existing distribution system from efficiently distributing natural gas to Rochester and surrounding communities; and (2) increasing the interstate natural gas pipeline capacity

¹ Exhibit (Ex.) 58 at 18 (Public Information and Scoping Meeting Presentation). A Master Exhibit List, including links to all exhibits received into evidence in this matter, was filed by the court reporter on January 13, 2017. See eDocket No. 20171-128117-01.

² Ex. 1 at 4 (Application).

³ *Id.* at 5 (Application); Ex. 106 at 2-3 (Scoping Comments and Recommendations).

that is available to the Rochester service area so as to meet existing and projected demand.⁴

5. If the Project is approved, MERC will be the permittee for the Project.⁵

6. EERA was authorized by the Commission to prepare the CEA for the Project, to hold public information meetings, to collect route alternative proposals and to analyze those proposals as part of the route development process.⁶

7. Northern is an interstate natural gas transmission company operating more than 3,340 miles in the State of Minnesota. Northern delivers natural gas to MERC at 176 Town Border Stations (TBS) and 1,815 farm taps within the State of Minnesota. If MERC obtains a Route Permit for the Project, Northern would provide natural gas service to MERC's TBS 1D.⁷

II. BRIEF DESCRIPTION OF THE PROJECT

8. The proposed Project is located along the west and south sides of the City of Rochester in Olmsted County, Minnesota. The Project includes construction of two new TBSs, one District Regulator Station (DRS), and approximately 13 to 14 miles of natural gas distribution pipeline connecting these stations.⁸

9. Specifically, MERC proposes to construct an expanded TBS 1D adjacent to the existing Northern Natural Gas Company TBS 1D. The existing station is located northwest of Rochester in Cascade Township.⁹

10. The proposed Project would connect the expanded TBS 1D, to a new TBS (Proposed TBS), that will be located still further west and south in Salem Township.¹⁰

11. The proposed Project will then continue on to a new DRS (Proposed DRS) located south of Rochester in Marion Township. Once the Project is completed, MERC's existing TBS 1B, in southeast Rochester, will be decommissioned.¹¹

12. MERC proposes to construct the Project in three phases. The first phase will include construction of TBS 1D and, if approved, will occur in 2017. The second phase will include construction of the Proposed TBS and installation of a 16-inch pipeline between TBS 1D and the Proposed TBS. MERC estimates that this work will be completed by 2019. The third, and final, phase will include construction of the

⁴ Ex. 19 at 5 (Lee Direct).

⁵ Ex. 1 at 8 (Application); Ex. 108 at i (CEA).

⁶ ORDER FINDING APPLICATION COMPLETE AND GRANTING VARIANCE; NOTICE OF HEARING at 9 (Feb. 3, 2016) (eDocket No. 20162-117966-01).

⁷ Northern's Petition to Intervene at 1-2 (Feb. 16, 2016) (eDocket No. 20162-118340-01); Ex. 108 at 4 (CEA).

⁸ Ex. 108 at 4 (CEA).

⁹ Id.

¹⁰ *Id*.

¹¹ *Id*.

Proposed DRS and the installation of a 12-inch pipeline between the Proposed TBS and the Proposed DRS. MERC anticipates that this last phase of the project will be completed by 2023.¹²

13. The proposed Project would install approximately five miles of 16-inch outside diameter steel pipeline and approximately eight miles of 12-inch outside diameter steel pipeline. The maximum allowable operating for both pipelines pressure will be 500 pounds per square inch gauge (psig). MERC anticipates operating the 16-inch outside diameter pipeline at 400 to 475 psig. It anticipates operating the 12-inch outside diameter pipeline at 250 to 275 psig.¹³

14. A certificate of need is not required for the proposed project because it is not classified as a large energy facility under Minn. Stat. § 216B.2421 (2016) or Minn. R. 7851 (2015).¹⁴

15. The total right-of-way for the distribution pipeline portion of the Project is proposed to be 100 feet wide. The 100-foot right-of-way will include a 50-foot permanent right-of-way and a 50-foot temporary right-of-way.¹⁵

16. The temporary right-of-way will be adjacent to the permanent right-of-way and may be located to one side of the permanent right-of-way or split between the two sides, depending on construction needs at particular locations.¹⁶

17. The Project also requires a:

- (a) permanent easement measuring 200 feet by 200 feet (0.92 acre) for TBS 1D;
- (b) permanent easement measuring 200 feet by 200 feet (0.92 acre) for the Proposed TBS;
- (c) permanent easement measuring 200 feet by 200 feet (0.92 acre) for the Proposed DRS; and,
- (d) temporary easement measuring 10.0 acres for storing equipment and materials and for construction staging.¹⁷

18. Additionally, one workspace on either side of the crossing will be required for each area where horizontal directional drilling (HDD) or boring is used along the proposed Project. At each of these locations, approximately 225 feet will be excavated

¹² *Id.* at 4-5.

¹³ *Id*.

¹⁴ Ex. 106 at 8 (Scoping Comments and Recommendations).

¹⁵ Ex. 108 at 30 (CEA).

¹⁶ *Id*. at 62.

¹⁷ *Id.* Applicant intends to obtain easements for TBS 1D, Proposed TBS, and Proposed DRS. If, however, the landowner requests that Applicant obtain any of these areas of property in fee, Applicant will purchase the 0.92 acres from the landowner. Ex. 108 at 62, fn. 59 (CEA).

on either side of the crossing and a workspace of at least 20,000 square feet in total size will be needed to complete the installation.¹⁸

III. ROUTE SEGMENTS AND ROUTE WIDTHS

19. As required by Minn. R. 7852.2600, subp. 1, MERC identified its preferred route for the proposed Project (the Application Preferred Route) in its Application.¹⁹

20. MERC also identified three alternate segments that it considered for the Project. These segments were: the BP Pipeline Alternative Route Segment; the 50th Street, S.W. to 48th Street, S.W. Alternative Route Segment; and the 60th Avenue, S.W. Alternative Route Segment.²⁰

21. Those three alternative segments were combined with sections of the Application Preferred Route to create an alternative route (Application Alternate Route).²¹

22. In response to public comments received during the proceeding, and its own continued evaluation, Applicant modified two segments of the Application Preferred Route.²²

23. This resulted in a Modified Preferred Route for the Project. The Modified Preferred Route travels south along 60th Avenue, S.W. until it reaches 40th Street, S.W. At 40th Street, S.W. the route moves east until it reaches County Road 8. Instead of following the BP Pipeline route, the route makes a u-shaped detour in this area. As detailed in the map immediately below: The pipeline moves south on County Road 8 approximately 2,000 feet before turning eastward into a green corridor of farmland. It then moves east along this corridor until it reaches 11th Avenue. At 11th Avenue, the pipeline route moves north until it rejoins 40th Street, S.W. again. (On the map below, the Modified Preferred Route is the purple line in the middle of the diagram.)

¹⁸ Ex. 113 at 10 (Reply to Substantive Comments); Ex. 25 (Proposed Route Permit Maps). Some workspaces may need to be larger than 20,000 square feet depending on the length, depth, and angle of the HDD. Ex. 113 at 10 (Reply to Substantive Comments). Applicant intends to co-locate all temporary workspaces for HDD within the construction right-of-way (the combined permanent and temporary rights-of-way) but actual construction conditions may require the temporary workspace to be outside the construction right-of-way or even outside the 500-foot route width in rare circumstances. Ex. 20 at 6 (Lyle Direct); Ex. 25 (Proposed Route Permit Maps).

¹⁹ Ex. 1 at 19, Figure 1 (Application); Ex. 108, Figure 1A (CEA).

²⁰ Ex. 1 at 19-20, Figure 6 (Application); Ex. 2 (Application – Supplemental Tables).

²¹ Ex. 108, Figure 1B (CEA).

²² Ex. 108 at 54-55, Figure 1C (CEA).



24. The Commission accepted 29 Route Segments for review and consideration. $^{\rm 24}$

25. These 29 Route Segments were combined into 37 segment alternatives (Segment Alternatives) for comparison and evaluation in the CEA.²⁵

26. The composition of the 37 Segment Alternatives are summarized in Tables 4-2 to 4-5 of the CEA. 26

27. Nine of these Route Segments are part of the Modified Preferred Route (1P, 2P, 3P, 4P, 5P, 6P, 7P, 8P, and 9P).²⁷

28. Ten of these Route Segments are part of the Application Preferred Route (1P, 2P, 3P, 12, 14, 16, 6P, 7P, 26, and 9P).²⁸

29. Twelve of these Route Segments are part of the Application Alternate Route (1P, 2P, 11, 4P, 14, 18, 20, 22, 24, 25, 26, and 9P).²⁹

30. The Commission is authorized to select any grouping of route segments for a final pipeline route – including route segments that were not evaluated in the CEA. 30

²³ *Id.* at Appendix D, Figure 2 at 3 (CEA).

²⁴ Ex. 62 (Comments and Recommendations of EERA Staff for Route Segments).

²⁵ Ex. 108 at 49, Tables 4-2 to 4-5 (CEA).

²⁶ Id.

²⁷ Id., Table 4-6. The Modified Preferred Route is approximately 13.9 miles in length. Id. at 54.

²⁸ *Id.*, Table 4-1.

²⁹ *Id*.

31. MERC requested a route width of at least 500 feet for the Project.³¹

32. The Modified Preferred Route has a route width of 500 feet, except for a short portion of Route Segment 4P, which has a route width of 700 feet.³²

33. Route Segment 4P is located in Section 19 of Rochester Township and Section 24 of Salem Township.³³

34. The following Route Segments have route widths wider than 500 feet:

- (a) 4P, 12 and 16 (700 feet);
- (b) 18, 20 and 22 (800 feet); and,
- (c) 27 (2,000 feet)

Route Segments 12, 16, 18, 20, 22 and 27 are located on other segments other than the Modified Preferred Route.³⁴

IV. PROCEDURAL FILINGS IN THIS MATTER

35. On November 3, 2015, MERC filed with the Commission an application for a Pipeline Routing Permit for the Project. The Application was filed pursuant to Minn. Stat. § 216G.02, subd. 3; Minn. R. 7852.³⁵

36. On November 9, 2015, MERC filed with the Commission a supplement to its Application that detailed environmental conditions along the route alternatives that were identified in the Application.³⁶

37. On November 9, 2015, MERC mailed copies of the Application and the supplement to state agencies.³⁷

38. On November 13, 2015, the Commission issued a Notice of Comment Period on Completeness of the Application.³⁸

39. On November 30, 2015, EERA filed its comments and recommendations regarding the completeness of the Application. It recommended that the Commission find the Application to be complete.³⁹

³⁵ Ex. 1 (Application).

³⁰ *Id.* at 45; see Minn. Stat. § 216G.02, subds. 2, 4.

³¹ Ex. 1 at 16 (Application); Ex. 25 (Proposed Route Permit Maps).

³² Ex. 62 at 2 (Comments and Recommendations of EERA Staff for Route Segments); Ex. 25 at 5-6 (Proposed Route Permit Maps).

³³ Ex. 25 at 5-6 (Proposed Route Permit Maps).

³⁴ Ex. 62 at 2 (Comments and Recommendations of EERA Staff for Route Segments).

³⁶ Ex. 2 (Application – Supplemental Tables).

³⁷ Ex. 6 (Affidavits of Mailing Route Permit Application).

³⁸ Ex. 51 (Notice of Comment Period on Completeness of Route Permit Application and Certificate of Service).

40. On December 7, 2015, MERC filed comments replying to EERA comments. The comments addressed typographical errors that EERA had earlier identified in its comments.⁴⁰

41. On December 1, 2015, MERC mailed a copy of the Application to the Rochester Public Library.⁴¹

42. On December 31, 2015, the Commission issued its Notice of Meeting on Application Completeness. The Notice set a meeting for January 14, 2016.⁴²

43. On January 7, 2016, Commission staff filed briefing papers recommending a number of actions by the Commission. It recommended that the Commission: (a) find the Application complete; (b) order a CEA to be completed for the Project; (c) take no action on an advisory task force at that time; (d) authorize EERA to undertake the CEA development process; (e) vary Minn. R. 7852.1400 to provide sufficient time for EERA to fully consider public comments and route alternatives for inclusion in the CEA; (f) delegate authority to the Executive Secretary under Minn. R. 7829.3100 (2015) to develop a procedural schedule for the Project; (g) refer the docket to the Office of Administrative Hearings for a contested case proceeding; and (h) approve EERA's proposed budget for CEA development of \$100,000.⁴³

44. On January 13, 2016, Commission staff filed revised decision options for the January 14, 2016 meeting. The staff also urged the Commission to: (a) hold public information meetings; (b) collect and analyze all route alternative proposals; (c) provide a summary, analysis and recommendation for the Commission's review and determination of which routes will be considered at hearing; and (d) request that EERA issue the CEA in draft form for public comment and reply to any substantive comments received as pre-filed testimony at least 14 days prior to the public hearing.⁴⁴

45. On January 13, 2016, MERC filed the corrected Application information identified in its December 7, 2015, Reply Comments in the format required by Minn. R. 7852.2000, subp. 3.⁴⁵

46. On January 14, 2016, the Commission met to consider whether the Application was complete.⁴⁶

³⁹ Ex. 101 (Comments and Recommendations: Application Acceptance).

⁴⁰ Ex. 3 (MERC Route Permit Completeness Reply Comments). The Commission also filed documentation confirming that no public comments were received during the comment period. *See* Public Comment (Dec. 7, 2015) (eDocket No. 201512-116303-01).

⁴¹ Ex. 6 (Affidavits of Mailing Route Permit Application).

⁴² Ex. 53 (Notice of Commission Meeting and Certificate of Service).

⁴³ Ex. 54 at 9-11 (Staff Briefing Papers on Completeness).

⁴⁴ Ex. 55 (Staff Briefing Papers – Revised Decision Option).

⁴⁵ Ex. 4 (Revisions to Route Permit Application).

