

December 6, 2017

Daniel P. Wolf, Executive Secretary Minnesota Public Utilities Commission 127 7th Place East, Suite 350 St. Paul, MN 55101-2147

Re: Permit Amendment Request

Black Dog Natural Gas Pipeline Project Docket No. G002/GP-16-656

Dear Mr. Wolf:

Attached are the review and comments of the Minnesota Department of Commerce Energy Environmental Review and Analysis (EERA) staff in the following matter:

A Request from Xcel Energy for a Permit Amendment to the Route Permit for the Black Dog Natural Gas Pipeline Project in Burnsville, Minnesota

Xcel Energy has submitted a request to amend the Route Permit issued on March 7, 2017, for the Black Dog Natural Gas Pipeline project in Burnsville, Minnesota.

This filing was made on November 16, 2017, by:

Ms. Ellen Heine, Senior Land Agent Xcel Energy 414 Nicollet Mall Minneapolis, MN 55401

EERA recommends granting the requested Permit Amendment under Minnesota Rule 7852.3400. EERA staff is available to answer any questions the Commission may have.

Sincerely,

William Cole Storm, Environmental Review Manager Energy Environmental Review and Analysis (651) 539-1844 | bill.storm@state.mn.us

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BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS AND RECOMMENDATIONS OF THE MINNESOTA DEPARTMENT OF COMMERCE ENERGY ENVIRONMENTAL REVIEW AND ANALYSIS

DOCKET NO. G002/GP-16-656

Date	December 6, 2017
EERA Staff	William Cole Storm (651) 539-1844

In the Matter of a Request from Xcel Energy for a Permit Amendment to the Route Permit for the Black Dog Natural Gas Pipeline Project in Burnsville, Minnesota

Issues Addressed: These comments and recommendations address:

- 1. Should the Commission grant the route permit amendment for the Black Dog Natural Gas Pipeline Project?
- 2. Pursuant to the factors outlined in Minn. Rule 7852.3400, should the Commission require further Commission study or approval, a public meeting, or assess additional fees?
- 3. Are there other issues or concerns related to this matter?

Additional documents and information can be found at eDockets at http://www.edockets.state.mn.us/EFiling/search.jsp (Year 16, Number 656).

This document can be made available in alternative formats; e.g., large print or audio tape by calling (651) 539-1530.

Introduction and Background

The Commission issued a Route Permit to Xcel Energy for the Black Dog Natural Gas Pipeline Project (Black Dog Pipeline Project) on March 7, 2017, which included a route that was to be installed via a directional drill under Black Dog Lake. Due to installation challenges experienced while attempting to drill under the Black Dog Lake, Xcel Energy determined that the route was not a viable option. On November 16, 2017, Xcel Energy filed a request for a pipeline route permit amendment for a portion of the Black Dog Pipeline Project.

Project Location

The Project is located within the cities of Burnsville and Eagan in T27N, R23W, Section 19 and T27N, R24W, Sections 23, 24, 25 in Dakota County, Minnesota. The permitted pipeline route extends north from Northern Natural Gas Cedar Station in Eagan crossing under Old Sibley Memorial Highway. The route parallels Old Sibley Memorial Highway within road right-of-way towards the south and west for approximately 1500 feet before turning west where it then extends approximately 450 feet crossing under to the west side of Minnesota State Highway 13 (Sibley Memorial Highway). The route then turns

southwest and parallels the western edge of the southbound lane of Minnesota State Highway 13 and traverses approximately 3,350 feet (0.64 miles), crossing under Cedar Bridge Avenue and River Hills Drive, before reaching an existing utility corridor. The route then turns to the northwest for approximately 1.0 mile to its terminus at the Black Dog Generating Plant. The route in this section is located entirely on land owned by the City of Burnsville or Northern States Power (NSP).

Project Description - Requested Amendment

The requested Permit Amendment involves a change in the pipeline alignment, a portion of which is located outside the permitted Route, and a change in installation methods. The portion which is outside of the permitted Route is almost entirely located on NSP owned property (approximately 60 feet crosses beneath Union Pacific Railroad land). Starting at the Black Dog Plant the pipeline follows the previously approved alignment for approximately 200 feet before angling SW behind the flood berm within the Black Dog Plant yard, passing outside of the permitted Route. When it reaches the former rail spur (now the gravel heavy haul road for the Black Dog Plant) which runs adjacent to the high-water road, the pipeline will turn south and be installed within the existing gravel road. Upon reaching the bridge that spans the channel connecting the Lyndale (west) and Cedar (east) sides of Black Dog Lake, the pipeline will outlet from the road to the east side of the bridge. The pipe will be attached to the east, downstream, side of bridge for approximately 88 feet. After spanning the channel, the pipeline will return to the heavy haul road and continue southeast until it reaches the transmission line access road. At this point it will turn and follow the transmission line access road to the east until it reaches the edge of the transmission line corridor. The pipeline will then angle back toward the southeast, cross over the Met Council sanitary pipe, under the Union Pacific Railroad (UPR) tracks, and then run up the southwest side of the Tennisioux Park Corridor to the point where it connects with the previously installed section of the pipeline.