⁴⁶ ORDER FINDING APPLICATION COMPLETE AND GRANTING VARIANCE; NOTICE OF HEARING (Feb. 3, 2016) (eDocket No. 20162-117966-01).

47. The Commission authorized EERA to provide a summary, analysis and recommendation for the Commission's review. The Commission requested that EERA indicate, during the hearing process, its position on the reasonableness of granting a Route Permit and that EERA issue the CEA in draft form for public comment and reply to substantive comments in pre-filed testimony at least 14 days before the public hearing.⁴⁷

48. On January 19, 2016, MERC provided state agencies with copies of the revised pages it filed on January 13, 3016.⁴⁸

49. On January 20, 2016, MERC mailed copies of the Application to local units of government. Copies of the Supplemental Tables and the Revised Pages were included in these transmittals.⁴⁹

50. On January 28, 2016, MERC mailed Supplemental Tables and Revised Pages to the Rochester Public Library for use as a public display copy.⁵⁰

51. On January 28, 2016, MERC filed proof of mailing copies of the Application in compliance with Minn. R. 7852.2000, subp. 6.⁵¹

52. On February 3, 2016, the Commission issued its Order on Completeness. The Commission found the Application, as amended, was complete, and authorized EERA to begin preparation of the CEA for the Project. Additionally, it requested that the Department hold public information meetings, collect and analyze all route alternative proposals, and provide a detailed recommendation for the Commission's review. The Commission also referred the matter to the Office of Administrative Hearings for contested case proceedings, delegated administrative authority to the Executive Secretary, authorized EERA to administer the route development process, varied the time periods in Minn. R. 7852.1400, subps. 3 and 4, and approved the EERA proposed Project review budget of \$100,000.⁵²

53. The Commission requested that EERA indicate during the hearing its position on the reasonableness of granting a Route Permit, directed MERC to place at least one copy of the Application in a library or government building near the pipeline route, and instructed Commission staff to work with the Administrative Law Judge, EERA and the Applicant on appropriate arrangements for public participation.⁵³

⁴⁷ Id.

⁴⁸ Ex. 6 (Affidavits of Mailing Route Permit Application).

⁴⁹ *Id*.

⁵⁰ *Id.*, Attachment 4.

⁵¹ *Id*.

⁵² ORDER FINDING APPLICATION COMPLETE AND GRANTING VARIANCE; NOTICE OF HEARING (Feb. 3, 2016) (eDocket No. 20162-117966-01).

⁵³ *Id.* at 9; see also Minn. R. 7852.1200.

54. The Commission required that EERA issue the CEA in draft form and respond to any substantive public comments on the draft CEA at least 14 days prior to the public hearing.⁵⁴

55. On February 4, 2016, the Commission issued its Notice of Application Acceptance and Public Information and CEA Scoping Meetings to the Project Service List. So as to develop a public hearing record that would "present major issues and respond to questions raised by the public," the list included agency technical representatives, local units of government, and landowners.⁵⁵

56. On February 11, 2016, a Notice of Application Acceptance, and a Notice of Public Information Meeting with a map depicting the routes included in the Application, was published in the *Rochester Post-Bulletin*.⁵⁶

57. Notice of Application Acceptance was also published in the *Minnesota Environmental Quality Board Monitor* on February 15, 2016.⁵⁷

58. On February 16, 2016, Commission staff filed copies of the handouts that would be provided at the February 29, 2016, public information meetings.⁵⁸

59. On May 3, 2016, EERA staff filed its Draft Scoping Document and Route Proposal Guidelines. These items were also available at the public information meetings.⁵⁹

60. On February 29, 2016, public information and CEA scoping meetings were held at 2:00 p.m. and 6:00 p.m. at the Kahler Apache Hotel at 1517 - 16th Street, S.W., Rochester, Minnesota.⁶⁰

61. On April 5, 2016, EERA staff filed meeting notes from the public information meetings.⁶¹

62. On April 13, 2016, the scoping comment period ended.⁶²

⁵⁴ ORDER FINDING APPLICATION COMPLETE AND GRANTING VARIANCE; NOTICE OF HEARING at 9-10 (Feb. 3, 2016) (eDocket No. 20162-117966-01).

⁵⁵ Ex. 57 (Notice of Application Acceptance). In April, Applicant identified that several landowners were inadvertently omitted from this list and issued a notice of the routes Applicant proposed in the Application and an extended comment period to these landowners. Ex. 11 (Affidavit of Notice of Supplemental Comment Period); see also Minn. R. 7852.1300, subp. 1(B).

⁵⁶ Ex. 9 (Affidavit of Publication of Notice of First Public Information Meeting); see also Minn. R. 7852.0900; Minn. R. 7852.1300, subp. 2.

⁵⁷ Ex. 102 (Notice of Permit Application Acceptance, MEQB Monitor).

⁵⁸ Ex. 27 (Public Information and Scoping Meeting Presentation).

⁵⁹ Ex. 104 (How to Suggest an Alternative Pipeline Route); Ex. 105 (Comparative Environmental Analysis: Draft Scoping Document for Rochester Natural Gas Pipeline Project).

⁶⁰ Ex. 58 (Public Information and Scoping Meeting Presentation); see also Minn. R. 7852.1300, subp. 1(A).

⁶¹ Ex. 103 (February 29, 2016, Public Information Meeting Minutes).

⁶² Ex. 58 at 41 (Public Information and Scoping Meeting Presentation).

63. On May 10, 2016, MERC issued a Notice of Supplemental Comment Period to landowners who were inadvertently omitted from the list of notices sent on February 4, 2016. This supplemental notice extended the comment period for proposing alternative routes to May 30, 2016.⁶³

64. On May 30, 2016, the supplemental scoping comment period ended.⁶⁴

65. On June 27, 2016, EERA filed its "Comments and Recommendations: Scoping for CEA and Route Proposals for the Rochester Natural Gas Pipeline Project" with the Commission.⁶⁵

66. On July 1, 2016, the Commission issued a Notice of Commission Meeting. It noted that it would consider the route alternatives to be evaluated in the CEA at its regular meeting on July 14, 2016.⁶⁶

67. On July 6, 2016, Commission staff issued briefing papers on the CEA scoping process and alternative routes. The staff recommended that the Commission approve EERA's recommendations as to the routes to be evaluated in the CEA.⁶⁷

68. On July 14, 2016, the Commission met to consider what route, or route segment proposals, were appropriate for further consideration.⁶⁸

69. The Commission directed EERA to include in the CEA the 29 route segments that EERA recommended in its June 27, 2016, Comments.⁶⁹

70. On August 2, 2016, the Commission filed a Generic Route Permit Template for the parties' review.⁷⁰

71. On September 9, 2016, EERA issued a letter to landowners, state agencies, and local units of government notifying them of the routes accepted for the CEA, that a draft CEA would be available on September 16, 2016 and that a Second Public Information Meeting would be held on September 28, 2016.⁷¹

72. On September 16, 2016, EERA issued a Notice of Draft CEA Availability and Public Comment Meeting.⁷²

73. On September 16, 2016, EERA issued the CEA for the Project.⁷³

⁷³ Ex. 108 (CEA).

⁶³ Ex. 11 (Affidavit of Notice of Supplemental Comment Period).

⁶⁴ Id.

⁶⁵ Ex. 106 (Scoping Comments and Recommendations).

⁶⁶ Ex. 60 (Notice of Commission Meeting and Certificate of Service).

⁶⁷ Ex. 61 (Staff Briefing Papers 7/6/2016).

⁶⁸ Minn. R. 7852.1400, subp. 1.

⁶⁹ Ex. 62 (Comments and Recommendations of EERA Staff for Route Segments).

⁷⁰ Ex. 63 (Generic Route Permit Template and Certificate of Service).

⁷¹ Ex. 107 (DOC EERA Landowner Letter); *see also* Minn. R. 7852.1300, subp. (B); Minn. R. 7852.1600.

⁷² Ex. 109 (Notice of Draft CEA and Public Comment Meeting).

74. On September 17, 2016, the Notice of Draft CEA Availability and Second Public Information Meeting was published in the *Rochester Post-Bulletin*.⁷⁴

75. On September 19, 2016, EERA published the Notice of Draft CEA Availability and Public Comment Meeting in the *Minnesota Environmental Quality Board Monitor*.⁷⁵

76. On September 28, 2016, a second set of public information meetings were held at the Kahler Apache Hotel, in Rochester, Minnesota. An afternoon session began at 2:00 p.m. on that day, followed by an evening session at 6:00 p.m.⁷⁶

77. On October 18, 2016, the Commission issued its Notice of Public and Evidentiary Hearings. The Commission mailed a copy of the notice to the official service list, the project contact list, landowners of parcels that were evaluated in the CEA, and a series of state agencies and local units of government.⁷⁷

78. On October 18, 2016, a Notice of Public and Evidentiary Hearings was published in the *Rochester Post-Bulletin*.⁷⁸

79. On October 19, 2016, the Commission issued a corrected Notice of Public and Evidentiary Hearings.⁷⁹

80. On October 24, 2016, MERC filed Direct Testimony from Amber S. Lee, Lindsay K. Lyle and Rick J. Moser.⁸⁰

81. MERC mailed public display copies of its pre-filed Direct Testimony to the Rochester Public Library.⁸¹

82. On October 24, 2016, EERA filed its Reply to Substantive Comments on the draft CEA. Under the Commission's Order of February 3, 2016, EERA was not required to reissue the CEA.⁸²

83. On November 9, 2016, the Administrative Law Judge presided over a public hearing at 1:00 p.m. and public and evidentiary hearings at 6:00 p.m. on that same day. The hearings were held at the Centerstone Plaza Hotel located at 401 - 6th Street, S.W., Rochester, Minnesota.⁸³

⁷⁴ Ex. 15 (Affidavit of Notice of Publication of Second Public Information Meeting).

⁷⁵ Ex. 110 (Notice of Draft CEA Availability and Public Comment Meeting).

⁷⁶ *Id.*; see also Minn. R. 7852.1300, subp. 1(B).

⁷⁷ Ex. 65 (Notice of Public and Evidentiary Hearings); see also of Minn. R. 1405.0500 (2015).

⁷⁸ Ex. 24 (Affidavit of Publication of Notice of Public Hearing).

⁷⁹ Ex. 66 (Corrected Notice of Public and Evidentiary Hearings).

⁸⁰ Ex. 18 (MERC Filing Letter); Ex. 19 (Lee Direct); Ex. 20 (Lyle Direct); Ex. 21 (Moser Direct).

⁸¹ Ex. 22 (Affidavit of Mailing of MERC Direct Testimony to the Rochester Public Library).

⁸² Ex. 113 (Reply to Substantive Comments); *see also* ORDER FINDING APPLICATION COMPLETE AND GRANTING VARIANCE; NOTICE OF HEARING (Feb. 3, 2016) (eDocket No. 20162-117966-01).

⁸³ Ex. 24 (Affidavit of Publication of Notice of Public Hearing).

84. MERC witnesses, Amber S. Lee, Lindsay K. Lyle, and Rick J. Moser were present for the public and evidentiary hearings, as were EERA staff, Larry Hartman and Andrew Levi. The public and evidentiary hearings concluded on November 9, 2016.⁸⁴

85. The public comment period concluded on November 21, 2016.85

86. On December 2, 2016, Applicant filed its post-hearing brief including its Proposed Findings.⁸⁶

87. On December 23, 2016, EERA filed its Comments and Recommendations regarding the Applicant's Proposed Findings.⁸⁷

V. PUBLIC AND LOCAL GOVERNMENT PARTICIPATION

A. Public Comments

1. Comments on the Scope of the CEA

88. Minn. R. 7852.1300 requires that a public information meeting be held in each county crossed by an applicant's preferred pipeline route. The purposes of the public information meeting is to explain the route designation process, respond to questions raised by the public, and to solicit comments on route segment proposals and any other issues that should be examined in the CEA.⁸⁸

89. On February 29, 2016, the Commission and EERA held two public information and scoping meetings in Olmsted County. One session was held in the afternoon at 2:00 p.m. and a later meeting was held at 6:00 p.m. Both meetings started with three short overview presentations – one from Commission staff, another from MERC and a third from EERA. These presentations were followed by a question and answer session during which representatives of the Commission, the Company or EERA responded as appropriate.⁸⁹

90. In addition to the information and scoping meetings, the Rochester Township Board requested that Company representatives and EERA staff attend the monthly board meeting on May 12, 2016. The Township requested an overview presentation on the proposed project and the Commission's review process, followed by an opportunity for board members and the public to ask questions. Representatives of the Company and EERA attended the meeting and responded to questions as appropriate. On June 3, 2016, EERA staff spoke with the chair of the Rochester

⁸⁴ See Public Hearing Transcript (Public Tr.) (Nov. 9, 2016); Evidentiary Hearing Transcript (Evidentiary Tr.) (Nov. 9, 2016).

⁸⁵ Ex. 24 (Affidavit of Publication of Notice of Public Hearing).

⁸⁶ MERC Initial Brief (Br.) (Dec. 2, 2016) (eDocket No. 201612-127021-02); MERC Proposed Findings (Dec. 2, 2016) (eDocket No. 201612-127021-03).

⁸⁷ EERA Reply to MERC Proposed Findings (Dec. 23, 2016) (eDocket No. 201612-127574-02).

⁸⁸ Ex. 106 at 11 (Scoping Comments and Recommendations).

⁸⁹ *Id.* at 11-12; *see also* Ex. 103 (Public Information Meeting Minutes).

Township Board, who indicated that while the board did not develop or transmit formal written comments, it nonetheless wished to be informed of project-related activities.⁹⁰

91. With respect to written comments, the initial comment period closed on April 13, 2016. It was learned later, however, some landowners were inadvertently omitted from the mailing list and did not receive notice regarding the comment period. Although mailed notice of the comment period is not required under Minnesota law, it is a best practice. MERC mailed a notice of a supplemental comment period to these landowners with the opportunity to provide comments. The supplemental comment period closed on May 30, 2016.⁹¹

92. Twenty-eight separate comments were provided by the close of the initial and supplemental comment periods. Feedback was received through various methods; including oral comments provided at the public meetings, documents submitted to EERA staff and electronic mail correspondence.⁹²

a. Oral Comments

93. *Mr. Louis Siefert* inquired as to whether residents along the proposed pipeline could tap into the proposed pipeline for gas service to their homes or farms.⁹³

94. *Mr. Daniel DeCook* inquired about the location of the Proposed TBS and depth of burial for the proposed pipeline.⁹⁴

95. *Ms. Carol Overland*, a utility law practitioner, inquired about whether "phased and connected actions" would be addressed in the environmental review. She recommended that the environmental review for MERC's proposed natural gas distribution line include analysis of any upgrades Northern Natural Gas Company will make in order to bring new interstate supplies of gas to TBS 1D. Ms. Overland also inquired about a natural gas plant proposed by Rochester Public Utilities and suggested that the environmental review document address that proposal as well. Lastly, Ms. Overland expressed concerns that the project was not attentive enough to local comprehensive plans, such that approval of the project would not permit safe separation distances between the pipeline and existing (and future) homesteads.⁹⁵

96. *Mr. Thomas Roetzler* inquired about how close buildings could be to pipelines, land use restrictions following pipeline installation, and how compensation is handled under eminent domain proceedings.⁹⁶

⁹⁰ Ex. 106 at 12 (Scoping Comments and Recommendations).

⁹¹ *Id*.

⁹² *Id.* at 13; see also AFFIDAVIT OF MAILING (eDocket No. 20166-122539-01).

⁹³ Ex. 103 at 24-27 (Public Information Meeting Minutes).

⁹⁴ *Id.* at 27-32.

⁹⁵ *Id.* at 33-39; *see also* Ex. 124A-125F (Carol Overland Exhibits).

⁹⁶ Ex. 103 at 39-42 (Public Information Meeting Minutes).

97. *Mr. John Donovan* inquired as to whether safety standards are set by the federal or state government, the required depth of burial for pipelines, and whether the pipeline was going to be located on private land or in public rights-of-way.⁹⁷

98. *Mr. Mark Darnell*, a landowner with property along the Application Preferred Route, spoke on behalf of himself and his neighbor, *Mr. Stan Dee*, who was present at the meeting. Messrs. Darnell and Dee expressed concern about the location of the Application Preferred Route on their properties. They prefer the Application Alternate Route because that route does not bisect their land. Mr. Darnell suggested that the Application Preferred Route be moved south approximately 300 yards in order to follow the natural property and tree lines, and avoid disruption to their farming operations and related businesses. Mr. Darnell and Mr. Dee also submitted written comments further detailing these same ideas.⁹⁸

99. *Ms. Frances Passe*, a landowner with property along the Application Preferred Route, inquired as to why the proposed pipeline changes size from "13 inches to 8 inches," how the pipeline would cross the Zumbro River, and which side of 60th Avenue the pipeline would be located. Ms. Passe suggested that the Company take the Application Alternate Route so as to not intersect a portion of her property.⁹⁹

100. *Mr. Dennis Dore* pointed out that a protected wetland is located in the vicinity of where the Application Preferred Route ends; as well as a transfer station, two hotels and two apartment buildings that are under construction. Mr. Dore indicated that the Application Alternate Route is on the south side of a new development. Mr. Dore requested updates on the proposed project.¹⁰⁰

101. *Mr. Douglas Cranston* inquired as to the procedures that are undertaken in in the event of a leak or rupture of the natural gas pipeline and the operating pressure of the pipelines proposed by the Company and Northern Natural Gas Company.¹⁰¹

102. *Mr. Bruce Ryan*, a landowner who owns property along the Application Preferred Route, raised concerns that the proposed route would impact the mature trees on his property and suggested that the pipeline be moved approximately 50 feet to the west to an open farm field. Mr. Ryan also submitted, in written comments, an alternative route proposal.¹⁰²

103. *Mr. Gary Vasdev*, a landowner who owns property along the Application Preferred Route, inquired as to whether bending of the pipeline affects the longevity of the pipe, and questioned why the pipeline does not more-often follow the existing road

⁹⁷ *Id*. at 42-47.

⁹⁸ *Id.* at 47-52; Ex. 123 (Comment by Mark A. Darnell and Stanley Dee).

⁹⁹ Ex. 103 at 53-60 (Public Information Meeting Minutes).

¹⁰⁰ *Id.* at 60-63.

¹⁰¹ *Id*. at 63-67.

¹⁰² *Id.* at 89-91; Ex. 119 (Comment by Bruce Ryan).

right-of-way. Mr. Vasdev also questioned whether any compensation is provided for developments that occur over farm fields during the summertime.¹⁰³

104. *Mr. Bud Hanson*, a landowner who owns property along the Application Preferred Route, inquired about where the pipeline would be in relation to buildings on his property and how close the pipeline might be constructed to his house.¹⁰⁴

b. Written Comments

105. *Mr. Irrold Hanson*, a landowner with property along the Application Preferred Route, urged locating the proposed pipeline in road right-of-ways.¹⁰⁵

106. *Mr. Harry Meyer*, President of Meyer Farms, Inc. and owner of land along the Application Preferred Route, opposed placement of a pipeline along that route. So as to avoid existing tile lines, Mr. Meyer urged the MERC pipeline to be located along the west side of the existing liquid pipeline right-of-way, as that pipeline travels north of 70th Street Southwest.¹⁰⁶

107. *Mr. Gene Peters*, an owner of Westridge Hills (Westridge Hills) property, provided background on Westridge Hills' proposed development and expressed concerns that the Application Preferred Route would diminish the value of Westridge Hills development. Mr. Peters maintained that the preferred route would affect the placement of sewer, water, and stormwater pipes in the Westridge Hills development. Mr. Peters suggested that the pipeline be placed in the current road right-of-way.¹⁰⁷

108. *Mr. Jeff Broberg*, Senior Environmental Manager of WSB & Associates, Inc., submitted written comments on behalf of *Mr. Franklin Kottschade*, a landowner along the Application Preferred Route. Mr. Broberg noted Mr. Kottschade's objection to the proposed pipeline. Mr. Kottschade maintains that the Application Preferred Route does not take into consideration the development plans he and others have for the area. Mr. Kottschade urged that the Commission reject the proposed route and require the Company to consider alternatives that do not limit growth of the southern corridor of the City of Rochester.¹⁰⁸

109. *Ms. Donna Anderson* proposed a route segment that would run adjacent to an existing Northern Natural Gas Company right-of-way near the location of TBS 1D. She suggested this new route segment because it uses agricultural lands, avoids residential areas and would be further away from the Olmsted County landfill.¹⁰⁹

110. *Mr. Ronald Jacobson* recommended that the pipeline to be extended to 55th Avenue, follow 55th Avenue northwards, and connect to the BP Pipeline right-of-

¹⁰³ Ex. 103 at 91-93, 97-98 (Public Information Meeting Minutes).

¹⁰⁴ *Id.* at 93-96.

¹⁰⁵ Ex. 118 (Comment by Irrold M. Hanson).

¹⁰⁶ Ex. 121 (Comment by Meyer Farms Inc./Harry Meyer).

¹⁰⁷ Ex. 122 (Comment by Eugene Peters/Westridge Hills Corp.).

¹⁰⁸ Exs. 126, 126A-126G (Comment by Franklin Kottschade and Attachments).

¹⁰⁹ Ex. 120 (Comment by Donna Anderson).

way north of 40th Street. Mr. Jacobson provided two aerial photos depicting route proposals.¹¹⁰

111. *Mr. Jerry Dee*, a landowner with property along the Application Preferred Route, recommended that the Application Preferred Route run along the north side of his farm.¹¹¹

112. *Wayne and Earlen Laursen* submitted written comments stating that "[t]he preferred route is, by far, our choice."¹¹²

2. Comments on Draft CEA

113. Minn. R. 7852.1300, subp. 1(B), requires that a second public information meeting be held before the public hearing in each county through which a route is proposed to explain the route designation process, present major issues, and respond to questions raised by the public.¹¹³

114. Two public meetings were held on September 28, 2016, at the Kahler Apache Hotel in Rochester, Minnesota, at 2:00 p.m. and 6:00 p.m., to allow the public to comment on the draft CEA. The format for each of these matters was the same as those held on February 29, 2016. The meetings began with short overview presentations from the Commission staff, MERC and EERA. These presentations were followed by a question and answer session during which representatives of the Commission, the Company or EERA responded as appropriate.¹¹⁴

115. The public comment period on the draft CEA closed on October 7, 2016. Oral comments were accepted at the public meetings. A pre-addressed comment form was provided at the public meetings. Interested persons could submit the form at the public meeting, mail the form after affixing appropriate postage, or mail the form using a separate envelope. An electronic comment form was available on the EERA webpage. Comments were also received by the Department by facsimile and electronic mail. Eighteen members of the public commented at the public meetings, followed by nine written comments.¹¹⁵

a. Oral Comments

116. *Mr. William Tointon*, a planning consultant in Rochester, Minnesota, appeared on behalf of the Westridge Hills development. He expressed opposition to the pipeline going through its planned residential development. Similarly, *Mr. Gene Peters*,

¹¹⁰ Comment by Ronald Jacobson (Apr. 27, 2016) (eDocket No. 20164-120688-01).

¹¹¹ Comment by Jerry Dee (Apr. 27, 2016) (eDocket No. 20164-120687-01).

¹¹² Ex. 125 (Comment by Wayne and Earlen Laursen).

¹¹³ Minn. R. 7852.1300, subp. 1(B) (2015).

¹¹⁴ Ex. 113 at 2 (Reply to Substantive Comments).

¹¹⁵ *Id.* at 2-3; Ex. 111 (Public Comments Received on Draft CEA).

an owner of Westridge Hills property, stated that he did not oppose whole of the Application Preferred Route, but opposed the portion of it intersecting his property.¹¹⁶

117. *Mr. Walt Hruska*, also appearing on behalf of Westridge Hills, inquired as to the selection of the preferred route and the development restrictions that are placed upon lots that are adjacent to a pipeline.¹¹⁷

118. *Mr. Bruce Ryan*, a landowner who owns property along the Application Alternate Route, signaled his opposition to the route because of the impact to a line of mature trees in front of his home. He did agree, however, that this issue was described in the CEA.¹¹⁸

119. *Mr. Harry Meyer* expressed concerns regarding existing tile lines and stated that he preferred the Application Alternate Route to run along the nearby BP Pipeline corridor.¹¹⁹

120. *Mr. John Donovan* inquired as to the monitoring of pipeline installation and compliance with the standards described in the application. Mr. Donovan also inquired as to installation practices near road rights-of-way.¹²⁰

121. Ms. Lori Shaw inquired about the size of the pipe used for the Project.¹²¹

122. *Mr. Mike Robinson* inquired about the size and depth of the pipeline.¹²²

123. *Ms. Edie Cranston* inquired about the impacts that MERC's siting of a TBS on a nearby parcel will likely on have on their home.¹²³

124. *Ms. Virginia Ranweiler* inquired as to whether the Company's proposed pipeline was going to be built in conjunction with the BP Pipeline.¹²⁴

125. *Mr. Jerry Dee* inquired as to what conditions would need to be met to implement one of the alternate routes.¹²⁵

126. *Mr. Stanley Dee*, a landowner who owns property along the Application Preferred Route, expressed concern that a portion of the pipeline runs through the

¹¹⁶ Ex. 111 at 20-23, 35 (Public Comments Received on Draft CEA).

¹¹⁷ *Id.* at 44-52.

¹¹⁸ *Id.* at 36.

¹¹⁹ The transcripts of the public meeting inadvertently name Mr. Harry Meyer as Mr. Gary Meyer. *See id.* at 38-44.

¹²⁰ *Id.* at 53-58.

¹²¹ *Id.* at 58-59.

¹²² *Id.* at 84-85, 94-95.

¹²³ *Id.* at 85-87.

¹²⁴ *Id.* at 88-90. ¹²⁵ *Id.* at 90-92.

middle of his farm. He asserted that a key goal of the CEA should be to ensure that the pipeline moves along property lines.¹²⁶

127. *Mr. Charles Passe*, a landowner who owns property along the Application Alternate Route, stated his opposition to the alternate route. He also inquired as to whether he would be able to tap into the pipeline.¹²⁷

128. *Mr. Rick Lutzi*, a Salem Township Board Member, inquired about the township's rights-of-way, road maintenance, and ditch depth.¹²⁸

129. *Ms. Mary Pyfferoen*, a landowner with property along the Application Preferred Route, inquired as to how lands currently enrolled in a Conservation Reserve Program will be affected by a pipeline crossing. She likewise inquired as to the possibility of compensation if property values adversely are affected by the pipeline.¹²⁹

b. Written Comments

130. *Mr. Larry Franck*, a landowner with property along the Modified Preferred Route, expressed concerns with the location of the pipeline route. He questioned the purpose of particular road crossings at points along the route.¹³⁰

131. *Ms. Cathy Roetzler*, a landowner with property along the Application Preferred Route, suggested that the Modified Preferred Route be considered for the chosen pipeline route.¹³¹

132. *Mr. Brad Larsen*, General Partner at Graham Properties LTD., encouraged routing that would keep the Northern Natural Gas Company pipeline and proposed pipeline together, and thereby reduce disturbance of additional land. Mr. Larsen stated that if the Application Preferred Route were selected, the pipeline should run entirely along the south side of 19th Street, N.W., instead of crossing under the road twice.¹³²

133. *Mr. Eric Funk* expressed concerns with water flow issues resulting from the construction of the pipeline. If water flows change following installation of the pipeline, and these changes cause damage to properties, Mr. Funk inquired whether the Company will work to resolve these issues.¹³³

¹³³ Ex. 111, e-mail from Eric Funk (Public Comments Received on Draft CEA).