The new alignment deviates from the approved alignment for a total length of approximately 3,850 feet before terminating at the approved endpoint at the Black Dog Plant. This proposed alignment results in approximately 2,250 feet of pipeline being located outside of the permitted Route.

In the permitted route/alignment this entire segment of pipe was to be installed via horizontal directional drilling (HDD) which would have avoided any construction impacts at the surface for this part of the pipeline. In the requested permit amendment the pipeline will be installed using open trenching in all locations except at the bridge over Black Dog Lake, where the plan is to attach the pipe to the east side of the bridge, and at the Union Pacific Railroad crossing, where the installation will be done via auger bore. The auger bore requires a pit to be dug on each side of the crossing. Drilling equipment is then set up in the pit and a path is drilled in horizontally with an auger (with the pipe inserted directly behind it). No drilling mud is needed with this installation method.

The new alignment will require approximately 3,600 feet of open trench workspace that covers approximately 110,200 square feet (2.5 acres) of land. In addition, for the auger bore under the UPR tracks, an entry pit (approximately 60' x 30') and an exit pit (approximately 30' x 20') totaling approximately 2,400 square feet would be required.

Regulatory Process and Procedures

Pipeline route permit amendments are regulated under Minn. Stat. Section 216G and Minn. Rule 7852.3400. Following issuance of a pipeline routing permit, the permittee may apply to the commission for amendments on route location and conditions specified in the permit. The permittee shall submit an application for amendment that contains sufficient information for the commission to determine the following:

- A. whether, in light of the criteria in parts 7852.0700 and 7852.1900, the requested changes are significant enough to warrant commission study and approval;
- B. whether to order public information meetings near the affected area; and
- C. whether additional fees shall be assessed.

The commission shall make the determinations in items A to C within 45 days of receipt of the application. If the commission cannot make the determinations in items A to C in 45 days and decides to study the application further, the commission shall make the determinations in items A to C within 70 days. The commission shall grant or deny the permittee's application for permit amendment, as appropriate.

On November 20, 2017, the Commission released a Notice of Comment Period on Xcel Energy's request for a route permit amendment for the Black Dog Natural Gas Pipeline; initial comments were due on December 6, 2017 and reply comments are due on December 13, 2017.

Xcel Energy has submitted an application to the City of Burnsville for a Conditional Use Permit (CUP) for work within the flood fringe and shoreland overlay areas. The prior approved route/alignment would not have included any above ground soil disturbance in the floodplain flood fringe or shoreland overlay, thus a CUP was not required. The requested Permit Amendment will require an amendment to the Pipeline Easement with the City.

Some construction dewatering is expected to be necessary for work near the wetland/flood fringe. Xcel Energy has been in contact with the Minnesota Department of Natural Resources (DNR) regarding this and will obtain all necessary approvals prior to any temporary dewatering. Xcel Energy had obtained a Water Crossing License from the DNR for the prior approved route and alignments, and will work with the DNR Lands and Minerals staff to amend the license to reflect the new proposed crossing at the bridge.

The Storm Water Pollution Prevention Plan (SWPPP) will need to be updated to include the construction impacts associated with the requested Permit Amendment. The SWPPP will be updated prior to starting construction on any new areas. Xcel Energy will provide a draft of the updated SWPPP to the Lower Minnesota River Watershed District for review as was done with the previous SWPPP.

The Metropolitan Council (Met Council) sewer main that parallels the railroad tracks is located on Northern States Power/Xcel Energy land by easement; therefore an encroachment agreement from Met Council is not required. Xcel Energy will coordinate with the Met Council to ensure that the requested Permit Amendment does not cause any conflicts related to the sanitary main.

Xcel Energy has requested a modification to the crossing permit from the Union Pacific Railroad to address the change in crossing depth beneath the railroad tracks.

EERA Staff Analysis and Comments

The request for a Permit Amendment has been reviewed by EERA staff pursuant to the requirements of Minnesota Rule 7852.3400. The Permittee provided the information required by Minnesota Rule 7852.3400.

Xcel Energy preformed a comparative environmental analysis of the potential impacts between the permitted route/alignment with those associated with the requested change in the route/alignment (Table 1 and Table 2 of the Permit Amendment Request).

The requested new route/alignment and installation methodology will have similar or less impacts to the natural and built environments as those in the route permit granted on March 7, 2017. Previous permit conditions, both procedural and those protective of the natural and built environments should remain in effect and be applied to the Permit Amendment if granted.

EERA Conclusions and Recommendation

EERA staff recommends granting the requested Permit Amendment under Minnesota Rule 7852.3400; EERA staff does not believe the Commission should require further study or hold additional public meetings.

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CERTIFICATE OF SERVICE

I, Linda Chavez, hereby certify that I have this day served copies of the following document on the attached list of persons by electronic filing, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

MINNESOTA DEPARTMENT OF COMMERCE – COMMENTS

Docket Nos.	G002/GP-16-656
Dated this 6th	day of December , 2017.
/s/Linda Chave	ez

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.st ate.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800 St. Paul, MN 55101	Electronic Service	No	OFF_SL_16-656_Official Service List PUC
Carl	Cronin	Regulatory.records@xcele nergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_16-656_Official Service List PUC
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