¹²⁶ *Id*. at 92-94.

¹²⁷ *Id*. at 96-97.

¹²⁸ *Id.* at 97-100.

¹²⁹ *Id*. at 100-06.

¹³⁰ *Id.*, e-mail from Larry Franck.

¹³¹ *Id.*, e-mail from Cathy Roetzler.

¹³² *Id.*, e-mail from Brad Larsen. Although the Company has stated a preference for the alignment that follows 19th Street, S.W., it has no objection to locating the pipeline in this area (Segment Alternative AB-2 instead of Segment Alternative AB-1) so long as the anticipated alignment is located south of the existing Northern Natural Gas Company natural gas transmission pipeline to avoid two crossings of that infrastructure. Evidentiary Tr. at 25-26 (Lyle).

134. *Mr. Anthony Roetzler* submitted written comments supporting the Modified Preferred Route.¹³⁴

135. *Mr. Greg Perry* expressed concerns with Route Segment 11 on the grounds that it would disturb wetlands on Mr. Perry's property. He suggested that the pipeline follow the road right-of-way so as to ensure no impact on nearby properties.¹³⁵

136. *Ms. Margaret Simonson* expressed a preference for the Modified Preferred Route, on the grounds that it is a more direct route with fewer environmental impacts.¹³⁶

3. Summary of Testimony at the Public Hearings

137. As noted above, the Administrative Law Judge conducted public hearings to receive public comment on the proposed Project. Twenty-one members of the public testified at the public hearings.¹³⁷

138. The post-hearing comment period closed on November 21, 2016.¹³⁸

139. Six members of the public submitted written comments.¹³⁹

a. Oral Comments

140. *Mr. Bruce Ryan* stated that he favored the Modified Preferred Route, because the Application Preferred Route would negatively impact a line of mature trees on his property.¹⁴⁰

141. *Mr. William Tointon*, a planning consultant representing Westridge Hills, and *Mr. Gene Peters*, owner of Westridge Hills property, expressed concerns that the Application Preferred Route and Modified Preferred Route bifurcate their residential development plan for the Westridge Hills' property. They maintain that the proposed route would interfere with utility flow for the development. They urged selection of a pipeline route that abuts the development easement.¹⁴¹

142. *Mr. David Kell*, appeared on behalf of Hope Summit Christian Church, which owns property adjacent to the Westridge Hills development. Mr. Kell expressed concerns regarding the ability to construct a church on the property, or other development, following installation of the proposed pipeline. Mr. Kell recommended

¹³⁴ *Id.*, comment form by Anthony Roetzler.

¹³⁵ *Id.*, online comment from Greg Perry.

¹³⁶ *Id.*, online comment from Margaret Simonson.

¹³⁷ Public Tr. at 1, 3-4; *see also* Minn. R. 7852.1700.

¹³⁸ FIFTH PREHEARING ORDER, at 3 (August 11, 2016); Ex. 24 at 2 (Affidavit of Publication of Notice of Public Hearing).

¹³⁹ See Comment by Carol Overland (Nov. 21, 2016) (eDocket No. 201611-126682-01); Public Comment (Nov. 23, 2016) (eDocket No. 201611-126768-01).

¹⁴⁰ Public Tr. at 24-25 (Ryan).

¹⁴¹ *Id.* at 26-30, 34-26 (Tointon, Peters).

locating the entire pipeline along the 40th Street right-of-way. Alternatively, he urged selection of the Application Alternate Route.¹⁴²

143. *Mr. Harry Meyer* testified that he opposes the Application Preferred Route. He expressed concerns that the route would interfere with the tile lines on his property and stated support for the Application Alternate Route.¹⁴³

144. *Mr. Charles Passe* stated his support for the Application Preferred Route. He is eager to ensure that the route does not impact a set of trees along the east side of 60th Avenue. (Company representative Ms. Amber Lee responded that the proposed alignment runs on the west side of 60th Avenue.) Mr. Passe also inquired as to the likely impacts if road expansion, or installation of high-speed rail, occurs along the pipeline corridor.¹⁴⁴

145. *Ms. Carol Overland* expressed concerns over installing a pipeline close to residential areas, questioned the need for this pipeline, and inquired as to the limitations for landowners that might follow pipeline installation. Ms. Overland also submitted written comments, detailing her remarks at the public hearing and making the further claim that eminent domain should not be available in this instance. Ms. Overland maintains that the uses of the proposed pipeline do not fulfill a public purpose. Instead, she argues that the pipeline is being constructed for a "private market purpose."¹⁴⁵

146. *Mr. William Oldfield*, a landowner with property along the Application Preferred Route and the Modified Preferred Route, expressed concerns that the pipeline may interfere with his ability to develop his property. Mr. Oldfield stated that he supports the Application Alternate Route.¹⁴⁶

147. *Gerry and Carolyn Pettelko*, landowners with property along the Application Alternate Route, expressed concerns over pipeline safety and the impact that the pipeline might have upon property values. The Pettelkos also inquired as to the size of the right-of-way and why the pipeline route does not avoid residential areas altogether. Mr. and Mrs. Pettelko urged that the pipeline be routed through open fields rather than close to residential areas.¹⁴⁷

148. *Ms. Mary Pyfferoen* expressed concerns about the impact the pipeline may have on property values and pipeline safety and inquired about the possibility of future road expansion along the pipeline route.¹⁴⁸

149. *Ms. Carol Ausrud*, a landowner with property along the Modified Preferred Route, inquired about how far from the road the pipeline would be built. Ms. Ausrud,

¹⁴⁶ Public Tr. at 44-50, 67-68 (Oldfield).

¹⁴² *Id.* at 36-39, 61-64 (Kell).

¹⁴³ *Id.* at 30-32 (Meyer).

¹⁴⁴ *Id.* at 32-33 (Passe).

¹⁴⁵ *Id.* at 40-43, 72-75 (Overland); Comment by Carol Overland (Nov. 21, 2016) (eDocket No. 201611-126682-01).

¹⁴⁷ *Id.* at 50-52, 65-67, 69-70. (Pettelko).

¹⁴⁸ *Id.* at 52-54, 70-72 (Pyfferoen).

along with *Mr. Dallas Ausrud*, also submitted written comments requesting that the Application Alternate Route not be implemented, due to its proximity to homes. They prefer the Application Preferred Route and the Modified Preferred Route.¹⁴⁹

150. *Mr. Mark Darnell*, speaking on behalf of himself and *Mr. Stanley Dee*, expressed concern that the Application Preferred Route severs Mr. Darnell's and Mr. Dee's properties and would negatively impact their farming operations. Mr. Darnell stated that he and Mr. Dee were in favor of the Modified Preferred Route, Application Alternate Route, and scoping route. Mr. Dee later inquired as to whether individual homes would have access to natural gas after construction was complete.¹⁵⁰

151. *Mr. Craig Milde*, a landowner with property adjacent to the Modified Preferred Route, inquired about land use restrictions after a pipeline is installed. He also inquired as to the likely impacts to vegetation from pipeline construction.¹⁵¹

152. *Mr. Irrold Hanson* expressed concern that Route Segment 7P may interfere with later efforts to level and develop his property. Mr. Hanson also submitted written comments detailing these same concerns.¹⁵²

153. *Mr. Rick Lutzi* noted that culvert replacement and tile line installation will be occurring along the Modified Preferred Route in the near term. He wanted to ensure that the Salem Township Board and the Company effectively communicate regarding work along these roadways.¹⁵³

154. *Mr. Larry Franck* and *Mr. John Adamson*, landowners with property along 70th Street, S.W., inquired as to why the Modified Preferred Route crosses the road at some points along the route rather than maintaining a single path along one side of the road. Mr. Franck also submitted written comments urging an alternative alignment that avoided his property. His comments included a map showing a route along the east side of 70th Avenue, S.W.¹⁵⁴

155. *Mr. Brian Connelly* inquired about the depth of the pipeline, whether installation of the pipeline would affect existing tile lines, and whether any safeguards are in place to combat the possible impact erosion on agricultural lands may have on the depth of the pipeline and associated safety concerns. Mr. Connelly also inquired as to how close a structure must be to the pipeline in order to connect to the line.¹⁵⁵

¹⁴⁹ *Id.* at 54-58 (Ausrud); Comment by Dallas and Carol Ausrud (Nov. 23, 2016) (eDocket No. 201611-126768-01).

¹⁵⁰ Public Tr. at 95-104 (Darnell).

¹⁵¹ *Id.* at 110-13 (Milde).

¹⁵² *Id.* at 113-16 (Hanson); Comment by Irrold Hanson (Nov. 23, 2016) (eDocket No. 201611-126768-01).

¹⁵³ Public Tr. at 116-19 (Lutzi).

¹⁵⁴ *Id.* at 119-24 (Franck, Adamson); Comment by Larry Franck (Nov. 23, 2016) (eDocket No. 201611-126768-01).

¹⁵⁵ Public Tr. at 124-28 (Connelly).

b. Written Comments

156. *Ms. Cathy Roetzler* submitted written comments supporting the Modified Preferred Route. She maintained that the Application Preferred Route would damage farm land, interfere with future organic farming plans, and negatively affect a natural spring in the area.¹⁵⁶

B. Local Government and State Agency Participation

1. Minnesota Department of Transportation (MnDOT)

157. MnDOT submitted written comments on April 13, 2016. Those comments touched upon the scope of the CEA and requested that the CEA address both the various roadway permit requirements and needed procedures for accommodating utilities on highway right-of-ways. MnDOT also detailed the permit requirements for crossing highways U.S. 14 and U.S. 63, the need for special permits to haul pipe and heavy equipment, and the value of coordinating construction activities in MnDOT rights-of-way.¹⁵⁷

2. Minnesota Department of Natural Resources (DNR)

158. The DNR submitted written comments on April 13, 2016. Those comments touched upon the scope of the CEA and suggested that potential impacts to sensitive, rare, and valuable features within the Project area be fully explored and considered in both the CEA and the later route selection. The DNR noted that several of the Company's proposed Route Segments cross a public water, wetland, or parcel and these crossings require a DNR License to Cross. It urged close consideration of routes and Route Segments that avoid impacts to protected natural resources. The DNR suggested that the CEA include an assessment of HDD as a method of mitigating impacts to sensitive environmental features. It further requested a description of those locations where wildlife-friendly erosion control measures would be used.¹⁵⁸

3. Minnesota Pollution Control Agency (MPCA)

159. The MPCA provided written comments on the draft CEA. These comments focused upon the requirements of the Water Quality Certification for the proposed Project. The MPCA requested additional Project-related information, including: (a) confirmation that no Outstanding Resource Value Waters, impaired waters, trout waters or wild rice waters would be crossed during the construction of the proposed pipeline; (b) details of the crossing method and best management practices that would be used in any crossing of the Zumbro River, and Cascade and Willow Creeks; (c) descriptions of the methods the Company will use to restore wetlands that are temporarily impacted by construction of the pipeline, to pre-construction contours and wetland quality; and (d) clarification as to whether MERC anticipates impacts to

¹⁵⁶ Comment by Cathy Roetzler (Nov. 23, 2016) (eDocket No. 201611-126768-01).

¹⁵⁷ Ex. 115 (Letter from MnDOT to EERA).

¹⁵⁸ Ex. 116 (Letter from DNR).

stream banks during construction and, if so, how the Company will stabilize and return each streambank to its original form and function, once installation is complete.¹⁵⁹

160. In its October 25, 2016, Reply to Substantive Comments, EERA submitted detailed responses to each of these four issues. As to each item, EERA noted that MPCA's concerns would be reflected in later route permit conditions and impact mitigation practices.¹⁶⁰

4. Rochester-Olmsted Planning Department (ROPD)

The ROPD submitted written comments on April 13, 2016. 161. These comments focused upon the scope of the CEA and noted that the Application Preferred Route bisects some developed, residentially-planned land within Rochester's urban growth area. The ROPD suggested moving the pipeline route further south so as to avoid reducing the development potential of these parcels. The ROPD also expressed concerns that the proposed pipeline cuts through a sensitive bedrock formation. It suggested that, to reduce impacts to the formation, the Company should minimize grading, install seep collars (or other like strategies) to control the movement of ground water movement along the pipe, and use vegetation to curb erosion and mitigate unwelcome changes to groundwater flows. The ROPD also requested additional detail on project-related plans, including: (a) detail as to the construction mitigation strategies that would be employed if subsurface excavation uncovers (or exacerbates) karst features; (b) efforts, if any, to replace tree cover within the pipeline right-of-way; and (c) copies of the Company's hazard mitigation and emergency management plans.¹⁶¹

162. At the September 28, 2016, public information meeting, *Mr. Michael Sheehan*, an employee of the Olmsted County Public Works Department, inquired as to the rights the company obtains with a 500-foot route width. Because County Roads 104 and 117 may need require refurbishment in the near term, Mr. Sheehan requested that the Company work with Olmsted County to ensure that the pipeline does not need to be relocated due to future road construction activities.¹⁶²

163. *Mr. Thomas Canan*, Senior Assistant Olmsted County Attorney, shared these same concerns in later written comments.¹⁶³

164. In its Reply to Substantive Comments, the EERA agreed that later changes to County Roads 104 and 117 present "an opportunity for [the Applicant] as well as the county and the city and other governmental units to work together to coordinate the location" of utility infrastructure.¹⁶⁴

¹⁵⁹ *Id*.

¹⁶⁰ Ex. 113 at 13-14 (Reply to Substantive Comments).

¹⁶¹ Ex. 117 (Olmsted County Planning Department).

¹⁶² Ex. 111 at 23-32 (Public Comments Received on Draft CEA).

¹⁶³ Ex. 112 (Public Comment – Additional Public Comment).

¹⁶⁴ Ex. 113 at 3-4, 9 (Reply to Substantive Comments).

165. The Company met with the Olmsted County Public Works Department and the Olmsted County Engineer on October 17, 2016. The Company confirmed that it would work with the county and county engineer as to the impacts of the final alignment for the Project on road rights-of-way and local development plans. The Company pledges to identify mitigation measures that may be incorporated so as to avoid unnecessary construction along the selected route.¹⁶⁵

166. At the November 9, 2016, public hearing, *Ms. Kaye Bieniek*, an engineer for the Olmsted County Public Works Department expressed concerns over the impact a pipeline may have on roadways that have been marked for improvements. Ms. Bieniek noted that the Olmsted County Public Works Department had met with Company representatives to discuss available options that would allow flexibility in planning roadway improvements.¹⁶⁶

VI. ROUTE SELECTION LAW AND RULE

167. Minn. Stat. § 216G.02, subd. 2, prohibits construction a pipeline without a pipeline routing permit issued by the Commission, unless a specific exemption from the commission's routing authority applies. A pipeline requiring a permit may only be constructed on a route designated by the Commission.¹⁶⁷

168. Minn. R. 7852.1900, subp. 3, sets forth the criteria that the Commission shall consider when selecting a pipeline route and issuance of a pipeline Route Permit.¹⁶⁸

169. The Commission must consider the characteristics and potential impacts of each proposal so that it may select a route that minimizes impacts to human settlements and the environment.¹⁶⁹ These impacts are discussed, in turn, below.

A. Effects on Human Settlement

170. Minn. R. 7852.1900, subp. 3(A), requires that when reviewing a pipeline route application, the Commission shall consider the impact of the pipeline on "human settlement, existence and density of populated areas, existing and planned future land use, and management plans."¹⁷⁰

1. Displacement

171. To evaluate potential impacts to human settlement, EERA evaluated the alignments and construction rights-of-way for all Segment Alternatives. For purposes of this evaluation, the pipeline centerline was deemed to be in the middle of the permanent

¹⁶⁵ Ex. 19 at 10 (Lee Direct).

¹⁶⁶ Public Tr. at 104-10 (Bieniek).

¹⁶⁷ Minn. Stat. § 216G.02, subd. 2 (2016).

¹⁶⁸ Minn. R. 7852.1900, subp. 3.

¹⁶⁹ Minn. R. 7852.1900, subp. 2.

¹⁷⁰ Minn. R. 7852.1900, subp. 3(A).

right-of-way and the permanent right-of-way was in the center of the construction right-of-way.¹⁷¹

172. There are numerous residences, commercial and agricultural buildings, and other buildings within the anticipated permanent right-of-way and construction area of Route Segments 4P, 7P and 29. There are also agricultural buildings within the anticipated construction area of Route Segment 5P.¹⁷²

173. Displacement is the forced removal of a residence or building to facilitate the safe operation of a pipeline.¹⁷³

174. MERC indicated that it intends to use variations within the route width to avoid direct impacts to residences and other structures. Both the permanent and temporary rights-of-way would be configured so as to avoid direct impacts to these structures. In such a circumstance, the temporary right-of-way may be located entirely on one side of the permanent right-of-way or apportioned between the two sides of the permanent right-of-way so as to ensure that no structures were within the right-of-way.¹⁷⁴

175. MERC maintains that the alignment, permanent rights-of-way and temporary rights-of-way can be modified to minimize impacts to human settlement and environmental features.¹⁷⁵

176. A final pipeline design can place the pipeline within the permitted route, such that the permanent right-of-way would avoid direct impacts to residences and other structures. Relative to the size and scale of the proposed project, impacts from displacement are likely to be modest.¹⁷⁶

2. Air Quality

177. Air emissions during construction would primarily consist of emissions from both road and non-road construction equipment. These emissions will include carbon dioxide, mono-nitrogen oxides (NOx), and particulate matter (for example, dust generated from earth-disturbing activities).¹⁷⁷

178. The impact of localized construction emissions is dependent upon three key factors: the range and type of construction equipment in use at a given time; weather conditions at the time; and the length of time that construction equipment is in use. Emissions would occur in localized areas for short periods. During excavation, trenching, and other earthmoving operations, there would also be a potential for fugitive dust emissions. The impact from fugitive dust emissions can be mitigated by a variety of

¹⁷¹ Ex. 108 at 66, Tables B-25 to B-30 (CEA).

¹⁷² *Id.*, Tables B-27 to B-30.

¹⁷³ *Id.* at 65.

¹⁷⁴ *Id.* at 62, 66, 137, 140, 144, 147.

¹⁷⁵ *Id.* at 65, 66, 68, 71, 107, 109, 111-113, 114, 116, 117, 121, 122.

¹⁷⁶ *Id.* at 144.

¹⁷⁷ *Id*. at 87.

means, including watering, covering, or seeding exposed soils, or watering unpaved driving surfaces as-needed.¹⁷⁸

179. Pipeline operations are anticipated to result in minimal, long-term impacts to air quality. Minor vehicle emissions would occur during routine inspection and maintenance activities. Further, because the TBS and DRS sites use natural gas-fired line heaters, modest stationary source emissions will also occur at these stations.¹⁷⁹

180. Relative to the size and scale of the proposed project, impacts to local air quality are likely to be temporary and very modest.¹⁸⁰

3. Noise

181. Noise and vibration impacts would be similar for all route segment alternatives. The primary noise impacts follow from project construction. Construction noise is highly variable because the equipment operating at any location changes with each construction phase. The impacts, however, would be temporary.¹⁸¹

182. Blasting may be required to excavate the pipeline trench where bedrock is encountered at depths that interfere with conventional excavation and rock-trenching methods. Blasting would only occur during daytime hours, and then only after notifying nearby residents and inhabitants. Vibrations from blasting would be controlled using charge size limits and charge delays that stagger the explosions.¹⁸²

183. Certain project testing and start-up activities may require 24 hours of activity for limited time periods (presumably one to three days). These impacts may violate ordinary noise standards; however, the effects would be temporary.¹⁸³

184. Short-term noise impacts associated with Project construction are anticipated. Reducing the impacts from noise is addressed in the standard permit conditions and the CEA. Long-term noise impacts associated with operation and maintenance of the pipeline are estimated to be minimal. No significant impacts from vibration are anticipated.¹⁸⁴

4. **Population and Employment**

185. While operation of the proposed pipeline will not prompt a change in the number of MERC employees, construction of the pipeline would create temporary jobs for both local and non-local workers. MERC predicts that local construction-related expenditures would be made for items such as materials, workforce lodging, fuel, and grocery and restaurant expenses. MERC does not estimate significant impacts to

¹⁷⁸ *Id*.

¹⁷⁹ *Id.* at 87.

¹⁸⁰ *Id.* at 138, 141, 145, 148.

¹⁸¹ *Id.* at 79. ¹⁸² *Id.* at 79.

¹⁸³ *Id.* at 79. 80.

 $^{^{184}}$ *Id.* at 80-81, 137, 141, 145, 148.

housing and public services from non-local workers. It does, however, forecast expenditures for easement payments, permit fees and property taxes.¹⁸⁵

186. The proposed Project is not anticipated to negatively impact minority or low-income populations.¹⁸⁶

187. Impacts to population and employment across all Segment Alternatives are anticipated to be short-term, minimal and positive.¹⁸⁷

5. Public Safety

188. Several members of the public expressed about concerns regarding the possibility of an explosion on the natural gas pipeline for the Project.¹⁸⁸

189. "The blast zone," "impact radius," and "high consequence areas" referred to in these comments relate back to high-stress, natural gas transmission pipelines.¹⁸⁹

190. The proposed pipeline is a low-stress pipeline. If a low-stress pipeline produced a leak near an ignition source, it is most likely that it would result in a flame or burn.¹⁹⁰

191. Explosions or an "impact radius" ordinarily result from ignition close to an exposed high-stress natural gas transmission pipeline.¹⁹¹

6. Existing and Planned Future Land Uses

192. When segment alternatives bisect a planned or a proposed development, state law requires that the development accommodate the pipeline.¹⁹²

193. Introduction of a pipeline route into a development plan can have significant impacts. These impacts include effects to pipeline construction and operation, and the regulatory constraints on designing and implementing a real estate development adjacent to a pipeline. It is feasible to design residential or commercial

¹⁸⁵ *Id*. at 65.

¹⁸⁶ *Id.* at 64, 65.

¹⁸⁷ *Id.* at 137, 140, 144, 147.

¹⁸⁸ Public Tr. at 42 (Overland) ("Who would want to live next to a gas transmission line if it explodes could burn up to 300 feet, 600 feet depending, from the line."); *Id.* at 53 (Pyfferoen) ("I've been doing some research on blast zones . . . my personal home is . . . maybe 100 feet from where this pipeline is supposed to go and if there's really a blast zone of 500 feet"); *Id.* at 50-51 (Pittelko) ("I grew up in Texas, 20 miles from a Phillips 66 plant. I cannot even count the number of explosions that I heard in my house . . . I cannot even imagine having a pipeline explosion across the road from my house"). ¹⁸⁹ Evidentiary Tr. at 19, 26 (Lyle).

¹⁹⁰ *Id.* at 19-20.

¹⁹¹ See id.

¹⁹² See Minn. Stat. § 216G.02, subd. 4.

developments around a natural gas pipeline, and these tasks are made much easier when plans for installation are incorporated early into the development process.¹⁹³

194. Also, segment alternatives that follow the edge of a planned or proposed development are, in general, easier to accommodate and have fewer impacts.¹⁹⁴

195. There are three residential developments in Olmsted County that were successfully designed around natural gas transmission pipelines.¹⁹⁵

196. Segment Alternatives FH-1, FI-2, GH-2, GI-2, HJ-2, and IJ-2 cross a proposed future development area. The impacts along these route alternatives will be significant.¹⁹⁶

a. Westridge Hills

197. Segment Alternatives FH-1, FI-2, GH-2, and GI-2 include Route Segment 7P, and bisect the development area identified as Westridge Hills.¹⁹⁷

198. The Westridge Hills General Development Plan (GDP) is a planned community development in Rochester Township near the Willow Creek Golf Course. The project would develop 79 acres for 86 single-family homes and a church.¹⁹⁸

199. As detailed above, the Westridge Hills developers, their engineer, and a church representative all provided comments during the Route Permit proceedings.¹⁹⁹

200. The developers expressed concerns that Route Segment 7P splits the Westridge Hills' property in two and interferes with utility flow for their development plans. They expressed a preference for a pipeline route that abuts the development easement to the south of their property (Route Segments 23 and 24).²⁰⁰

201. The anticipated alignment follows the property line of two parcels that were included in the 2007 Westridge Hills GDP.²⁰¹

202. A GDP from the City of Rochester is valid for a period of two years unless subsequent development approvals occur.²⁰²

203. The properties within the GDP have not been platted.²⁰³

¹⁹³ Ex. 20 at 10 (Lyle Direct); Ex. 108 at 71 (CEA).

¹⁹⁴ Ex. 108 at 71 (CEA).

¹⁹⁵ Ex. 20 at 9, Schedule 1 (Lyle Direct).

¹⁹⁶ Ex. 108 at 137, 140, 144, 147 (CEA).

¹⁹⁷ Ex. 21, Schedule 1 at 7-10 (Moser Direct); Ex. 108, Figure 10 at 8 (CEA).

¹⁹⁸ Ex. 108 at 70 (CEA).

¹⁹⁹ Ex. 106 at 18-19 (Scoping Comments & Recommendations); Ex. 111 at 20-23, 35, 44-48 (Public Comments Received on Draft CEA); Ex. 122 (Comment by Eugene Peters); Public Tr. at 26-29, 34-39 (Tointon, Peters, Kell).

²⁰⁰ Public Tr. at 26-30, 34-26 (Tointon, Peters).

²⁰¹ Ex. 19 at 13 (Lee Direct).

²⁰² *Id*. at 12.

204. According to the City of Rochester, no action has occurred on the Westridge Hills GDP since 2007. Moreover, the development does not appear in either the Olmsted County Subdivision Plat records or the pages of the Olmsted County Zoning Information website.²⁰⁴

205. Use of Segments 6P, 7P and 8P (as reflected in the Modified Preferred Route) avoids traversing closer to platted areas along 40th Street, S.W.; including, the Hart Farm South Development. These impacts might have been a possibility with a pipeline route that proceeded due east on 40th Street, S.W., from County Road 8 toward 11th Avenue.²⁰⁵

206. Similarly, a route that proceeded east from County Road 8, to 11th Avenue, along 48th Street, S.W., would move closer to homes in the Vista View Court and Scenic Oaks developments.²⁰⁶

207. While Segments 6P and 79 visit particular burdens on the hoped-for uses of the Westridge Hills developers and the Hope Summit Christian Church, the Modified Preferred Route is a "route that minimizes human and environmental impact" when compared to nearby alternatives.²⁰⁷

b. Willow Creek

208. Route Segment 26 bisects the development identified as Willow Creek Commons and Willow Creek Commons West (the Willow Creek Development).²⁰⁸

209. The Application Preferred Route and the Application Alternate Route include Route Segment 26.²⁰⁹

210. The owner of the Willow Creek Development contains mixed use developments over 83 acres.²¹⁰

211. A portion of the Willow Creek Development was platted in November 2014 with the remainder of the parcels still under development.²¹¹

212. Route Segment 26 bisects platted properties within the Willow Creek Development.²¹²

²⁰⁶ Id.

²⁰³ *Id.*, Schedule 3.

²⁰⁴ *Id.* at 12.

²⁰⁵ Ex. 25 at 7-9 (Proposed Route Permit Maps).

²⁰⁷ *Id.; see also* Minn. R. 7852.1900, subp. 2 (2015).

²⁰⁸ Ex. 21, Schedule 1 at 10-11 (Moser Direct).

²⁰⁹ Ex. 108, Table 4-1 at 47, Table 4-5 at 53 (CEA).

²¹⁰ *Id*. at 71.

²¹¹ *Id*.

²¹² Ex. 108, Figure 10 at 9 (CEA).

213. The Willow Creek Development is being actively developed and has been partially platted, including the portion that is bisected by Route Segment 26.²¹³

214. The Modified Preferred Route avoids the diagonal bisection of this development by moving along the road rights-of-way on 11^{th} Avenue, S.W. and 40^{th} Street S.W.²¹⁴

B. Natural Environment

215. Minn. R. 7852.1900, subp. 3(B), requires that when reviewing a pipeline route application, the Commission shall consider the impact of the pipeline on "the natural environment, public lands, and designated lands, including but not limited to natural areas, wildlife habitat, water, and recreational lands."²¹⁵

216. Similarly, Minn. R. 7852.1900, subp. 3(G), requires that when reviewing a pipeline route application, the Commission shall consider the impact of the pipeline on "natural resources and features."²¹⁶

1. Groundwater

217. There are three key risks to groundwater that follow from the proposed project. There could be impacts to groundwater resources if, during pipeline installation in shallow bedrock, a new, lower resistance pathway is created for moving groundwater. Another possibility is that groundwater quality could be affected by temporary surface construction activities within areas that perform significant water filtration functions – such as the Decorah Edge units in Salem Township. Lastly, direct impacts to groundwater quality could occur as a result of a spill or leak of hazardous materials, if that discharge is not quickly remediated.²¹⁷

218. The Decorah Edge is a geologic feature associated with groundwater discharge from the upper carbonate aquifer, water filtration, and movement of water back into the lower St. Peter-Prairie du Chien-Jordan aquifer. The City of Rochester and Olmsted County have adopted ordinances protecting the Decorah Edge and Edge Support Areas (non-wetland areas with features associated with perched groundwater tables, groundwater discharge, or groundwater supported wetlands) because this type of geologic formation is sensitive to potential groundwater pollution. The Decorah Edge contains resources that are unique, from a state-wide perspective, but which are familiar in the Project Area.²¹⁸

²¹³ Ex. 19 at 11-13, Schedules 2-3 (Lee Direct); Ex. 108 at 70-71, Figure 10 at 8-9 (CEA).

²¹⁴ Ex. 8, Appendix D, Figure 2 at 3 (CEA); Ex. 25 at 9-10 (Proposed Route Permit Maps).

²¹⁵ Minn. R. 7852.1900, subp. 3(B).

²¹⁶ Minn. R. 7852.1900, subp. 3(G).

²¹⁷ Ex. 108 at 100, 101 (CEA).

²¹⁸ *Id.* at 99-100.

219. The Project Area overlaps the Decorah Edge and Edge Support Areas in the southwestern and southeastern portions of the pipeline route. Route Segments 3P, 4P, 9P, 11, 12, 18, 24, and 26-29 travel through the Decorah Edge.²¹⁹

220. Segment Alternatives HJ-1, HJ-2, IJ-1, and IJ-2 have relatively higher geologic sensitivity, but cross smaller portions of the Decorah Edge.²²⁰

221. These Route Segments also have greater portions of their length within bedrock of less than five feet.²²¹

222. Most Segment Alternatives have similar geologic sensitivity. With the use of general permit conditions and other mitigation measures discussed in the CEA, impacts are anticipated to be minimal for all Route Segment Alternatives except EG-8, HJ-2, IJ-2.²²²

2. Surface Water

223. Direct impacts to surface waterbodies could occur as a result of construction activities associated with waterbody crossings. Surface waters would be crossed using HDD.²²³

224. These impacts are anticipated to be short-term, and minimal, with use of general permit conditions, proposed construction practices and best practice mitigation plans.²²⁴

225. Above-ground facilities, including the TBS 1D, Proposed TBS, Proposed DRS, and the temporary storage yard would not be sited in waterbodies.²²⁵

3. Wetlands and Aquatic Resources

226. Direct impacts to wetlands could occur as a result of pipeline construction activities – including trench method construction activities. Installation methods that would excavation and fill in a wetland would result in impacts that are regulated by the Minnesota Wetland Conservation Act and a Section 404 Clean Water Act permit. Such impacts could be avoided, however, by using more intensive HDD methods to install the pipeline.²²⁶

227. It will be necessary to clear woody vegetation in shrub and forested wetlands so as to permit later operation and maintenance activities. For example, accurate leak surveys require a right-of-way that is clear of woody vegetation.

²²³ *Id.* at 103.

²¹⁹ *Id*. at 100.

²²⁰ *Id.* at 149.

²²¹ *Id.* ²²² *Id.* at 138, 142, 146, and 149.

²²⁴ See id.

²²⁵ Id.

²²⁶ *Id*. at 104.

Removing woody vegetation from these areas will not reduce overall wetland acreage, but will result in a change in the vegetation that is hosted and the designation of wetland type. MERC indicates that any wetlands, or portions thereof, that will be converted from forested to non-forested wetlands, as a result of vegetation clearing in the permanent right-of-way, will be separately identified to the United States Army Corps of Engineers. With these disclosures, the Corps will be able to determine if additional wetland mitigation is necessary.²²⁷

228. Calcareous fens are highly sensitive to groundwater disruption and surface water contamination. Yet, direct or indirect impacts to either of the calcareous fens in the vicinity of the proposed project are unlikely. Each fen is located more than one-half mile from any proposed route segment.²²⁸

229. Potential impacts to wetlands are anticipated to be minimal with use of general permit conditions, proposed construction practices and best practice mitigation plans outlined in the CEA.²²⁹

230. Construction activities at and near waterbodies can affect aquatic resources. The disturbances come from two key sources. An inadvertent release of drilling fluids during HDD under a waterbody or wetland crossing can negatively impact water resources. Similarly, if HDD is not used, an increase in the sedimentation of waterbodies can result from construction, dewatering and vehicle movement that occurs during trench-method installation. These short-term impacts can minimized through use of general permit conditions, proposed construction practices and best practice mitigation plans.²³⁰

231. EERA concluded that not only can long-term impacts can be effectively mitigated, no unique resources would be affected during construction.²³¹

4. Fauna

232. Among the likely short-term impacts to wildlife from construction include the loss or alteration of local habitats; and that the new habitats might be less suitable. Moreover, small, less-mobile mammals, reptiles and amphibians could perish if they are able to depart pipeline construction areas. As noted by DNR in its comments, wildlife may also become entangled in the plastic netting and other materials that are typically used to prevent soil erosion at pipeline construction sites.²³²

²²⁷ *Id.* at 104, 105.

²²⁸ *Id.* at 105.
²²⁹ *Id.* at 139, 142, 146, 149.
²³⁰ *Id.* at 111.
²³¹ *Id.*²³² *Id.* at 112.

233. DNR requested that the Company use wildlife-friendly erosion control materials during Project construction. MERC agreed that it would use these items in high-priority areas, consistent with the DNR's guidelines.²³³

234. With the use of mitigation measures outlined in the CEA, impacts to wildlife habitat in all Segment Alternatives are projected to be minimal.²³⁴

235. Removal of tall, woody vegetation will permanently impact upland forest habitat, but these impacts are likewise estimated to be minimal.²³⁵

5. Threatened and Endangered Species

236. The EERA estimates that, so long as pre-construction surveys are completed as planned, there will be no direct impacts to any federally-listed threatened or endangered species. Because all segment alternatives cross the same habitats, its assessment applies to all routes under consideration.²³⁶

237. Because of the loss of forested habitat within the permanent right-of-way, there may be indirect, long-term impacts to habitat that is suitable for northern long-eared bat.²³⁷

238. Impacts to state-listed plants could occur as a result of vegetation removal through clearing, chipping, grubbing, and blading during construction or as a result of periodic clearing of woody species as part of regular maintenance activities. All route alternatives and segment alternatives would have similar impacts as they all cross the same habitats. If surveys identify state-listed plants in the construction area, the direct impacts would be moderate and long-term.²³⁸

239. Impacts to state-listed birds could occur as a result of the loss or alteration of bird habitats. These impacts could result from disturbance and displacement of construction areas and adjacent habitats, prompting migration to less suitable habitats. If this occurs, any direct impacts are anticipated to be minimal.²³⁹

240. Impacts to state-listed mussels (the Ellipse and Elktoe mussels) and fish species (the Ozark minnow) could occur as a result of pipeline waterbody crossings or adding increased sedimentation to adjacent waterbodies. Every route alternative and segment alternative would have similar impacts, because each crosses the same aquatic resource habitats. If any direct impacts occur, it is anticipated that they will be minimal.²⁴⁰

²³⁶ *Id.* at 114.

²³³ Ex. 116 (Letter from DNR); Ex. 21 at 11 (Moser Direct).

²³⁴ Ex. 108 at 139, 142, 146, 149 (CEA).

²³⁵ *Id.* at 142.

²³⁷ Id.

²³⁸ *Id.* at 116, 117.

²³⁹ *Id.* at 118. ²⁴⁰ *Id.* at 119.

241. Tree clearing within the construction area and permanent right-of-way will have localized, long-term impacts to state-listed reptile species. These impacts would be limited to particular reptiles in the area and not have wider impacts on the species.²⁴¹

242. Wildlife may also be impacted from entanglement in the plastic netting and other materials that are used to prevent soil erosion at the construction sites. As noted above, these impacts can be reduced through the use of wildlife-friendly erosion control methods.²⁴²

6. Flora

243. Construction activities can result in a range of impacts to vegetation, ranging from compaction and partial removal, to full removal through clearing, chipping, grubbing, and blading. Construction-related impacts to vegetation would vary depending on the type of vegetation cover affected. Impacts to herbaceous communities, such as grasslands, would be temporary because these areas revegetate following completion of construction and restoration activities. By contrast, tree clearing and conversion of forested areas (along the permanent right-of-way) to grassland, would result in permanent impacts.²⁴³

244. All Segment Alternatives have similar vegetation types and comparable alternatives in each segment. Assuming use of the use of general permit conditions, construction techniques, and proposed best management practices, the impacts within the rights-of-way are expected to be minimal.²⁴⁴

245. Greenfield crossings are those portions of a route that are not parallel to existing rights-of-way. Most of the greenfield Route Segments for the Project are within agricultural cover types that typically do not contain native plant communities or rare features. Generally, DNR urged avoidance of all "greenfield routes."²⁴⁵

246. According to the Natural Heritage Information System, and the Minnesota Biological Survey (MBS), there are five sites that include native plant communities, or are sites with moderate to high biodiversity, within the Project Area. Those locations are: Marion 30, Rochester 24, Rochester 31, Salem 14, and the Railroad Rights-of-Way Prairie. The DNR recommends avoiding a greenfield crossing in any of these areas, particularly if the crossing would fragment local habitat or impact a designated Site of Biodiversity Significance, rare feature record or native plant community.²⁴⁶

²⁴¹ *Id*.

- ²⁴² Id.
- ²⁴³ *Id*. at 108.
- ²⁴⁴ *Id.* at 139, 142, 146, 149.
- ²⁴⁵ *Id.* at 108; Ex. 116 (Letter from DNR).
- ²⁴⁶ Ex. 108 at 108 (CEA).

247. Potential impacts to the MBS sites located within the buffer surrounding the Proposed TBS, or the buffer for the DRS, can be avoided by locating the TBS and the DRS outside the boundaries of the MBS site.²⁴⁷

248. MERC stated that if any selected route incorporates Segment Alternatives HJ-1, HJ-2, IJ-1, or IJ-2, where MBS sites have been identified, it would install the pipeline using HDD under the wetland complex.²⁴⁸

249. A clear area of five feet on either side of the pipeline centerline is needed so as to permit pipeline inspections. Because none of the MBS-listed sites within the project areas are forested, or forested wetlands, any vegetation clearing at these locations is likely to be minimal. Further, those impacts could be reduced further by undertaking vegetation management tasks during the winter months.²⁴⁹

250. MERC stated that direct impacts to the MBS site along Segment Alternative BC-1 can be avoided through the use of HDD underneath the railroad right-of-way.²⁵⁰

251. Further, direct impacts to the MBS site along Segment Alternative EG-8 can be avoided by locating the permanent right-of-way and construction area outside the MBS site.²⁵¹

7. Geology and Soils

252. During construction, ground penetrating radar analysis will be used, prior to trenching, in areas that are prone to sinkhole formation. This analysis will be undertaken in order to determine whether sinkholes, underground cavities or enlarged features are present underground. If these features are identified along the selected route, MERC testified that it will realign the pipeline to avoid these particular features.²⁵²

253. If karst features are inadvertently encountered during trenching, MERC indicated that the pipeline will be rerouted, and the feature repaired to limit further sinkhole formation, subsidence or changes in groundwater flow.²⁵³

254. Impacts to geologic resources within Segment Alternatives AB-1, AB-2, BC-1, DE-1, DE-2, EF-1, and EG-1 are not anticipated.²⁵⁴

255. Segment Alternatives CD-1 and CD-2 are within an area of low to moderate probability for sinkhole formation but, assuming use of the general permit conditions, impacts are anticipated to be minimal.²⁵⁵

²⁴⁷ Ex. 21 at 13 (Moser Direct).

²⁴⁸ *Id*. at 12.

²⁴⁹ *Id.* at 12; Ex. 108 at 109 (CEA).

²⁵⁰ Ex. 21 at 14 (Moser Direct); Ex. 108 at 109 (CEA).

²⁵¹ Ex. 21 at 12 (Moser Direct); Ex. 108 at 109 (CEA).

²⁵² Ex. 108 at 96 (CEA).

²⁵³ *Id*.

²⁵⁴ *Id.* at 138, 142, 145, 149.

256. Segment Alternatives EF-2, EF-3, EG-2, EG-3, EG-4, EG-5, EG-6, EG-7, EG-8, FH-1, FH-2, FH-3, FI-1, FI-2, FI-3, GH-1, GH-2, GI-1, GI-2, GI-3, HJ-1, HI-2, HJ-3, HJ-4, IJ-1, IJ-2, IJ-3, and IJ-4 are within an area of low to moderate probability for sinkhole formation. Assuming use of the general permit conditions, however, impacts are anticipated to be moderate.²⁵⁶

257. Temporary impacts to soils within the construction area may include soil compaction, soil erosion and the introduction of rocks into the topsoil. Impacts to soil can continue if there is poor vegetative regrowth following restoration. These impacts can include continued erosion and loss of productivity of topsoil.²⁵⁷

258. All routes and Segment Alternatives would have similar impacts on soils and would impact comparative amounts of designated Prime Farmland and highly erodible land. Direct impacts to soils along any Segment Alternative are anticipated to be minimal.²⁵⁸

259. Direct impacts to soils at the locations of TBS 1D, the Proposed TBS, and the Proposed DRS footprints will be permanent and significant. These impacts will be to a small and limited, do not affect unique resources, and are unavoidable.²⁵⁹

260. Impacts to soils can be minimized through the implementation of best management practices and compliance with the Project's erosion control plan.²⁶⁰

261. Construction procedures outlined in the Agricultural Mitigation Plan can minimize impacts to soils, and, ensure appropriate compensation to landowners if significant impacts to agricultural soils occur.²⁶¹

C. Lands of Historical, Archaeological, and Cultural Significance

262. Minn. R. 7852.1900, subp. 3(C), states that when reviewing an application for a Route Permit, the Commission shall consider the impact of the pipeline to "lands of historical, archaeological, and cultural significance."²⁶²

263. Most of the Project Area has yet to be surveyed; however, the available data indicates that Paleoindian, Archaic and Woodland period sites may be encountered within the Phase 1a Study Area. Site types may include lithic scatters and artifact scatters associated with raw material procurement and short-term habitation. These sites appear to be concentrated along drainages.²⁶³

²⁵⁵ *Id.* at 138.
²⁵⁶ *Id.* at 138, 142, 145, 149.
²⁵⁷ *Id.* at 97.
²⁵⁸ *Id.*²⁵⁹ *Id.* at 97-98.
²⁶⁰ *Id.* at 98.
²⁶¹ *Id.* at 97, 138, 142, 145, 149.
²⁶² Minn. R. 7852.1900, subp. 3(C) (2015).
²⁶³ Ex. 108 at 92 (CEA).

264. Although there are no recorded archaeological sites within the Project Area, and the number of previously recorded architectural properties is relatively low, there is a moderate to high potential that historic resources will be encountered during construction. The anticipated alignment transects multiple drainages, streams, and rivers, and there is a high probability of encountering yet-to-be recorded archeological sites in these areas.²⁶⁴

265. EERA concluded that the potential for impact to historical, archaeological, and culturally significant lands is considered to be equal for all Segment Alternatives. Assuming use of the general permit conditions, construction practices, and best management practices outlined in the CEA, it is anticipated that impacts will be minimal. Moreover, additional surveys will be conducted prior to construction and further consultation with the State Historic Preservation Office may result in additional mitigation measures for the Project construction.²⁶⁵

266. In the event that MERC discovers unanticipated historical resources during project construction, it pledged to immediately halt construction activity within a 100-foot radius of the discovery and implement interim measures to protect the discovery area from looting or vandalism. MERC indicates that it will notify the proper authorities to determine additional appropriate actions.²⁶⁶

D. Land Use Economies

267. Minn. R. 7852.1900, subp. 3(D), states that when reviewing an application for a Route Permit, the Commission shall consider the impact of the pipeline upon "economies within the route, including agricultural, commercial or industrial, forestry, recreational, and mining operations."²⁶⁷

268. Each of the different alternatives cross similar amounts of agricultural land. Land within the construction area would not be able to be cultivated during construction. Following construction and restoration, agricultural activities would be allowed to resume along the pipeline's permanent right-of-way, therefore the impacts on the agricultural land use would be temporary. Negotiated easements with affected landowners along the approved route would mitigate temporary impacts on agricultural production by providing payment for the temporary restrictions on planting crops and for crop damage. Impacts can be further reduced by use of the measures outlined in the Agricultural Mitigation Plan.²⁶⁸

269. Long-term impacts would include permanent conversion of approximately 3 acres of agricultural land for use by the above-ground facilities.²⁶⁹

- ²⁶⁵ *Id*. at 136.
- ²⁶⁶ *Id.* at 93, 94.

²⁶⁴ *Id.* at 92-93.

²⁶⁷ Minn. R. 7852.1900, subp. 3(D).

²⁶⁸ Ex. 108 at 120, 121, 139, 143, 146, 150 (CEA).

²⁶⁹ *Id*. at 120.

270. It is not anticipated that there will be any impacts to current mining operations along any of the route alternatives for selected for the Project.²⁷⁰

271. However, construction along Segment Alternatives CD-1, DE-1 and EF-1 involve higher risks that future expansion of mining operations might be constrained following installation of a pipeline. Indirect impacts may occur in the future as the presence of a buried pipeline may preclude new mining operations in these areas.²⁷¹

272. These impacts can be further minimized through post-permit discussions between with the landowner and MERC regarding placement of the pipeline. MERC testified that it will coordinate with mining companies if future developments or expansions are identified.²⁷²

273. No direct or indirect impacts to forestry or silviculture are anticipated.²⁷³

274. Direct impacts to existing commercial and industrial land-based economies would be avoided because no existing or proposed buildings or infrastructure would be impacted by construction of the pipeline or above-ground facilities. The proposed project would preclude construction of structures within the permanent right-of-way, which could curtail future commercial or industrial uses. Temporary impacts related to construction noise, traffic or short-term access changes will also occur. These impacts can be mitigated through consultation with affected businesses and use of best management practices.²⁷⁴

275. No known federal, state, or county parks, forests, or recreational areas would be affected by the proposed Project. Recreational resources, opportunities and infrastructure hosted by the City of Rochester are located away proposed pipeline segments.²⁷⁵

276. For these reasons, no impacts to forestry, commercial or industrial operations, or recreational uses are anticipated from the Project.²⁷⁶

E. Pipeline Cost and Accessibility

277. Minn. R. 7852.1900, subp. 3(E), states that when reviewing an application for a Route Permit, the Commission shall consider "pipeline cost and accessibility."²⁷⁷

278. Most of the Segment Alternatives have similar cost and accessibility impacts.²⁷⁸

²⁷⁰ *Id.* at 139, 143, 146, 150.

²⁷¹ *Id.* at 139, 140, 143.

²⁷² *Id.* at 124-25.

²⁷³ *Id.* at 122.

²⁷⁴ *Id.* at 122.

²⁷⁵ *Id.* at 124.

²⁷⁶ *Id.* at 139, 143, 146, 150.

279. However, MERC has identified particular accessibility, design and engineering concerns with Segment Alternatives CD-2, DE-2, EF-2, EG-2, EG-3, and EG-4.²⁷⁹

280. These alternatives all, to some extent, follow the existing BP Pipeline. This pipeline was constructed in the late 1940s, prior to implementation of state or federal standards for petroleum pipeline depth of cover.²⁸⁰

281. During both public information meetings in this matter, landowners shared concerns regarding depth of cover and the BP Pipeline. Included in this feedback were reports of field or farm equipment encountering the pipeline in recent years.²⁸¹

282. While Segment Alternatives CD-2, DE-2, EF-2, EG-2, EG-3, and EG-4 could be constructed, to avoid damage to the BP Pipeline during installation, matting and additional separation between the BP Pipeline and the proposed Project would be required. These methods would likely result in higher costs and greater impacts to landowners' property.²⁸²

283. Further, Segment Alternatives HJ-2, HJ-4, IJ-3, and IJ-4 cross through densely-developed commercial areas. Property in this area is estimated to be valued at five times the cost of property along other Segment Alternatives. Thus, the overall cost for these four Segment Alternatives is much higher than other alternatives.²⁸³

284. MERC identified accessibility and constructability constraints along Route Alternatives 13, 17, and 20. Because of curvatures in 50th Street, S.W. and 55th Avenue, S.W., it is more difficult for the pipeline to travel along the road right-of-way in these alternatives.²⁸⁴

285. The topography along 48th Street, S.W. also makes installation of a pipeline along the right-of-way more difficult.²⁸⁵

286. In the event that the Commission selects Route Segment 10, MERC requests that the anticipated alignment be located south of the Northern Natural Gas Company pipeline instead of on the north side. An alignment along the north side of the Northern Natural gas pipeline is currently reflected on the CEA maps.²⁸⁶

287. This request is reasonable and should be granted. Placement of the Project along the south side in this area would also avoid the need for the Project

²⁷⁸ Ex. 21 at 9 (Moser Direct).

²⁷⁹ Ex. 20 at 7 (Lyle Direct).

²⁸⁰ *Id.* at 7.

²⁸¹ *Id.* at 7-8.

²⁸² *Id*. at 8.

²⁸³ Ex. 19 at 9 (Lee Direct).

²⁸⁴ Evidentiary Tr. at 22-23 (Lyle).

²⁸⁵ *Id.* at 24-25.

²⁸⁶ *Id.* at 25-26.

pipeline to cross Northern Natural Gas Company's natural gas transmission line twice.²⁸⁷

F. Use of Existing Rights-of-Way and Right-of-Way Sharing or Paralleling

288. Minn. R. 7852.1900, subp. 3(F), states that when reviewing an application for a Route Permit, the Commission shall consider the "use of existing rights-of-way and right-of-way sharing or paralleling."²⁸⁸

289. Segment Alternatives AB-1, AB-2, BC-1, CD-1, CD-2, DE-1, DE-2, EF-1, EG-1, EG-4, EG-7, EG-8, FH-3, FI-3, GH-1, GI-1, HJ-1, and IJ-1 parallel existing rightsof-way for a significant portion of their length.²⁸⁹

G. Extent Human or Environmental Effects are Subject to Mitigation by Regulatory Control and Permit Conditions

290. Minn. R. 7852.1900, subp. 3(H), states that when reviewing an application for a Route Permit, the Commission shall consider 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."²⁹⁰

291. On August 2, 2016, the Commission filed a Generic Route Permit Template for review and comment.²⁹¹

292. The proposed language in the Generic Route Permit Template is appropriate to the circumstances of the proposed Project.²⁹²

293. The Generic Route Permit Template references an Environmental Mitigation Plan.²⁹³

294. Unlike an Agricultural Mitigation Plan, which has already been prepared for this Project, no Environmental Mitigation Plan has been prepared for this Project and none is defined or discussed in the CEA.²⁹⁴

295. Condition 5.2 should be modified to state that the Environmental Mitigation Plan "shall be provided upon filing of the first Plan and Profile submission for the Project." Additionally, the condition should clarify that a proper Environmental Mitigation Plan must include:

²⁸⁷ *Id.* at 26.

²⁸⁸ Minn. R. 7852.1900, subp. 3(F).

²⁸⁹ Ex. 21, Schedule 1 at 1-11 (Moser Direct); Ex. 108 at 143, 147, 150 (CEA).

²⁹⁰ Minn. R. 7852.1900, subp. 3(H).

²⁹¹ Ex. 63 (Generic Route Permit Template).

²⁹² See *id.* at 11.

²⁹³ *Id*. at 3.

²⁹⁴ Minn. R. 7852.1900, subp. 3(H).

- (a) an Agricultural Mitigation Plan, Vegetation Management Plan, and a Stormwater Pollution Prevention Plan;
- (b) a detailed listing of environmental control plans or other special conditions imposed by permits or licenses issued by state or federal agencies relating to the Project;
- (c) identification of, and contact information for, an Environmental Monitor to oversee the construction process and monitor compliance with features of the Environmental Mitigation Plan;
- (d) a description of the process for reporting on the status of project construction to the Commission; and
- (e) a description construction management methods, including the tracking of required plan or permit inspection forms.²⁹⁵

296. Condition 5.5 states that the construction practices and material specifications described in the Application shall be followed during construction.²⁹⁶

297. While the Application stated that "burning of slash, brush, stumps, or other project debris is prohibited," MERC would like to retain the ability to perform these activities so long as any of those activities are agreeable to the landowner. The Route Permit should be clarified to allow flexibility on this point.²⁹⁷

298. As requested by the DNR, and agreed to by MERC, the Route Permit should contain a special condition obliging the use of wildlife-friendly erosion control materials.²⁹⁸

299. Preconstruction environmental survey consultations should be completed to determine if any federally-listed threatened or endangered species are along the permitted route.²⁹⁹

300. Preconstruction environmental survey consultations should also be completed to determine if any state-listed or rare species are within the Project area.³⁰⁰

301. The example special condition in the Generic Route Permit Template for "Rare Species Surveys" should not be used. EERA and MERC jointly revised the template text so as to improve its accuracy and clarity with respect to the requirements of this case. The following special condition is appropriate for this Project:

²⁹⁵ Minn. R. 7852.1900, subp. 3(F).

²⁹⁶ Ex. 63 at 4 (Generic Route Permit Template).

²⁹⁷ Ex. 17 at 3 (MERC Comments on CEA).

²⁹⁸ See Ex. 116 (Letter from DNR); Ex. 21 at 11 (Moser Direct).

²⁹⁹ Ex. 108 at 114 (CEA).

³⁰⁰ *Id*. at 118.

The Permittee, in consultation with the USFWS and the MnDNR, will determine the need for rare species surveys (pre-construction) within the approved route. In the areas where these species are known to exist or where the right-of-way passes through habitats where the species are likely to exist, field surveys may be required. In the event impacts cannot be avoided, the Permittee may need to obtain a take permit from the MnDNR or the USFWS for the species of concern. The Permittee shall submit the results of these efforts to the Commission with its Plan and Profile filing.³⁰¹

302. Further, the example special condition on the Generic Route Permit Template for "Rare and Unique Resources" is not needed for this Project. If Blanding's Turtles, a rare species, are identified in the route alignment during land surveys, protective measures would follow under Permit Special Condition 6.2.³⁰²

303. In compliance with the recommendations of the CEA, the following special condition should be included in the Route Permit:

Permittee shall submit a Vegetation Management Plan (VMP) with the Environmental Control Plan. The purpose of the VMP shall be to identify measures to minimize the disturbance and removal of vegetation for the Project, prevent the introduction of noxious weeds and invasive species, and re-vegetate disturbed non-cropland areas with appropriate native species in cooperation with landowner and state, federal, and local resource agencies, such that such re-vegetation does not negatively impact the safe and reliable operation of the Project.³⁰³

304. MERC has stated its intention to phase the construction of the Project over a period of approximately six years.³⁰⁴

305. Because it is likely that there will be some periods where no construction activity will occur, the text of Condition 10.2, which requires weekly reports "until completion of restoration," should be revised as follows:

In the event the Permittee proceeds with phased construction of the Project, such weekly reports should be filed beginning with the submittal of the plan and profile for that phase and continue until the completion of restoration of that phase. If there is any period of time where no construction activity is occurring, restoration of the prior phase of the

³⁰¹ Ex. 63 at 11 (Generic Route Permit Template).

³⁰² *Id.*; REPLY TO THE ROUTE PERMIT COMMENTS, at 20-21 (December 30, 2016) (eDocket No. 201612-127735-01).

³⁰³ Ex. 108 at 110 (CEA).

³⁰⁴ See Ex. 1 at 9 (Application).

Project has been completed, and the overall Project is not yet completed, Permittee need only provide status reports monthly.³⁰⁵

306. Because of the possibility that sinkholes, underground cavities and enlarged fractures may be identified after construction begins, or that road development or accommodation of landowner preferences oblige slight alternations of the pipeline alignment, it is appropriate for the Commission to account for these contingencies in the Route Permit.³⁰⁶

307. The following special condition has been used in other pipeline proceedings and is appropriate for use in this matter as well:

Route width variations may be allowed for the Permittee to overcome potential site-specific constraints. These constraints may arise from any of the following:

- 1. Unforeseen circumstances encountered during the detailed engineering and design process, including a landowner request for a different location entirely on that landowner's property so long as the Permittee is agreeable to the proposed location.
- 2. Federal or state agency requirements.
- 3. Existing infrastructure within the pipeline route, including but not limited to railroads, natural gas and liquid pipelines, road expansion projects, high voltage electric transmission lines, or sewer and water lines.

Any alignment modifications arising from these site specific constraints that would result in right-of-way placement outside of this designated route shall be located to have the same or less impacts relative to the criteria in Minn. R. 7852.1900 as the alignment identified in this permit and be specifically identified in and approved as part of the Plan and Profile submitted pursuant to Part VI of this permit.³⁰⁷

308. To ensure sufficient workspace for HDD crossings for the Project, it is appropriate to include the following special condition in the Route Permit for the Project:

The Permittee may obtain extra temporary workspace that is needed at locations where the project will cross features such as waterbodies, roads, railroads, side slopes, and other special circumstances and HDD will be utilized. Extra temporary workspace will be allowed for construction activities including, but not limited to, staging equipment and stockpiling

³⁰⁵ See id.

³⁰⁶ See Public Tr. at 68 (Oldfield).

³⁰⁷ Ex. 19 at 14 (Lee Direct).

spoil material to facilitate construction of the pipeline. These dimensions will vary depending on actual site-specific conditions, but will typically be 20,000 square feet on each side of the features crossed. Extra temporary workspaces that may be required outside the approved Route Width are identified on the maps attached to this Route Permit.³⁰⁸

H. Cumulative Potential Effects of Related or Anticipated Future Pipeline Construction

309. Minn. R. 7852.1900, subp. 3(I), states that when reviewing an application for a Route Permit, the Commission shall consider the "cumulative potential effects of related or anticipated future pipeline construction."³⁰⁹

310. EERA concluded that all Segment Alternatives are equal with respect to this criteria. Regardless of which route is selected for the Project, the connected pipeline facilities owned by Northern Natural Gas Company will be constructed in the same general location.³¹⁰

I. Other Local, State, or Federal Rules and Regulations

311. Minn. R. 7852.1900, subp. 3(J), states that when reviewing an application for a Route Permit, the Commission shall consider the "relevant applicable policies, rules, and regulations of other 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."³¹¹

312. EERA concluded that all Segment Alternatives are equal with respect to this criteria. Any route selected by the Commission will be subject to, and must comply with, the relevant applicable policies, rules, and regulations of other state and federal agencies.³¹²

VII. NOTICE TO INTERESTED PERSONS AND PARTIES

313. Minnesota statutes and rules requires notice be provided to the public and local governments before and during the Application for a Route Permit process.³¹³

³⁰⁸ Ex. 20 at 6-7 (Lyle Direct).

³⁰⁹ Minn. R. 7852.1900, Subp. 3(I).

³¹⁰ Ex. 108 at 136 (CEA).

³¹¹ Minn. R. 7852.1900, Subp. 3(J).

³¹² Ex. 108 at 136 (CEA). As stated in Minnesota Statutes section 216G.02, subdivision 4, a pipeline route permit is the only site approval required to be obtained by the entity constructing a pipeline. The pipeline route permit supersedes and preempts all zoning, building, or land use rules, regulations, or ordinances promulgated by regional, county, local, and special purpose governments.

³¹³ Minn. Stat. § 216G.02, subds. 3(b)(2)-(3); Minn. R. 1405.0500 (2015); Minn. R. 7852.0900; Minn. R. 7852.1300, subp. 2; Minn. R. 7852.1600; Minn. R. 7852.2000, subp. 6.

314. MERC, EERA and the Commission provided notice to the public and local governments in accordance with applicable law.³¹⁴

Based upon the foregoing Findings of Fact and the record in this proceeding, the Administrative Law Judge makes the following:

CONCLUSIONS

1. The Commission has jurisdiction to consider Minnesota Energy Resources Corporation's Application for a Route Permit.

2. On February 3, 2016, the Commission determined that the Application was substantially complete and accepted the Application.³¹⁵

3. Notice was provided as required by Minn. R. 7852.

4. EERA has conducted an appropriate environmental analysis of the proposed Project. The CEA addresses the issues and alternatives identified by the Commission and includes the detail that is needed to evaluate route alternatives according to the criteria in Minn. R. 7852.1900.

5. Public hearings were conducted in the community near the Project area. Proper notice of the public hearings was provided, and the public was given the opportunity to speak at the hearings and to submit written comments. All procedural requirements for the Route Permit were satisfied.

6. The evidence in the record demonstrates that all Route Segments, Segment Alternatives and routes are constructible. These segments, alternatives and routes are all eligible for consideration by the Commission under Minn. R. 7852.1900.

7. The hearing record demonstrates that proper installation and operation of a pipeline on any of the Route Segments, Segment Alternatives or routes is unlikely to result in "pollution, impairment, or destruction of the air, water, land or other natural

³¹⁴ See Ex. 5 (Affidavit of Mailing of Revisions to Route Permit Application); Ex. 6 (Affidavits of Mailing of Route Permit Application); Ex. 9 (Affidavit of Publication of Notice of First Public Information Meeting); Ex. 11 (Affidavit of Notice of Supplemental Comment Period); Ex. 15 (Affidavit of Notice of Publication of Second Public Information Meeting); Ex. 16 (Affidavit of Mailing of Comparative Environmental Analysis); Ex. 22 (Affidavit of Mailing of MERC Direct Testimony to the Rochester Public Library); Ex. 23 (Affidavit of Mailing of Route Permit Applications to the Rochester Public Library); Ex. 24 (Affidavit of Publication of Notice of Public Hearing). Ex. 57 (Notice of Application Acceptance – Public Information and CEA Scoping Meeting); Ex. 65 (Notice of Public and Evidentiary Hearings); Ex. 66 (Corrected Notice of Public and Evidentiary Hearings); Ex. 102 (Notice of Permit Application Acceptance, MEQB Monitor); Ex. 107 (DOC EERA: Landowner Letter); Ex. 109 (Notice of Draft CEA Availability and Public Meeting); Ex. 110 (Notice of Draft CEA Availability and Public Comment Meeting).

³¹⁵ ORDER FINDING APPLICATION COMPLETE AND GRANTING VARIANCE; NOTICE OF HEARING (Feb. 3, 2016) (eDocket No. 20162-117966-01).

resources located within the state," as those terms are used in the Minnesota Environmental Rights Act.³¹⁶

8. The hearing record demonstrates that proper installation and operation of a pipeline on any of the Route Segments, Segment Alternatives or routes is "calculated to foster and promote the general welfare, to create and maintain conditions under which human beings and nature can exist in productive harmony, and fulfill the social, economic, and other requirements of present and future generations of the state's people," as those terms are used in the Minnesota Environmental Policy Act.³¹⁷

9. The evidence on the record demonstrates that the Modified Preferred Route, with one adjustment to the anticipated alignment along 70th Street, S.W., is the best alternative on the record for the Project. This alternative best balances the competing considerations identified in Minn. R. 7852.1900.

10. The evidence in the record demonstrates that the Route Permit should be granted for the Modified Preferred Route with the alignment along the east side of 70th Avenue, S.W. between the BP Pipeline and 10th Street, S.W. in Salem Township.

11. The evidence on the record also supports the use of Segment Alternative AB-2 instead of AB-1 for the Modified Preferred Route.

12. The evidence on the record demonstrates that the general Route Permit conditions, as modified in this Report, are appropriate for the Project.

13. The evidence on the record demonstrates that the special Route Permit conditions detailed in this Report are appropriate for the Project

14. Any of the foregoing Findings that are more properly characterized as Conclusions are hereby adopted as Conclusions.

Based upon these Conclusions, the Administrative Law Judge makes the following:

³¹⁶ Minn. Stat. § 116B.04 (2016); see also, Minn. Stat. § 116B.02, subd. 5 (2016), ("Pollution, impairment, or destruction' is any conduct by any person which violates, or is likely to violate, any environmental quality standard, limitation, rule, order, license, stipulation agreement, or permit of the state or any instrumentality, agency, or political subdivision thereof which was issued prior to the date the alleged violation occurred or is likely to occur or any conduct which materially adversely affects or is likely to materially adversely affect the environment; provided that 'pollution, impairment, or destruction' shall not include conduct which violates, or is likely to violate, any such standard, limitation, rules, order, license, stipulation agreement or permit solely because of the introduction of an odor into the air."). ³¹⁷ Minn. Stat. § 116D.02, subd. 1 (2016).

RECOMMENDATIONS

It is recommended that the Minnesota Public Utilities Commission:

1. issue to Minnesota Energy Resources Corporation a Route Permit for a natural gas distribution pipeline; and

2. set the pipeline route along the Modified Preferred Route, as adjusted by the most-recent filings for the area along 70th Avenue, S.W.

Dated: January 31, 2017

FRICI, LIPMAN

Administrative Law Judge

NOTICE

Notice is hereby given that exceptions to this Report, if any, by any party adversely affected must be filed under the time frames established in the Commission's rules of practice and procedure, Minn. R. 7829.2700 and 7829.3100 (2015), unless otherwise directed by the Commission. Exceptions should be specific and stated and numbered separately. Pursuant to Minn. R. 7829.2700, subp. 3, the parties will be granted an opportunity for oral argument before the commission prior to its decision. The Commission will make the final determination of the matter after the expiration of the period for filing exceptions, or after oral argument, if an oral argument is held.

The Commission may, at its own discretion, accept, modify, or reject the Administrative Law Judge's recommendations. The recommendations of the Administrative Law Judge have no legal effect unless expressly adopted by the Commission as its final order.



January 31, 2017

See Attached Service List

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

OAH 8-2500-33180 MPUC G-011/GP-15-858

To All Persons on the Attached Service List:

Enclosed and served upon you is the Administrative Law Judge's **FINDINGS OF FACT, CONCLUSIONS OF LAW, AND RECOMMENDATION** in the above-entitled matter.

If you have any questions, please contact my legal assistant Sheena Denny at (651) 361-7881 or Sheena.Denny@state.mn.us, or facsimile at (651) 539-0310.

Sincerely,

ERIC L. LIPMAN Administrative Law Judge

ELL:sd Enclosure cc: Docket Coordinator

STATE OF MINNESOTA OFFICE OF ADMINISTRATIVE HEARINGS PO BOX 64620 600 NORTH ROBERT STREET ST. PAUL, MINNESOTA 55164

CERTIFICATE OF SERVICE

In the Matter of the Application of Minnesota	OAH Docket No.:	
Energy Resources Corporation for a Route	8-2500-33180	
Permit for the Rochester Natural Gas		
Pipeline Project in Olmsted County		

Sheena Denny, certifies that on January 31, 2017 she served the true and

correct FINDINGS OF FACT, CONCLUSIONS OF LAW, AND RECOMMENDATION by

eService, and U.S. Mail, (in the manner indicated below) to the following individuals:

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes
Laura	Demman	laura.demman@nngco.com	Northern Natural Gas Company	1111 S. 103rd Street Omaha, NE 68125	Electronic Service	No
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	No
Emerald	Gratz	emerald.gratz@state.mn.us	Office of Administrative Hearings	PO Box 64620 Saint Paul, Minnesota 55164- 0620	Electronic Service	No
Mary	Holly	mholly@winthrop.com	Winthrop & Weinstine, P.A.	225 S Sixth St Ste 3500 Minneapolis, MN 55402	Electronic Service	No
Linda	Jensen	linda.s.jensen@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota Street St. Paul, MN 551012134	Electronic Service	Yes
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Amber	Lee	ASLee@minnesotaenergyresources.com	Minnesota Energy Resources	2665 145th St W Rosemount, MN 55068	Electronic Service	No

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret
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John	Lindell	john.lindell@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes
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Kodi	Verhalen	kverhalen@briggs.com	Briggs & Morgan	2200 IDS Center 80 South Eighth Street Minneapolis, Minnesota 55402	Electronic Service	No
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes