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February 9, 2010

Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
127 7th Place East, Suite 350
St. Paul, MN 55101-2147

RE: Comments and Recommendations (Final Decision Options) Office of Energy Security
Mesaba Energy Project Proposal by MEP-I LLC and MEP-II LLC
Joint Application (LEPGP Site Permit Application, HVTL Route Permit Application, and Pipeline
Route Permit Application) dated June 16, 2006
Docket No. E6472/GS-06-668

Dear Dr. Haar:

Attached are the comments and recommendations of the Office of Energy Security (OES) Energy Facility Permitting (EFP) Staff in the above stated matter.

MEP-I LLC and MEP-II LLC are proposing to construct and operate a fuel-flexible Integrated Gasification Combined Cycle ("IGCC") power plant. The proposed power plant will be constructed in two phases; each phase will be capable of producing approximately 600 MW (net) of baseload power.

The two sites under consideration are located on the Iron Range. The applicant's preferred site, referred to as the West Range site (approximately 1,727 acres) is located in and around the city of Taconite in Itasca County, Minn. The alternative site, referred to as the East Range site (approximately 1,322 acres) is located in and around the city of Hoyt Lakes in St. Louis County, Minn.

The OES EFP staff is providing you with:

- A. Comments and Recommendations;
- B. Proposed Findings of Fact, Conclusions, and Order
- C. Proposed LEPPG Site Permit, HVTL Route Permit and Pipeline Route Permit

The OES EFP staff recommends granting of the various permits for the West Range Site, with conditions. Staff is available to answer any questions the Commission may have.

Sincerely,

William Cole Storm, OES EFP Staff

Enclosures

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BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS AND RECOMMENDATIONS OF THE
MINNESOTA OFFICE OF ENERGY SECURITY
ENERGY FACILITY PERMITTING STAFF

DOCKET NO. E6472/GS-06-668

Meeting Date: March 4, 2010.....Agenda Item #

Company: MEP-I LLC and MEP-II LLC

Docket No. PUC Docket Number: E6472/GS-06-668
In the Matter of the Application for a LEPGP Site Permit, a HVTL Route Permit, and a Pipeline Route Permit for the Mesaba IGCC Generating Station Project.

Issue(s): Should the Commission find that the Environmental Impact Statement and the record adequately address the issues identified in the Scoping Decision? Should the Commission issue a LEPGP site permit, and corresponding HVTL and Pipeline Route Permits, identifying a specific site and permit conditions for the proposed Mesaba IGCC Power Station project?

DOC Staff: William Cole Storm.....651-296-9535

Relevant Documents

1. MEP-I LLC and MEP-II LLC's Joint (LEPGP, HVTL & Pipeline) Application (06-668) and Environmental Supplement, Dated June 16, 2006.
2. DOC EFP Comments and Recommendations on Application Acceptance, Dated June 26, 2006.
3. PUC Order for Application Acceptance, Dated July 28, 2006.
4. Transcripts of the Public Information Meetings (Taconite and Hoyt Lakes), Dated August 22 and 23, 2006.
5. Advisory Task Force Final Comments, Dated September 7, 2006.
6. Public Comments on Application & Scope, Dated September 6, 2006.
7. DOC Scoping Decision, Dated September 13, 2006.

(Relevant Documents Continued on next page)

8. Draft EIS, Dated November 2007.
9. Transcripts of the DEIS Public Meetings (Taconite and Hoyt Lakes), Dated November 27 and 28, 2007.
10. Public Comments on the DEIS, Dated January 24, 2008.
11. Agency and Tribal Comments on the DEIS, Dated January 24, 2008
12. Transcripts of the Contested Case Hearing (Taconite), Dated February 11, 2008.
13. Transcripts of the Contested Case Hearing (Hoyt Lakes), Dated February 15, 2008.
14. Final EIS, Dated November 2009.
15. Administrative Judges Report, Dated December 28, 2009.

The enclosed materials are work papers of the Department of Commerce Office of Energy Security (OES) Energy Facility Permitting (EFP) staff. They are intended for use by the Public Utilities Commission (Commission) and are based on information already in the record unless otherwise noted.

This document can be made available in alternative formats; i.e. large print or audio tape by calling (651) 201-2202 (Voice) or 1-800-627-3529 (TTY relay service).

Documents Attached.

1. General site location map.
2. Proposed Findings of Fact, Conclusions, Order
3. Proposed LEPGP Site Permit, HVTL Route Permit, and Pipeline Route Permit.

(Note: Relevant documents and additional information can be found on eDockets (E6472/GS-06-668) or the PUC Facilities Permitting website <http://energyfacilities.puc.state.mn.us/>)

Statement of the Issue

Should the Commission find that the Environmental Impact Statement (EIS) and the record adequately address the issues identified in the Scoping Decision? Should the Commission issue a large electric power generating plant (LEPGP) site permit, along with the associated high voltage transmission line and pipeline routing permits, identifying a specific site and permit conditions for the proposed Mesaba IGCC Power Station project?

Introduction and Background

On June 19, 2006, MEP-I LLC and MEP-II LLC submitted to the Commission a Joint Application for a large electric power generating plant (LEPGP) site permit, a high voltage transmission line (HVTL) routing permit and a pipeline (partial exemption) routing permit associated with the proposed Mesaba IGCC Power Station project.

Minnesota Rule 7850.1600, Joint Processing, allows an applicant to combine applications for a LEPGP site permit, a HVTL route permit and a pipeline route permit into a single filing. In this case the applicant agreed to follow the longer timeline and expanded review contained in Minnesota Rule Chapter 7850 (LEPGP Siting and HVTL Routing procedures), as opposed to the

shorter, streamlined process found in the pipeline partial exemption procedure (Minnesota Rules 7852.0600). All content and deliverable provisions contained in Minnesota Rules 7852.0600 were met.

Project Description

MEP-I LLC and MEP-II LLC are proposing to construct and operate a fuel-flexible Integrated Gasification Combined Cycle (IGCC) power plant. The proposed power plant will be constructed in two phases; each phase will be capable of producing approximately 600 MW (net) of baseload power.

The two sites under consideration are located on the Iron Range. The applicant's preferred site, referred to as the West Range site (approximately 1,727 acres) is located in the city of Taconite in Itasca County, Minn. The alternative site, referred to as the East Range site (approximately 1,322 acres) is located in the city of Hoyt Lakes in St. Louis County, Minn.

In the E-Gas[™] process, coal, petroleum coke, or blends of coal and petroleum coke are crushed, slurried with water, and pumped into a pressurized vessel (the gasifier) along with purified amounts of oxygen. In the gasifier, controlled reactions take place, thermally converting feedstock materials into a gaseous fuel known as synthetic gas, or syngas. The syngas is cooled, cleaned of contaminants, and then combusted in a combustion turbine (CT), which is directly connected to an electric generator. The assembly of the CT and generator is known as a combustion turbine generator (CTG). The expansion of hot combustion gases inside the CT creates rotational energy that spins the generator and produces electricity. The hot exhaust gases exiting the CTG pass through a heat recovery steam generator (HRSG), a type of boiler, where steam is produced. The resulting steam is piped to a steam turbine that is connected to an electric generator. The expansion of steam inside the steam turbine spins the generator to produce an additional amount of electricity. When a CTG and a steam turbine generator (STG) are operated in tandem at one location to produce electricity, the combination of equipment is referred to as a combined cycle electric power plant. Combining the gasification process with the combined cycle design is known as integrated gasification combined cycle (IGCC).

When both phases are completed, each of the two power blocks will consist of two CTG (approximately 220 MW each) and one STG (approximately 300 MW). Two E-Gas gasification trains will supply the CTGs with Syngas. Power generated from the project will be interconnected to the regional electrical grid via high voltage transmission lines, either at the Blackberry or Forbes substations depending on which site (i.e., West Range or East Range, respectively) is selected.

Procedural History

The OES EFP staff submitted its Comments and Recommendations to the Commission on June 26, 2006, concerning the completeness of the site permit application. Staff recommended 1) that the Commission accept the application as complete, 2) authorize the OES EFP to name a public advisor, 3) authorize the OES EFP to establish a local unit of government (LUG) working group in lieu of a citizen advisory task force, and 4) approve the dissemination of electronic copies of

the Joint Application to affected landowners of the proposed pipeline in lieu of paper (hard) copies.

On July 6, 2006, the Commission considered the completeness of the Joint Application at its regularly scheduled meeting. The Commission Order, dated July 28, 2006, adopted the recommendations of the OES, except as modified regarding the LUG work group. In regard to the LUG work group, the Commission decided to authorize the formation of a citizen advisory task force and stated its structure and charge.

The OES EFP staff held a Public Information and Environmental Review Scoping Meetings on August 22, 2006, and August 23, 2006. The meetings were held in Taconite (West Range Site) and Hoyt Lakes (East Range Site). The purpose of the meetings was to inform the public of the project, the regulatory process, and to solicit input from the public as to the scope of the environmental review document. The comment period for the scoping process closed on August 30, 2006.

Collectively, approximately 400 individuals attended the public scoping meetings, including several individuals who attended both meetings. One hundred and fifty-nine individuals signed the attendance list at Taconite; 123 signed the attendance list at Hoyt Lakes. All attendees were invited to provide comments, both written and spoken, on the proposed project.

Those attendees wishing to speak were given an opportunity to do so. Comment sheets were made available for all attendees wishing to provide written comments.

OES Energy Facility Permitting (EFP) staff led the presentations and presided over both formal meetings. A court recorder was present at each meeting to ensure that all spoken comments were recorded and transcribed. Fifty individuals presented oral comments at the meetings.

In addition, OES EFP staff provided an e-mail address for members of the public who preferred to submit their comments electronically, a postal address for those who preferred to mail their comments, a telephone fax number for those who preferred to fax their comments and a toll-free telephone number for those who preferred to speak their comments. In all, 49 comments were submitted via e-mail, U.S. Postal Service mail, or fax.

The Advisory Task Force (ATF) met formally three times in August 2006, the 9th, 23rd and 30th. The meetings were open to the public, and frequently additional people attended to listen to the discussion. The ATF, through a facilitated process, reviewed the Mesaba IGCC Power Station proposal, discussed relevant issues, and suggested items for the scope of the EIS. The ATF released its final comments on September 7, 2006.

The OES released its EIS Scoping Decision on September 13, 2006; the EIS was a joint document meeting the environmental review requirements of both the Minnesota Office of Energy Security and the U.S. Department of Energy.

The draft EIS (DEIS) was released on November 5, 2007.

The OES EFP staff held Public Meetings on the DEIS on November 27, 2007, and November 28, 2007. The meetings were held in Taconite (West Range Site) and Hoyt Lakes (East Range Site). The purpose of the meetings was to gather comments on the DEIS. The deadline for comments on the DEIS was January 11, 2008.

Based on sign-in sheets, the Taconite meeting was attended by 107 individuals, and the Hoyt Lakes meeting was attended by 34 individuals. The public was encouraged to provide oral comments at the public meetings; a court reporter was present at each meeting to ensure that all oral comments were recorded and transcribed.

Oral comments were given by 28 individuals at the Taconite meeting and by 6 individuals at the Hoyt Lakes meeting. In addition, 88 written comments, including 5 from Federal agencies, 4 from state agencies, 5 from Native American tribal organizations, and several from national and regional non-governmental organizations and other affiliations.

In preparing the Final EIS, the OES Energy Facility Permitting (EFP) staff considered all comments to the extent practicable. Based on the comments received on the Draft EIS, OES EFP prepared responses and modified the EIS where appropriate. The EIS was also revised based on OES EFP's internal technical and editorial review of the DEIS (i.e., changes made to the EIS that were not in response to a comment received).

Administrative Law Judge Steve M. Mihalchick conducted evidentiary and public hearings at 10:00 a.m. and 6:00 p.m., on January 29, 2008, at the Taconite Community Center, in Taconite, Minnesota, and at 10:00 a.m. and 6:00 p.m. on January 30, 2008, at the Hoyt Lakes Arena in the city of Hoyt Lakes. The public had until February 15, 2008, to submit written comments to the Administrative Law Judge.

The ALJ allowed the public seven days commenting on the adequacy of the final EIS after release of the document.

The final EIS was released on November 16, 2009. Twenty one written comments were received by the ALJ on the adequacy of the final EIS.

On December 28, 2009, the ALJ released his report. The ALJ found that the FEIS is adequate and recommended that the Commission issue a LEPGP Site Permit, a HVTL Route Permit, and a Pipeline Route Permit to MEP-I LLC and MEP-II LLC for the West Range site.

OES EFP Staff Analysis and Comments

OES EFP staff has reviewed MEP-I LLC and MEP-II LLC's Joint Application and record. The proposed Mesaba IGCC Power Station project was examined in detail in the EIS and at the public hearings.

The proposed Mesaba IGCC Power Station project is suitable for construction and operation at the West Range Site relative to the factors to be considered under Minnesota Rule 7850.4100. Additionally, the West Range Site has adequate resources and infrastructure such as, land availability and ownership structure; access to water and wastewater treatment facilities; electrical interconnection; and fuel supply.

OES EFP staff has incorporated the ALJ's report and public record into proposed Findings of Facts, Conclusions of Law and Order, and has prepared proposed LEPGP Site Permit, HVTL Route Permit, and Pipeline Route Permit.

The proposed permits include measures to ensure the facility is constructed in a safe, reliable manner and that impacts are minimized or mitigated.

Commission Decision Options

A. Approve and adopt the Findings of Fact, Conclusions of Law and Order for the MEP-I LLC and MEP-II LLC Mesaba IGCC Power Station (PUC Docket No. E6472/GS-06-668) which:

1. determines that the environmental impact statement and record created at the public hearing address the issues identified in the EIS Scoping Decision;
2. designates the West Range Site as the site for the construction/implementation of the Mesaba IGCC Power Station project and associated facilities; and
3. issues a LEPGP Site Permit, a HVTL Route Permit, and a Pipeline Route Permit, with appropriate conditions, to Excelsior Energy.

B. Approve and adopt the Findings of Fact, Conclusions and Order as above while modifying the permit conditions as deemed appropriate.

C. Amend the Findings of Fact, Conclusions and Order and Site Permit as deemed appropriate.

D. Make some other decision deemed more appropriate.

EFP Staff Recommendation

Staff recommends Options A.

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

David Boyd
J. Dennis O'Brien
Phyllis Reha
Thomas Pugh
Betsy Wergin

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of the Application by MEP-I LLC and MEP-II LLC for a Site Permit, a HVTL Permit, and a Pipeline Route Permit for the Mesaba IGCC Power Station Project in Itasca and St. Louis Counties.

ISSUE DATE:

DOCKET NO. #E6472/GS-06-668

FINDINGS OF FACT, CONCLUSIONS, AND ORDER ISSUING A SITE PERMIT, A HVTL ROUTE PERMIT, AND A PIPELINE PERMIT TO MEP-I LLC and MEP-II LLC

The above-captioned matter came before the Minnesota Public Utilities Commission (the Commission) on March 4, 2010, acting on a Joint Application by MEP-I LLC and MEP-II LLC for the Mesaba IGCC Power Station Project.

STATEMENT OF ISSUE

Should the Commission find that the Environmental Impact Statement (EIS) and the record adequately address the issues identified in the Scoping Decision? Should the Commission issue a large electric power generating plant (LEPGP) site permit, a high voltage transmission line (HVTL) Route Permit, and a Pipeline Route Permit, identifying a specific site and permit conditions for the proposed Mesaba IGCC Power Station Project?

Based upon all of the proceedings herein, the Commission makes the following:

FINDINGS OF FACT

1. The Findings of Fact of the Administrative Law Judge in his report dated December 28, 2009, are adopted in their entirety.
2. The applicant has agreed to the inclusion of reasonable conditions in the siting and routing permits.

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

CONCLUSIONS OF LAW

1. The Conclusions of Law of the Administrative Law Judge in his report dated December 28, 2009, are adopted in their entirety.
2. The Commission has the statutory authority to impose reasonable conditions in the site permits it issues.

Based upon the foregoing Findings of Fact and Conclusions of Law, the Commission makes the following:

ORDER

1. The Commission hereby issues a LEPGP Site Permit, a HVTL Route Permit, and a Pipeline Route Permit to MEP-I LLC and MEP-II LLC for construction of a proposed Mesaba IGCC Power Station, and associated transmission lines and pipeline in and around the city of Taconite (West Range Site), Itasca County Minnesota.
2. The LEPGP Site Permit, HVTL Route Permit, and Pipeline Route Permit shall be issued in the form attached hereto, including the description of the facilities, the description of the site and routes, and the inclusion of certain conditions.

STATE OF MINNESOTA
Public Utilities Commission

Burl W. Haar,
Executive Secretary

**STATE OF MINNESOTA PUBLIC UTILITIES COMMISSION
LARGE ELECTRIC POWER GENERATING PLANT
SITE PERMIT**

FOR

WEST RANGE IGCC POWER STATION

IN

ITASCA COUNTY, MINNESOTA

ISSUED TO

MEP-I LLC AND MEP-II LLC

PUC DOCKET NO. E6472/GS-06-668

In accordance with the requirements of Minnesota Statute 216E and Minnesota Rules Chapter 7850.1000 - .5600, this Site Permit is hereby issued to:

MEP-I LLC and MEP-II LLC

MEP-I and MEP-II are authorized by this Site Permit to construct and operate an Integrated Gasification Combined Cycle (IGCC) power plant capable of producing nominally 1,200 megawatts (MW) of electricity (net base) on a site in and around the city of Taconite, in Itasca County, Minnesota, as identified in this Permit and in compliance with the conditions specified in this Permit.

Approved and adopted this _____ day of March, 2010

BY ORDER OF THE COMMISSION

Burl W. Haar,
Executive Secretary

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I. SITE PERMIT

The Minnesota Public Utilities Commission (Commission) hereby issues this Site Permit to MEP-I and MEP-II (together, the Permittee), pursuant to Minnesota Statutes Section 216E and Minnesota Rules Chapter 7850, to construct a nominal 1,200 MWe Large Electric Power Generating Plant based on Integrated Gasification Combined Cycle (IGCC) technology and located in and around Taconite, Minnesota, in Itasca County (hereafter, the West Range IGCC Power Station).

II. PROJECT DESCRIPTION

The West Range IGCC Power Station consists of a fuel-flexible IGCC power plant and its associated facilities. The Station will be constructed in two sequential phases referred to as Mesaba One and Mesaba Two, each phase of which will be capable of producing approximately 600 MWe of baseload power.

When both phases are completed, each of the two power blocks will consist of two combustion turbine generators (CTGs) with a capacity of approximately 220 MW each, and one steam turbine generator (STG) with a capacity of approximately 300 MW. Two E-Gas gasification trains will supply the CTGs with syngas. The West Range IGCC Power Station will maintain at least one spare gasification train on site as a backup for reliability purposes. Power generated from the project will be interconnected to the regional electrical grid via high voltage transmission lines at the Blackberry Substation.

The site is more specifically described in the MEP-I LLC and MEP-II LLC Joint Application to the Minnesota Public Utilities Commission, dated June 16, 2006 and the Environmental Impact Statement dated November 2009.

III. DESIGNATED SITE

The site for the project (i.e., West Range Site) is located in and around the city of Taconite in Itasca County, Minn. Consistent with Minnesota Rules 7850.1000, Subpart 18, and as described in the Joint Application, the term “Site” includes the land area needed for the IGCC Power Station Footprint, Buffer Land, Associated Facilities, and Additional Lands, all in Itasca County.

IGCC Power Station Footprint: Approximately 200 acres located in Sections 10, 11, 14, and 15, Township 56, Range 24.

Buffer Land: Approximately 1,527 acres located in Sections 3, 10, 11, 12, 14, and 15, Township 56, Range 24. Together, the IGCC Power Station Footprint and Buffer Land comprise approximately 1,727 acres.

Associated Facilities: Land area (exclusive of the Additional Lands described below, the IGCC Power Station Footprint, and the Buffer Land) to accommodate “Associated Facilities,” which means the buildings, equipment, and other physical structures that are necessary to operate the IGCC Power Station and includes, without limitation, the equipment identified in Sections 3.1.5, 3.1.6, and 3.1.7 of the Joint Application, fuel tanks, roads, water supply and wastewater discharge pipelines, pumps, pump houses, metering equipment, valves, and force mains, water

intake structures (floating or permanent), wastewater discharge structures, flood control systems, and security systems.

Additional land and infrastructure required for the construction and operation of the West Range IGCC Power Station that lie outside the jurisdiction of the Commission's LEPGP/HVTL Site/Route Permits and must be approved through other state and local entities include the following:

Additional Lands:

- **Process Water Supply Pipelines:** There will be four process water supply pipelines, each in a right-of-way 100 feet wide permanently and 150 feet wide during construction.
 - o Segment 1: An approximately 11,300-foot right-of-way connecting a pump station in the Lind Pit to a discharge structure in the Canisteo Pit, located in Sections 34, 35, and 36, Township 56, Range 25.
 - o Segment 2: An approximately 11,000-foot right-of-way connecting a pump station in or adjacent to the Canisteo Pit to the Buffer Land and then on to the IGCC Power Station, located in Sections 10, 15, and 22, Township 56, Range 24.
 - o Segment 3: An approximately 25,400-foot right-of-way connecting a pump station in or adjacent to the Gross-Marble Mine Pit (part of the Hill-Annex Mine Pit Complex) to a discharge structure in the Canisteo Pit, located in Sections 10, 13, 14, 15, and 24, Township 56, Range 24, and Sections 18 and 19, Township 56, Range 23.
 - o Engineered Orifice: An approximately 200-foot right-of-way connecting an intake structure in the Prairie River to a discharge structure in the Lind Pit, located in Section 3, Township 55, Range 25.
- **Access Road:** An approximately 4,000-foot right-of-way, 120 feet wide permanently and 200 feet wide during construction, connecting County Road 7 to the Buffer Land and IGCC Power Station, located in Sections 10 and 15, Township 56, Range 24.
- **Railroad Spur:** An approximately 6-mile right-of-way, 100 feet wide permanently and 80–450 feet wide during construction, connecting the IGCC Power Station to the mainline tracks of the Burlington Northern Santa Fe and Canadian National railroads, located in Sections 10, 11, 13, 14, 23, and 24, Township 56, Range 24.
- **Potable Water Pipeline:** An approximately 12,400-foot right-of-way, 40 feet wide permanently and 100 feet wide during construction, connecting the IGCC Power Station to the city of Taconite potable water system, located in Sections 10, 15, and 22, Township 56, Range 24.
- **Domestic Wastewater Pipeline:** An approximately 12,400-foot right-of-way, 40 feet wide permanently and 100 feet wide during construction, connecting the IGCC Power Station to the Coleraine-Bovey-Taconite wastewater collection and treatment system, located in Sections 10, 15, and 22, Township 56, Range 24.

The project location and site layout are shown in the attached figure. The site is more specifically described in the Joint Application and in the Environmental Impact Statement.

IV. PERMIT CONDITIONS

The following conditions shall apply to the construction of the facility.

A. Site Plan. The Permittee shall submit to the Commission three (3) copies of a work/site plan at least fourteen (14) days prior to the commencement of construction activity. This plan will include the cut/fill/grading diagrams, the location and placement of the various structures to be constructed, including all electrical equipment, pollution control equipment, roads, and other associated facilities. The Permittee shall have the right to move or relocate any of these structures after construction commences, but the Permittee shall file an amended site plan with the Commission at least twenty-four (24) hours prior to implementation.

B. Construction Practices

1. Application. The Permittee shall follow those specific construction practices and material specifications described in the Joint Application, unless this Permit establishes a different requirement in which case this Permit shall prevail.

2. Field Representative. At least fourteen (14) days prior to commencing on-site activity, the Permittee shall advise the Commission in writing of the person or persons designated to be the field representative for the Permittee with the responsibility to oversee compliance with the conditions of this Permit. This person's address, phone number, and emergency phone number shall be provided to the Commission, who may make the information available to local residents and public officials and other interested persons. The Permittee may change its field representative at any time upon written notice to the Commission.

3. Roads. At least fourteen (14) days prior to commencing on-site activity, the Permittee shall advise the Commission and other appropriate governing bodies having jurisdiction over roads, of all state, county, and city roads that will be used during that phase of the project. Where practical, existing roadways shall be used for all activities associated with construction of the facility. Wherever practical, all-weather roads shall be used to deliver heavy components to and from the project site. The Permittee shall, prior to construction activities, make satisfactory arrangements with the appropriate state, county, and local governmental bodies having jurisdiction over the roads to be used for construction, for any repair and maintenance of those roads resulting from the transportation of equipment and materials. The Permittee shall notify the Commission of such arrangements prior to the start of construction activities.

4. Local Governments. The Permittee will work closely with Itasca County Department of Transportation and the city of Taconite to ensure minimal disruption to area traffic and will obtain licenses required for county and township road right-of-way sharing. Oversize and overweight truck permits will be coordinated with the Minnesota Department of Transportation (MnDOT) and the Itasca County Department of Transportation.

5. Cleanup. All waste and scrap that is the product of construction shall be removed from the area and properly disposed of upon completion of each task. Personal litter, including bottles, cans, and paper from construction activities shall be removed on a daily basis.

6. Erosion Control. The Permittee shall implement reasonable measures to minimize runoff during construction and shall promptly plant or seed, erect silt fences, and/or use erosion control blankets in non-agricultural areas that were disturbed where structures are installed. All areas disturbed during construction of the facilities will be returned to their pre-construction condition.

7. Restoration. The Permittee shall restore the right-of-way, temporary work spaces, access roads, abandoned right-of-way, and other private lands affected by construction of the facility and associated structures. Restoration within the right-of-way must be compatible with the safe operation, maintenance, and inspection of the transmission line. Within 60 days after completion of all restoration activities, the Permittee shall advise the Commission in writing of the completion of such activities. The Permittee shall fairly reimburse landowners for any damage including, but not limited to, yard/landscape damages, structure/fence damage, crop damage, soil compaction, or drain tile damage sustained during construction or maintenance activities.

8. Notice of Permit. The Permittee shall inform all employees, contractors, and other persons involved in the construction activities of the terms and conditions of this permit.

C. Completion of Construction.

1. Plans and Specifications. Within one hundred twenty (120) days after completion of construction of the facility, the Permittee shall submit to the Commission the “as built” site layout.

2. GPS Data. Within one hundred twenty (120) days of completion of construction, the Permittee shall submit to the Commission, in the format requested by the Commission, geo-spatial information (GIS compatible maps, GPS coordinates, etc.) for the power plant and associated facilities.

D. Other Requirements. The Permittee shall comply with all applicable state rules and statutes. The Permittee shall obtain all required permits for the project and comply with the conditions of these permits.

E. Delay in Construction. If the Permittee has not commenced construction or improvement of the project within four (4) years from the date of issuance of this Permit, the Commission shall consider suspension of the Permit in accordance with Minnesota Rule 4400.3750.

V. PERMIT AMENDMENT

This Permit may be amended by the Commission. Any person may request an amendment of this Permit pursuant to Minnesota Rule 7850.4900 by submitting a request to the Commission in writing describing the amendment sought and the reasons for the amendment. The Commission will mail notice of receipt of the request to the Permittee. The Commission may amend the permit after affording the Permittee and interested persons such process as is required.

VI. TRANSFER OF PERMIT

The Permittee may request that the Commission transfer this Permit to another person or entity pursuant to Minnesota Rule 7850.5000. The Permittee shall provide the name and description of the person or entity to whom the Permit is requested to be transferred, the reasons for the transfer, a description of the facilities affected, and the proposed effective date of the transfer. The person to whom the Permit is to be transferred shall provide the Commission with such information as the Commission shall require in determining whether the new permittee can comply with the conditions of the Permit. The Commission may authorize transfer of the permit after affording the Permittee, the new Permittee, and interested persons such process as is required.

VII. REVOCATION OR SUSPENSION OF THE PERMIT

The Commission may initiate action to suspend or revoke this Permit at any time. Grounds for suspension or revocation include:

- 1) A false statement was knowingly made in the application or in accompanying statements or studies required of the applicant, and a true statement would have warranted a change in the Commission's findings;
- 2) There has been a failure to comply with material conditions of this Permit, or there has been a failure to maintain health and safety standards; or
- 3) There has been a material violation of a provision of an applicable statute or rule or an order of the Commission.

In the event the Commission shall determine that it is appropriate to consider suspension or revocation of this Permit, it shall act in accordance with all applicable statutes and rules, including Minnesota Statutes Section 216E.14. The Commission may require the Permittee to undertake corrective measures in lieu of suspending or revoking this permit pursuant to Minnesota Rule 7850.5100.

VIII. PERMIT COMPLIANCE

Failure to timely and properly make compliance filings required by this permit is a failure to comply with the conditions of this permit. Compliance filings must be eFiled through the Department of Commerce eDocket system in accordance with the Commission procedure for compliance filings attached to this Permit.

IX. RIGHT OF ENTRY

The Permittee shall allow Commission designated representatives to perform the following, upon reasonable notice, upon presentation of credentials and at all times in compliance with the Permittee's site safety and security standards:

- 1) To enter upon the West Range Site for the purpose of obtaining information, examining records, and conducting surveys or investigations;

- 2) To bring such equipment upon the West Range Site as is necessary to conduct such surveys and investigations;
- 3) To sample and monitor upon the West Range Site; and
- 4) To examine and copy any documents pertaining to compliance with the conditions of this Permit.

X. COMPLAINT PROCEDURE

- 1) At least fourteen (14) days prior to the commencement of construction, the Permittee shall submit to the Commission the Permittee's procedures to be used to receive and respond to substantial complaints received regarding the implementation of this project. The procedures shall be in accordance with the requirements set forth in the Commission complaint report procedure also attached to this Permit.
- 2) The Permittee shall advise the Commission in writing (eFile) of any substantial complaints received by the Permittee during the course of construction that are not resolved within thirty (30) days of the complaint.
- 3) Upon request, the Permittee shall assist the Commission with the disposition of unresolved or longstanding complaints. This assistance shall include, but is not limited to, the submittal of complaint correspondence and complaint resolution efforts.

Compliance Filing Procedures

**MINNESOTA PUBLIC UTILITIES COMMISSION
COMPLIANCE FILING PROCEDURE
FOR PERMITTED ENERGY FACILITIES**

1. **Purpose**

To establish a uniform and timely method of submitting information required by Minnesota Public Utilities Commission (Commission) energy facility permits.

2. **Scope and Applicability**

This procedure encompasses all compliance filings required by permit.

3. **Definitions**

Compliance Filing – A sending (filing) of information to the Commission, where the information is required by a Commission site or route permit.

4. **Responsibilities**

A) The Permittee shall eFile all compliance filings with Dr. Burl Haar, Executive Secretary, Commission, through the Department of Commerce (DOC) eDocket system. The system is located on the DOC website:
<https://www.edockets.state.mn.us/EFiling/home.jsp>

General instructions are provided on the website. Permittee must register on the website to eFile documents.

B) All filings must have a cover sheet that includes:

- 1) Date
- 2) Name of submitter / permittee
- 3) Type of Permit (Site or Route)
- 4) Project Location
- 5) Project Docket Number
- 6) Permit Section Under Which the Filing is Made
- 7) Short Description of the Filing

C) Filings that are graphic intensive (e.g., maps, plan and profile) must, in addition to being eFiled, be submitted as paper copies and on CD. Copies and CDs should be sent to: 1) Dr. Burl W. Haar, Executive Secretary, Minnesota Public Utilities Commission, 121 7th Place East, Suite 350, St. Paul, MN, 55101-2147, and 2) Department of Commerce, Energy Facility Permitting, 85 7th Place East, Suite 500, St. Paul, MN, 55101-2198. Additionally, the PUC may request a paper copy of any eFiled document

PERMITTEE: MEP-I AND MEP-II
PERMIT TYPE: LEPGP Site Permit
PROJECT LOCATION: Itasca County
PUC DOCKET NUMBER: E6472/GS-06-668

Filing Number	Permit Section	Description	Due Date
1	Section IV.A.	Work/site Plan	At least fourteen (14) days prior to the commencement of construction activity (each phase).
2	Section IV.B.2.	Contact Information	At least fourteen (14) days prior to the commencement of construction activity (each phase).
3	Section IV.B.3.	Road Alert	At least fourteen (14) days prior to the commencement of construction activity (each phase), Permittee shall advise PUC on roads to be used.
4	Section IV.B.7	Restoration	Within 60 days after completion of all restoration activities, Permittee shall advise the PUC in writing.
5	Section IV.C.1	Plans and Specifications	Within 120 days after completion of construction (each phase), Permittee shall submit to the PUC the "as built" site layout.
6	Section IV.B.7	GPS Data	Within 120 days after completion of construction (each phase), Permittee shall submit to the PUC the GPS data.
7	Section X	Complaint Procedure	At least fourteen (14) days prior to the commencement of construction activity.

Complaint Report Procedures

**PUBLIC UTILITIES COMMISSION
COMPLAINT REPORT PROCEDURES FOR
LARGE ELECTRIC POWER GENERATING PLANTS**

1. Purpose

To establish a uniform and timely method of reporting complaints received by the Permittee concerning the permit conditions for site preparation, construction, cleanup and restoration, special conditions, other requirements, and resolution of such complaints.

2. Scope

This reporting plan encompasses complaint report procedures and frequency.

3. Applicability

The procedures shall be used for all complaints received by the Permittee.

4. Definitions

Complaint – A statement presented by a person expressing dissatisfaction, resentment, or discontent as a direct result of activities on or operations of the West Range IGCC Power Station and/or for its associated facilities. Complaints do not include requests, inquiries, questions or general comments.

Telephone Complaint – A person presenting a complaint by telephone shall indicate whether the complaint relates to (1) a substantive Site Permit matter, (2) a Site location matter, or (3) a compensation matter. All callers must provide the following information when presenting a complaint by telephone: (1) name; (2) date and time of call; (3) phone number; (4) email address (if available); (5) home address; (6) parcel number.

Substantial Complaint – Written complaints alleging a violation of a specific Site Permit condition that, if substantiated, could result in permit modification or suspension pursuant to the applicable regulations.

Person – An individual, partnership, joint venture, private or public corporation, association, firm, public service company, cooperative, political subdivision, municipal corporation, government agency, public utility district, or any other entity, public or private, however organized.

5. Responsibilities

Everyone involved with any phase of the Site Permit work is responsible to ensure expeditious and equitable resolution of all complaints. It is therefore necessary to establish a uniform method for documenting and handling complaints related to this large electric generating plant project. The following procedures will satisfy this requirement:

- A. The Permittee shall document all complaints by maintaining a record of all applicable information concerning the complaint, including the following:
1. Name of the Permittee and project.
 2. Name of complainant, address and phone number.
 3. Precise property description or tract numbers (where applicable).
 4. Nature of complaint.
 5. Response given.
 6. Name of person receiving complaint and date of receipt.
 7. Name of person reporting complaint to the PUC and phone number.
 8. Final disposition and date.
- B. The Permittee shall assign an individual to summarize complaints for transmittal to the Commission.

6. Requirements

The permittee shall report all complaints to the Commission according to the following schedule:

Immediate Reports – All substantial complaints shall be reported to the Commission by phone or by e-mail the same day received or on the following working day for complaints received after working hours. Such reports are to be directed to Site Permit compliance at the following: DOC.energypermitcompliance@state.mn.us or 1-800-657-3794. Voice messages are acceptable.

Monthly Reports – By the 15th of each month, a summary of all complaints, including substantial complaints received or resolved during the proceeding month. Such summaries shall be sent to Dr. Burl W. Haar, Executive Secretary, Minnesota Public Utilities Commission, Metro Square Building, 121 7th Place East, Suite 350, St. Paul, MN 55101-2147. A copy of each complaint shall be sent to Permit Compliance, Minnesota Department of Commerce, 85 7th Place East, Suite 500, St. Paul, MN 55101-2198.

Unresolved Complaints – The Permittee shall submit all unresolved complaints to the PUC for resolution by the Commission, where appropriate, no later than 45 days after the date of the submission.

7. Complaints Received by the PUC

Copies of complaints received directly by the PUC from aggrieved persons regarding site preparation, construction, cleanup, restoration, operation and maintenance shall be promptly sent to the Permittee.

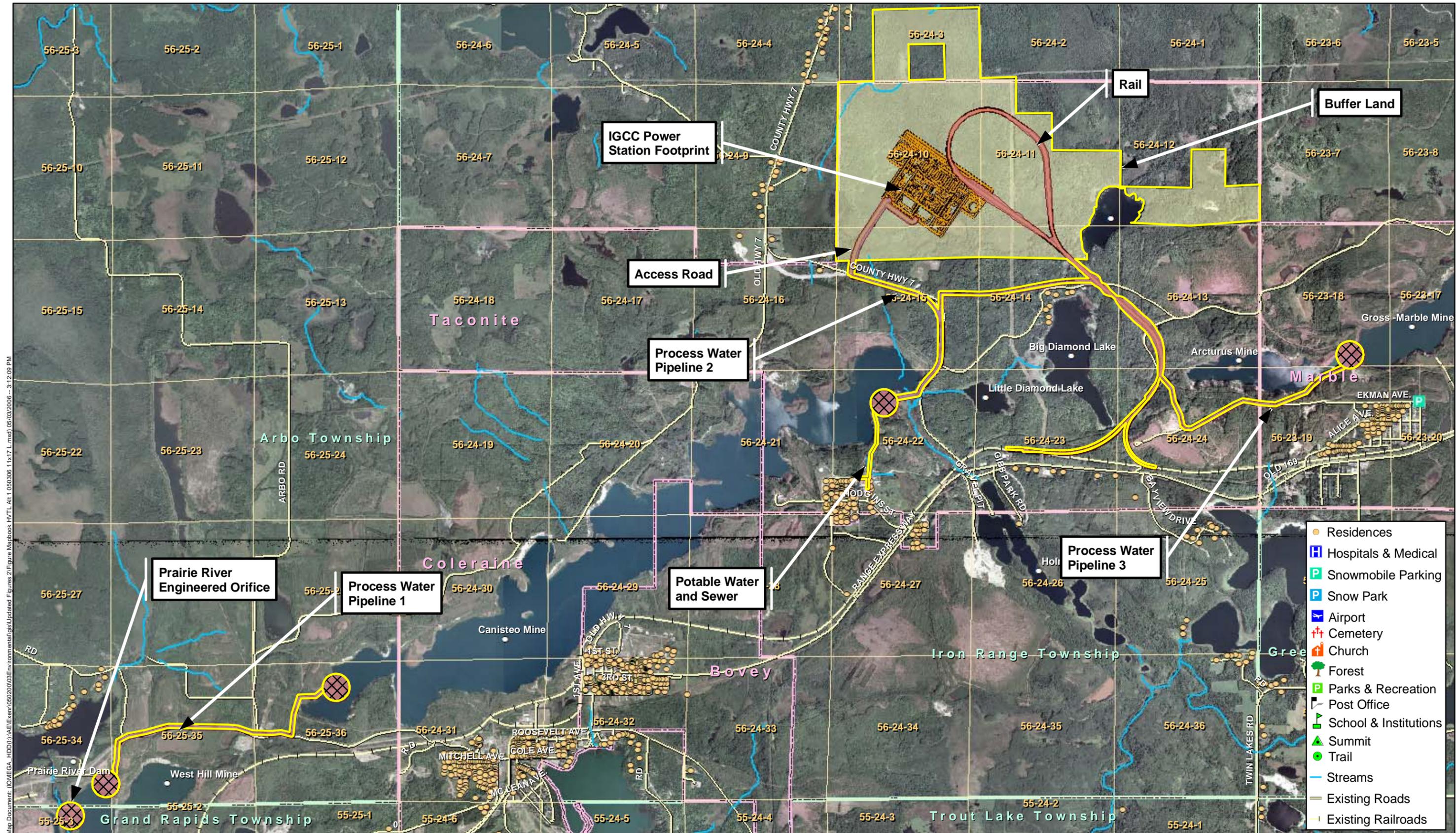
Initial Screening – Commission staff shall perform an initial evaluation of unresolved complaints submitted to the Commission. Complaints raising substantive Site Permit issues shall be processed and resolved by the Commission. Staff shall notify Permittee and the complainant if it determines that the complaint is a substantial complaint. With respect to such complaints, each party shall submit a written summary of its position to

the Commission no later than ten days after receipt of the staff notification. Staff shall present briefing papers to the Commission, which shall resolve the complaint within twenty days of submission of the briefing papers.

Condemnation/Compensation Issues – If the Commission’s staff initial screening determines that a complaint raises issues concerning the just compensation to be paid to landowners on account of Permittee acquisition of Site easements, staff shall recommend to the Executive Secretary that the matter be resolved under the provisions of Minnesota Statutes, Chapter 117. If the Executive Secretary concurs, he shall so report to the Commission and the matter shall be dealt with in the Site condemnation proceedings as an issue of just compensation.

Site Map

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Map Document: I:\OMEGA_HDD\1\AE\Exem\05020003\Environmental\gis\Updated\Figures 2\Figure Mapbook HVTL AI 1 (503006_1\1x17_L.mxd) 05/03/2006 -- 3:12:09 PM

- Residences
- H Hospitals & Medical
- P Snowmobile Parking
- P Snow Park
- A Airport
- + Cemetery
- C Church
- T Forest
- P Parks & Recreation
- P Post Office
- S School & Institutions
- ▲ Summit
- Trail
- Streams
- Existing Roads
- Existing Railroads

Excelsior Energy Inc.

Mesaba Energy Project
Energy, Innovation, and Economic Development for Minnesota

11100 Wayzata Boulevard Suite 305 Minneapolis, MN 55305
Phone 952.847.2360 Fax 952.847.2373

West Range

Jan 2010

Mesaba Site Including its Components

Mesaba Site
 IGCC Power Station Footprint
 Buffer Land
 Potable Water and Sewer
 Additional Lands

Source: USDA 2003 DOQQs, EQB, ESRI, MNDNR, Mn/DOT, USGS, Fluor, Excelsior Energy, and SEH. © 2006 SEH

Note: The precise location of IGCC Power Station Footprint and Associated Facilities are subject to final design.

Mesaba Site Permit Map

Itasca County - South Coordinate System

0 3,000 Feet

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STATE OF MINNESOTA PUBLIC UTILITIES COMMISSION

NATURAL GAS PIPELINE ROUTE PERMIT

IN

ITASCA COUNTY

**ISSUED TO
MEP-I LLC and MEP-II LLC**

DOCKET No. E6472/GS-06-668

In accordance with the requirements of Minnesota Statutes Section 216G.02 and Minnesota Rules, Chapter 7852, this Pipeline Route Permit is hereby issued to:

MEP-I LLC and MEP-II LLC

MEP-I LLC and MEP-II LLC are authorized by this Permit to construct and operate approximately 14.1 miles of up to 24-inch outside diameter natural gas pipeline with a maximum operating pressure of 1,016 pounds per square inch gauge and associated facilities from the existing Great Lakes Meter Station to the Mesaba IGCC Generating Station in Itasca County.

The pipeline shall be constructed within the route identified in this Permit and as portrayed on the attached official route map, and in compliance with the conditions specified in this Permit.

Approved and adopted this ____ day of March, 2010
BY ORDER OF THE COMMISSION

Burl W. Haar,
Executive Secretary

This document can be made available in alternative formats (i.e. large print or audio tape) by calling (651) 201-2202 (voice). Persons with hearing or speech disabilities may call us through Minnesota Relay at (800) 627-3529 or by dialing 711.

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I. ROUTE PERMIT

The Minnesota Public Utilities Commission (the Commission) hereby issues this Pipeline Route Permit to MEP-I LLC and MEP-II LLC (Permittee) pursuant to Minnesota Statutes, section 216G.02 and Minnesota Rules, Chapter 7852 to construct and operate a new approximately 14.1-mile 24-inch outside diameter natural gas pipeline with a maximum allowable operating pressure of 1,016 pounds per square inch gauge (psig) and associated facilities from an interconnection with Great Lakes Gas (GLG) pipeline in Blackberry Township to the West Range IGCC Power Station in and around Taconite, Minnesota, along the route designated in this Permit.

II. PROJECT DESCRIPTION

The pipeline project consists of an approximately 14.1-mile route (approximately 13.2 miles outside of the Buffer Land, as defined in the Joint Application and approximately 0.9 mile inside the Buffer Land), one-half mile in width, containing a right-of-way 70 feet wide permanently and 100 feet wide during construction, connecting the West Range IGCC Power Station to the Great Lakes Gas natural gas pipeline, located in Section 10, Township 54, Range 24; the pipeline will also pass through Section 3, Township 54, Range 24; Sections 1, 12, 13, 14, 23, 25, 26, 34, 35, and 36, Township 55, Range 24; and Sections 11, 14, 23, 25, 26, and 36, Township 56, Range 24, Itasca County.

The pipeline is more specifically described in the MEP-I LLC and MEP-II LLC Joint Application to the Minnesota Public Utilities Commission, dated June 16, 2006, and the Environmental Impact Statement dated November 2009.

III. DESIGNATED ROUTE/SITE

The pipeline route designated by the Commission in this Permit comprises approximately 14.1 miles in Itasca County, Minnesota, as described in detail below and shown on the official route map attached to this Permit.

Point of Interconnection (POI)

The POI for the West Range IGCC Power Station pipeline is the existing 36-inch GLG natural gas pipeline located approximately 12 miles due south of the West Range IGCC Power Station in Section 10, Township 54, Range 24.

Natural Gas Pipeline Configuration and Operation

The pipeline will have an outside diameter of up to 24 inches and will operate at a maximum pressure of 1,016 psi.

Natural Gas Pipeline Route and Anticipated Alignment

The route granted under this Permit is one half mile wide and approximately 14.1 miles in length. The Natural Gas Pipeline Route and anticipated alignment are depicted in Figures 1 through 4.

Approximately 11.7 miles of the Natural Gas Pipeline route will be new right-of-way (ROW) outside of the Buffer Land, of which about 3.3 miles will be shared with the West Range IGCC Power Station's high voltage transmission line (HVTL) route and approximately 1.5 miles will follow the existing HVTL ROW corridor from the retired Greenway Substation to the southern boundary of the Buffer Land.

From the POI with the GLG pipeline, the route bears north for approximately 10,000-feet before turning east for approximately 7,000 feet. The route turns due north at this point for approximately 32,000 feet before turning northwest for approximately 16,000 feet where it terminates at the Buffer Land.

The granted ROW for the pipeline, within the designated route, is a 70-foot wide permanent ROW and an additional 30-foot wide temporary ROW for use doing construction activities.

IV. LAND REQUIREMENTS

Estimates of land use requirements are provided as follows:

A. Permanent right-of-way length, average width, and estimated acreage:

1. The total permanent right-of-way length is approximately 74,450 feet. The permanent right-of-way width will be a maximum of 70 feet. The estimated acreage of the permanent right-of-way is approximately 120 acres.
2. Additional right-of-way in the form of road crossing permits may be needed from the Minnesota Department of Transportation and county/local governments.

B. Temporary right-of-way length, estimated width, and estimated acreage:

The total temporary right-of-way length is approximately 74,450 feet. The temporary right-of-way width will be a maximum of 30 feet and directly adjacent to the 70-foot permanent right-of-way. The estimated acreage of the temporary right-of-way is approximately 51 acres.

C. Associates above ground facilities, estimated area, and estimated acreage:

One approximately 200-foot by 200-foot, fenced-in facility will be constructed adjacent to the existing Great Lakes Gas pipeline, and a second approximately 200-foot by 200-foot, fenced-in facility will be constructed at the terminus of the pipeline at the West Range IGCC Power Station. The total land required for the two facilities is approximately 2 acres. Following completion of the project the areas will be maintained as fenced and graveled facilities for the life of the project.

D. Temporary workspace length, estimated width, and estimated acreage:

The Permittee may obtain permission (written) from landowners adjacent to the permanent and temporary rights-of-way for the additional temporary workspace if site-specific features warrant the request.

E. Estimated range of minimum trench or ditch dimensions including bottom width, top width, depth, and cubic yards of dirt excavated:

1. Estimated trench bottom width – 30 inches.
2. Estimated trench depth – The trench will be excavated to a depth that sufficiently allows for at least 36 inches of backfill from ground surface to the top of pipeline (49 CFR 192.37) and at least 54 inches of backfill from ground surface to top of pipeline when the pipeline crosses the right-of-way of any public drainage facility or any county, town or municipal street or highway and where the pipeline crosses cultivated agricultural land (Minnesota Statute 216G.07, subdivision 1).
3. Estimated top of trench width – 12-feet.
4. Estimated soil excavated – up to approximately 133 cubic yards.

V. PERMIT DISTRIBUTION

The Permittee shall, within 10 days of receipt of this Pipeline Route Permit from the Commission, send a copy of the Permit to the office of each regional development commission of a development region, soil and water conservation district, watershed district, watershed management district, office of the auditor of each county, and the clerk of each city and township crossed by the designated route. The Permittee shall provide a copy of this Pipeline Route Permit to the landowners before construction on the affected landowner’s property at least five days before commencing construction. (Minnesota Rule 7852.3200, Subpart 2).

VI. PERMIT AMENDMENTS

Following issuance of the Pipeline Route Permit, the Permittee may apply to the Commission for amendments on route location and conditions specified in this Permit in accordance with Minnesota Rule 7852.3400.

VII. RIGHT-OF-WAY PLAN AND PROFILE CONSTRUCTION SPECIFICATIONS

Upon issuance of this Pipeline Routing Permit, the Permittee shall provide the Commission with a plan and profile of the right-of-way including specifications and drawings for right-of-way preparation, construction, and restoration at least 14 days prior to any right-of-way preparation.

The Permittee may not commence construction until the 14 days have expired or until the Commission has advised the Permittee that review of the plan and profile and specifications and drawings has been completed. If the Permittee makes any significant change in its plan and profile and/or the specifications and drawings for right-of-way preparation, construction, and

restoration after Commission review, the permittee shall notify the Commission in writing of the changes at least five days before implementing the changes. The Permittee shall also provide the Minnesota Office of Pipeline Safety with the same information provided to the Commission. The Permittee's plan and profile and specifications and drawings, shall become a condition of this Permit and shall be complied with by the permittee (Minnesota Rule 7852.3500).

VIII. PERMIT CONDITIONS

The following conditions apply to pipeline right-of-way preparation, construction, cleanup, and restoration (Minnesota Rule 7852.3600). The Permittee shall comply with the following conditions during construction of the pipeline and associated facilities and for the life of this Permit.

A. FIELD REPRESENTATIVE

At least 10 days prior to commencing construction, the Permittee shall advise the Commission in writing of the person or persons designated to be the field representative for the Permittee with the responsibility to oversee compliance with the conditions of this Permit during construction. The field representative's address, phone number, and emergency phone number shall be provided to the Commission and shall be made available to affected landowners, residents, public officials and other interested persons. The Permittee may change its field representative at any time upon written notice to the Commission.

B. APPLICATION

The Permittee shall follow those specific construction practices and material specifications described in the MEP-I LLC and MEP-II LLC Joint Application to the Minnesota Public Utilities Commission, dated June 16, 2006, unless this Permit establishes a different requirement, in which case this Permit shall prevail.

C. CONSTRUCTION PRACTICES

The Permittee shall comply with the practices set forth in its Joint Application, the Findings of Fact, Conclusions of Law, and Order, and this Permit for right-of-way preparation, construction, cleanup and restoration for the new pipeline.

1. Vegetation Removal. The Permittee shall clear the permanent (70 feet) and temporary (30 feet) right-of-way only to the extent necessary to assure suitable access for construction, safe operation, and maintenance of the pipeline. Tree stumps will be removed at the landowner's request or when necessitated due to trench location. The Permittee will dispose of all debris created by clearing at a licensed disposal facility.

2. Vegetation Protection. Shelterbelts and trees must be protected by the Permittee to the extent possible in a manner compatible with the safe operation, maintenance, and inspection of the pipeline and in compliance with all applicable laws and regulations.

3. Topsoil Protection. Precautions shall be taken by the Permittee such as double ditching as a means to minimize mixing of topsoil and subsoil during excavation of the trench for the pipe unless otherwise negotiated with the affected landowner.

4. Pollution. All appropriate precautions to protect against pollution of the environment must be taken by the Permittee. The Permittee shall be responsible for compliance with all laws applicable to the generation, storage, transportation, cleanup and disposal of hazardous wastes generated during the construction and restoration of the right-of-way.

5. Soil Compaction. Compaction of soil by the Permittee must be kept to a minimum and restored to pre-construction conditions upon completion of the project.

6. Sensitive Areas. Restoration of the wetlands will be performed by Permittee in accordance with the requirements of applicable state and federal permits or laws and landowner agreements.

7. Livestock. Precautions to protect livestock must be taken by the Permittee unless otherwise negotiated with the affected landowner.

8. Drain Tile. The Permittee shall repair or replace all drainage tiles broken or damaged during right-of-way preparation, construction, and maintenance activities, unless otherwise negotiated with the affected landowner.

9. Personal Litter. Cleanup of personal litter, bottles, and paper deposited by right-of-way preparation and construction crews must be performed on a daily basis.

10. Cleanup. All waste and scrap that is the product of the pipeline construction process must be removed or properly disposed of by the Permittee before construction ends.

11. Roads. The Permittee shall repair private roads and lanes damaged when moving equipment or when obtaining access to the right-of-way, unless otherwise negotiated with the affected landowner.

12. Fences. The Permittee shall replace or repair all fences and gates removed or damaged as a result of right-of-way preparation, construction, and restoration activities, unless otherwise negotiated with the affected landowner.

13. Revegetation. The Permittee shall revegetate the right-of-way and all temporary work space, in accordance with the procedures specified in its route Permit application and as required by Permit conditions (item VIII, C, 14) or other federal and state agency permits.

14. Restoration. The Permittee shall, at once, and to the extent possible, restore the area affected by the pipeline to the natural conditions that existed immediately before construction of the pipeline. Restoration of the ROW must be compatible with the safe operation, maintenance, and inspection of the pipeline. Within 60 days after completion of all

restoration activities the Permittee shall advise the Commission in writing of the completion of such activities.

15 Agricultural Mitigation Plan.

Agricultural soil resources, particularly those designated as Prime Farmland soils will be preserved by segregating the topsoil during excavation and backfilling and by employing erosion control best management practices. The erosion control measures will also serve to protect area streams, lakes and wetlands from detrimental deposition of eroded soils.

The Permittee has in consultation with the Minnesota Department of Agriculture (MDA), representatives of the county and interested landowners developed an Agricultural Mitigation Plan (AMP). The plan sets forth mitigative measures that the Permittee will implement to address individual and cumulative impacts of the pipeline on agricultural lands crossed by the pipeline. The AMP is incorporated as a condition of this Permit and shall be complied with by the Permittee.

D. SPECIAL CONDITIONS

1. Security. The Permittee will install temporary gates or similar, as needed, to prohibit public access to the right-of-way during construction.

2. Dewatering. Dewatering during periods of excessive precipitation or in areas where the natural groundwater table intersects the pipeline trench will not be directed into wetlands or water bodies. Dewatering discharges will be directed toward well vegetated upland areas. Should discharge activities need to be directed off the right-of-way, landowner consent will be obtained and locations will be chosen to minimize impacts. All discharge activities will comply with applicable agency permits or approvals.

3. Noise. The Permittee will limit construction activities to daytime hours in an effort to minimize increased noise impacts to individuals in the immediate vicinity of construction of the project.

4. Air Pollution. Water will be applied to upland or dry portions of the project area to minimize fugitive dust and emissions generated by activities such as grading, trenching, backfilling, and vehicle/equipment traffic.

5. Sedimentation. Timber riprap and/ or erosion control mats may be used to minimize construction impacts (rutting and saturated areas), and to create a stable working surface, if necessary. Sediment barriers may be used where the pipeline right-of-way slopes toward a wetland area to prevent sedimentation of the wetland. Where dewatering of the trench becomes necessary, the silted discharge water will be prevented from entering the wetland through use of filter bags or straw bale structures.

6. Access. In areas where public roads are limited, and to minimize repeated travel on portions of the right-of-way, existing privately owned roads could potentially be used to

provide access to the construction right-of-way. Use of private access roads and construction of any new access roads would require landowner permission.

7. Public Safety Information. As provided by applicable laws and regulations the Permittee must provide educational materials to landowners within the route whose land is crossed by the pipeline and, upon request, to interested persons, about the project and any restrictions or dangers associated with the project.

8. Government Agencies. The Permittee shall comply with all federal, state, county, and local rules and regulations. The Permittee will work with units of government throughout the process to discuss any particular concerns that may arise.

E. COMPLIANCE WITH FEDERAL AND STATE AGENCIES

The Permittee shall comply with all terms and conditions of permits or licenses issued by any state agency as identified in the application for a pipeline routing permit.

F. COMPLIANCE WITH COUNTY, CITY, OR MUNICIPAL PERMITS

The Permittee shall comply with all terms and conditions of permits or licenses issued by Itasca County, and local units of government (i.e., townships, cities, municipalities).

G. COOPERATION WITH ENTITIES HAVING EXISTING EASEMENTS AND INFRASTRUCTURE IN THE PIPELINE ROUTE

The Permittee shall cooperate with all entities that have existing easements or infrastructure within the pipeline route to ensure minimal disturbance to existing or planned developments.

H. ARCHAEOLOGICAL SURVEY

The Permittee shall work with the Minnesota State Historic Preservation Office (SHPO) prior to commencing construction to determine whether any archaeological survey (beyond that completed for the EIS) will be necessary for any length of the pipeline route. The Permittee shall mark and preserve any archaeological sites that are found during construction and shall promptly notify the SHPO and the Commission of such discovery. The Permittee shall not excavate at such locations until authorization is provided by the SHPO.

I. ACCESS TO PROPERTY FOR CONSTRUCTION

1. The Permittee shall obtain all necessary permits authorizing access to public rights-of-way prior to any construction.
2. The Permittee shall obtain approval of the landowners for access to private property prior to any construction.

3. The Permittee shall work with property owners to identify and address any special problems the landowners may have that are associated with the pipeline prior to any construction.
4. The Permittee will provide all affected landowners with complete information about the project, keeping them informed throughout the initial survey, right-of-way acquisition, right-of-way preparation, construction, restoration, and future operation and maintenance.

J. COMPLAINTS

1. The Permittee shall establish a complaint reporting procedure in accordance with the requirements of Minnesota Rule 7852.3700 and as explained in attached Complaint Report Procedures of this permit, prior to commencing construction. The Permittee shall advise the Commission in writing when such procedure has been established.
2. The Permittee shall notify the Commission in writing of any complaints received during the course of construction pertaining to Minnesota Rule 7852.3600 that are not resolved within 30 days of the complaint.

K. PERMIT MODIFICATION OR SUSPENSION

If the Commission determines that substantial evidence supports a finding that a violation of the terms or conditions of this Pipeline Route Permit has occurred or is likely to occur, it may take action to modify or suspend this permit. The Commission may, at any time, re-consider modification or suspension of this Permit if the permittee has undertaken effective corrective or ameliorative measures to correct the violations (Minnesota Rule 7852.3800).

L. PREEMPTION OF OTHER LAWS

Pursuant to Minnesota Statutes Section 216G.02, Subdivision 4, the issuance of a pipeline route permit under this section and subsequent purchase and use of the route locations is the only site approval required to be obtained by the person owning or constructing the 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.

IX. PIPELINE CONSTRUCTION COMPLETION CERTIFICATE

The Permittee shall file with the Commission a written certification that the construction of the permitted pipeline has been completed in compliance with all Permit conditions. The certification shall be considered by the Commission within 60 days of its filing. The Commission shall accept or reject the certification of completion and make a final determination regarding cost or reimbursements due. If the Commission rejects the certification, it shall inform the Permittee in writing which deficiencies, if corrected, will allow the certification to be accepted. When corrections to the deficiencies are completed, the Permittee shall notify the Commission, and the Commission shall reconsider the certification at its next regularly

scheduled meeting, provided the notification is received at least 20 days before the meeting. After acceptance of the certification by the Commission, the commission's jurisdiction over the Permittee's Pipeline route Permit shall be terminated (Minnesota Rule 7852.3900).

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Compliance Filing Procedures

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**MINNESOTA PUBLIC UTILITIES COMMISSION
COMPLIANCE FILING PROCEDURE
FOR PERMITTED ENERGY FACILITIES**

1. Purpose

To establish a uniform and timely method of submitting information required by Minnesota Public Utilities Commission (Commission) Energy Facility Permits.

2. Scope and Applicability

This procedure encompasses all compliance filings required by permit.

3. Definitions

Compliance Filing – A sending (filing) of information to the Commission, where the information is required by a Commission site or route permit.

4. Responsibilities

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B) All filings must have a cover sheet that includes:

- 1) Date
- 2) Name of submitter/Permittee
- 3) Type of Permit (Site or Route)
- 4) Project Location
- 5) Project Docket Number
- 6) Permit Section Under Which the Filing is Made
- 7) Short Description of the Filing

C) Filings that are graphics intensive (e.g., maps or plan and profile) must, in addition to being eFiled, be submitted as paper copies and on CD. Copies and CDs should be sent to: 1) Dr. Burl W. Haar, Executive Secretary, Minnesota Public Utilities Commission, 121 7th Place East, Suite 350, St. Paul, MN, 55101-2147, and 2) Office of Energy Security, Energy Facility Permitting, 85 7th Place East, Suite 500, St. Paul, MN, 55101-2198. Additionally, the PUC may request a paper copy of any eFiled document.

PERMIT COMPLIANCE FILINGS¹

PERMITTEES: MEP-I LLC and MEP-II LLC
PERMIT TYPE: Natural Gas Pipeline Route Permit
PROJECT LOCATION: Itasca County
PUC DOCKET NUMBER: E6472/GS-06-668

Filing Number	Permit Section	Description	Due Date
1	V.	Permit Distribution.	Within 10 days of receipt of this permit, distribute copies of the permit.
2	VII.	Submit Plan and Profile of the right-of way and design specifications. Any significant changes made in Plan and Profile or Specifications after initial submission.	At least 14 days prior to right-of-way clearing Notify Commission at least 5 days prior to implementing changes.
3	VIII.A.	Name Field Representative to oversee compliance with permit conditions.	At least 10 days prior to commencing construction
4	VIII.H.	Submit Phase 1A Archaeological Survey²	Prior to the start of construction
5	VIII.J.D	Submit Complaint Procedure to be used to receive and respond to complaints.	Prior to the start of construction
6	IX.	Provide Notification to Commission of construction completeness and in-service date.	At least 60 days before the pipeline is placed into service

¹ This compilation of permit compliance filings is provided for the convenience of the Permittee and the Commission. However, it is not a substitute for the permit; the language of the permit controls.

² Also to be submitted to the State Historical Preservation Office for review.

Agricultural Mitigation Plan

MESABA ENERGY PROJECT

AGRICULTURAL MITIGATION PLAN

FOR A 13.2 MILE NATURAL GAS PIPELINE
ROUTE BETWEEN BLACKBERRY, MN AND WEST
RANGE IGCC POWER STATION

February 5, 2010



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Appendix to Agricultural Mitigation Plan: Mitigative Actions for Organic Agricultural Land

Purpose and Applicability

This Agricultural Mitigation Plan (“AMP”) is intended to support MEP-I LLC and MEP-II LLC’s (collectively referred to hereafter as the “Companies”) application for a natural gas pipeline along the Companies’ preferred route between the tapping point of the Great Lakes Gas Transmission Company’s two 36 inch diameter natural gas pipelines near Blackberry, Minnesota and the Companies’ West Range IGCC Power Station located in and around Taconite, Minnesota.

In addition to the requirements of Minn. Rules Part 7852.3600, which are hereby incorporated by reference, this Plan contains measures intended to avoid, mitigate, or provide compensation for negative agricultural impacts that may result from pipeline construction.

The construction standards and policies only apply to construction activities occurring partially or wholly on privately owned Agricultural Land. The measures do not apply to construction activities occurring entirely on public rights-of-way, railroad rights-of-way, publicly owned land, or private land that is not Agricultural Land.

Additionally, the Appendix to this AMP applies to Organic Agricultural Land defined as farms or portions thereof described in National Organic Program Rules, 7 CFR Parts 205.100, 205.101, and 205.202.

Unless an Easement specifically provides to the contrary, the mitigative actions specified in the construction standards and policies set forth in this Plan will be implemented in accordance with the conditions listed below:

General Provisions

All mitigative actions are subject to change by Landowners or Tenants, provided such changes are negotiated in advance of construction and acceptable to the Companies.

Unless otherwise specified, the Companies will retain qualified contractors to execute mitigative actions; however, the Companies may negotiate with Landowners or Tenants to carry out the mitigative actions that Landowners or Tenants wish to perform themselves.

Mitigative actions employed by the Companies pursuant to this Plan, unless otherwise specified in this Plan or in an Easement or other agreement negotiated with an individual Landowner or Tenant will be implemented within 45 days following completion of Final Clean-up on an affected property, weather permitting or unless otherwise delayed at the request of the Landowner or Tenant. Temporary repairs will be made by the Companies during construction as needed to minimize the risk of additional property damage or interference with the Landowner’s or Tenant’s access to or use of the property that may result from an extended time period to implement mitigative actions.

The Companies will implement the mitigative actions contained in this Plan to the extent that they do not conflict with the requirements of any applicable federal and state rules and

regulations and other permits and approvals that are obtained by the Companies for the project. To the extent a mitigative action required by this agreement is determined to be unenforceable in the future due to requirements of other federal or state permits issued for the project, the Companies will so inform the MDA and work with them to develop a reasonable alternative mitigative action.

By no later than 45 days prior to the construction of the Pipeline, the Companies will provide each Landowner and Tenant with a telephone number and address which can be used to contact the Companies, both during and following the completion of construction, regarding the agricultural impact mitigation work which is performed on their property or other construction-related matter. If the contact information changes after the completion of construction, the Companies will provide the Landowner and Tenant with updated contact information. The Companies will respond to Landowner and Tenant telephone calls and correspondence within a reasonable time.

Certain provisions of this Plan require the Companies to consult and/or agree with the Landowner and Tenant of a property. The Companies shall engage in a good faith effort to secure the agreement of both Landowner and Tenant in such cases. In the event of a disagreement between Landowner and Tenant, the Companies' obligation will be satisfied by securing the Landowner's written agreement, unless the Tenant has demonstrated in a court of competent jurisdiction that he or she has the superior legal rights in the matter at issue.

This plan is incorporated by reference into the Routing Permit issued by the PUC.

The Companies will use good faith efforts to obtain an acknowledgement of completion from each Landowner and Tenant upon the completion of Final Clean-up on their respective property.

If any provision of this Plan is held to be unenforceable, no other provision will be affected by that holding, and the remainder of the Plan will be interpreted as if it did not contain the unenforceable provision.

Definitions

- Agricultural Land = Land that is actively managed for cropland, hayland, or pasture, and land formerly devoted to cropland, hayland, or pasture use that is presently in government set-aside programs.
- Agricultural Inspector = On-site inspector retained by the Companies to verify compliance with requirements of this AMP during construction of the Pipeline. The Agricultural Inspector will have demonstrated experience with pipeline construction on Agricultural Land.
- Agricultural Monitor = On-site monitor retained and funded by the Companies, but reporting directly to MDA and responsible for auditing the Companies' compliance with provisions of this AMP.
- Cropland = Land actively managed for growing row crops, small grains, or hay.
- Companies = MEP-I LLC and MEP-II LLC.
- Easement = The agreement(s) and/or interest in privately owned Agricultural Land held by the Companies by virtue of which it has the right to construct and operate the Pipeline together with such other rights and obligations as may be set forth in such agreement.
- Final Clean-up = Pipeline construction activity that occurs after backfill and before restoration of fences and required reseeded. Final Clean-up activities include: replacing Topsoil, removal of construction debris, removal of excess rock, decompaction of soil as required, installation of permanent erosion control structures, and final grading.
- Landowner = Person(s) holding legal title to Agricultural Land on the Pipeline route from whom the Companies are seeking, or has obtained, a temporary or permanent Easement including any Person(s) authorized in writing by any such Person to make decisions regarding the mitigation or restoration of agricultural impacts to such Person's property.
- Non-Agricultural Land = Any land that is not "Agricultural Land" as defined above.
- Person = An individual or entity, including any partnership, corporation, association, joint stock company, trust, joint

venture, limited liability company, unincorporated organization, or governmental entity (or any department, agency or political subdivision thereof).

- Pipeline = The natural gas pipeline proposed by the Companies (PUC Docket No. E-6472/GS-06-668)
- Planned Tile = Locations where the proposed installation of Tile is made known in writing to the Companies by the Landowner or Tenant either: 1) within 60 days after the signing of an Easement; or 2) before the issuance of a Routing Permit to the Companies by the PUC; whichever is sooner.
- Right-of-Way = The Agricultural Land included in permanent and temporary Easements which the Companies possess for the purpose of constructing and operating the Pipeline.
- Tenant = Any Person, other than the Landowner, lawfully residing on or in possession or control of the land which makes up the "Right-of-Way" as defined in this AMP.
- Tile = Artificial subsurface drainage system.
- Topsoil = The uppermost horizon (layer) of the soil, typically with the darkest color and highest content of organic matter and nutrients.
- Trench Crown = The placement of subsoil and topsoil in the trench to a finished elevation somewhat above the surrounding ground surface to account for post-construction settling of soil returned to the trench.

Mitigative Actions

1. Pipeline Depth of Cover

- A. Except for above-ground facilities, such as mainline block valves, and except as otherwise stated in this Plan, the Pipeline will be buried with the following depths of cover on Agricultural Land:
1. The Pipeline will be constructed with the minimum depth of cover 4-1/2 feet (54 inches) required by Minn. Stat. §216G.07, Subd. 1.
 2. Where existing or Planned Tile are present, the Pipeline will be installed at a depth that will achieve at least a 1-foot separation between the Pipeline and overlying Tiles as described in 1.C.

- B.** Notwithstanding paragraph A of Section 1, unless the Landowner or Tenant determines otherwise in writing, the Companies will construct the Pipeline under existing nonabandoned Tile and Planned Tile within six (6) feet of the surface. The Companies may install the Pipeline over Tile buried deeper than six (6) feet. The Landowner must provide plans for the proposed installation of Planned Tile drawn by a qualified professional with experience in the design and installation of Tile. In determining the proper depth of the Pipeline, the Companies will accommodate the depth and grade needed for both existing and planned Tile to function properly. The Companies will not change the grade of existing Tile to accommodate the Pipeline without the Landowner's or Tenant's advance written consent.
- C.** A minimum of 12 inches of separation will be maintained between the Pipeline and Tile unless the Landowner or Tenant agrees in writing to a lesser separation distance or other physical conditions exist which prevent the minimum distance of separation to be achieved and the Landowner is informed of the physical condition prior to the installation of the Pipeline over the Tile. If the Landowner or Tenant is unavailable, the Agricultural Monitor will be so informed.
- D.** On lands subject to erosion, the Companies will monitor the pipeline Right-of-Way with reasonable frequency to detect erosion of the topcover. The Companies will not knowingly allow the amount of topcover to erode more than 12 inches from its original level. The Companies will be responsible for maintaining the proper topcover under this section where erosion has occurred despite the Landowner's or Tenant's best effort to employ accepted conservation farming practices. However, the Companies will not be responsible for a Landowner or Tenant removing cover either through the use of specialty landscaping methods or any other farming method that would cause the depth of cover to be altered or causing erosion to occur over the Pipeline through means other than accepted conservation farming practices.

2. Topsoil Stripping, Storage, and Replacement

- A.** The Companies will remove Topsoil from the Agricultural Land to be trenched for the Pipeline and for bore pits at road and ditch crossings. The depth of soil to be removed will be the actual depth of the Topsoil or to a specified maximum depth as defined in this AMP. The maximum depth of Topsoil stripping will be 12 inches. The Companies will work with MDA to identify a suitable protocol for communicating the appropriate depth of Topsoil stripping to construction personnel. The Agricultural Inspector or the designated The Companies' inspector will observe Topsoil operations so that appropriate depths are removed.

1. On active Cropland, the Topsoil will be removed from only the area to be excavated above the Pipeline trench, except that the Agricultural Inspector, in consultation with the Agricultural Monitor, may approve Topsoil removal within the Right-of-Way but outside of the area to be excavated above the Pipeline trench where the Agricultural Inspector determines that such additional Topsoil removal is necessary for purposes of safety or would be more protective of the soil resource. Such instances include, but are not limited to:
 - (i) Where, because of hills or side slopes, a portion of the Right-of-Way must be leveled to provide a safe working area;
 - (ii) Where, because of soil conditions such as thin Topsoil, variably-wet or persistently-wet soils, eroded landscapes, or strongly calcareous Mollisols, removal of additional Topsoil would be more protective of the soil resource; or
 - (iii) Where land has been recently cultivated and loose soil and furrows exist such that excessive mixing of subsoil and Topsoil would be a likely result of subsoil storage on top of Topsoil (see item 2.B. below).
 2. If the Agricultural Monitor objects to the determination of the Agricultural Inspector, the Agricultural Monitor will document the objection, provide such documentation to the MDA, and notify the Landowner and Tenant.
- B.** Subsoil material which is removed from the trench will be placed in a stockpile that is separate from stored Topsoil. On land where Topsoil will be removed from only the area to be excavated above the Pipeline trench, and Topsoil will not be removed from the subsoil storage area, it is permissible to place the stockpile of subsoil material on top of Topsoil.
- C.** In backfilling the trench, stockpiled subsoil material will be placed back into the trench before replacing the Topsoil.
- D.** The Topsoil will be replaced so that after settling occurs, the Topsoil's original depth and contour (with an allowance for settling) will be achieved. In situations where substantial settling of soil returned to the trench is expected, the contractor may grade subsoil and topsoil into a low mound ("Trench Crown") above the trench to account for expected post-construction settling.
- E.** Topsoil materials will not be used for destructive purposes such as padding the pipe. The Companies may employ temporary, non-destructive uses of Topsoil such as creating access ramps at road crossings.

3. Repair of Damaged and Adversely Affected Tile

If Tile is damaged by the Pipeline during installation of the Pipeline, the Tile will be repaired in a manner that restores the Tile's operating condition at the point of repair. If Tiles on or immediately adjacent to the Pipeline's construction area are adversely affected by the Pipeline installation, the Companies will take such actions as are reasonably necessary to restore the functioning of the Tile, including the relocation, reconfiguration, or replacement of the existing Tile. The affected Landowner or Tenant may elect to negotiate a fair settlement with the Companies for the Landowner or Tenant to undertake the responsibility for repair, relocation, reconfiguration, or replacement of the damaged Tile. In the event the Landowner or Tenant chooses to undertake the responsibility for repair, relocation, reconfiguration, or replacement of the damaged Tile, the Companies will not be responsible for correcting Tile repairs after completion of the Pipeline installation (the Companies are responsible for correcting Tile repairs after completion of the Pipeline, provided the repairs were made by The Companies or its agents or designees.).

Where the damaged Tile is repaired by the Companies, the following standards and policies will apply to the Tile repair:

- A.** The Companies will contact affected Landowners or Tenants for their knowledge of Tile locations prior to the Pipeline's installation. Tile that is damaged, cut, removed or otherwise discovered will be distinctly marked by placing a highly visible flag at the edge of the construction Right-of-Way directly opposite such Tiles. This marker will not be removed until the Tile has been permanently repaired and such repairs have been approved and accepted by the Landowner or Tenant or the Agricultural Monitor.
- B.** Tiles will be repaired with materials of the same or better quality as that which was damaged.
- C.** If water is flowing through a damaged Tile, temporary repairs will be promptly installed and maintained until such time that permanent repairs can be made.
- D.** Where Tiles are damaged or severed by the Pipeline trench, repairs will be made according to the following standards:
 - 1. Where Tiles are severed by the Pipeline trench, use of double-walled drain tile pipe, or its equivalent material, will be used to construct Tile repairs.
 - 2. Within the trench, 1 1/2 inch river gravel, 4 inch crushed stone, sandbags, bags of concrete or poured concrete will be backfilled under Tiles, as needed to provide support to the Tiles and to

prevent settling. Concrete blocks are also acceptable forms of support as are protective pads on the Pipeline

3. The support member will be of sufficient strength to support loads expected from normal farming practices (i.e., loads up to a 10-ton point load) on the surface directly above the repaired Tile.
 4. The support member will extend a minimum of 2 feet into previously undisturbed soil on both sides of the trench and will be installed in a manner that will prevent it from overturning. If the Tile repairs involve clay Tile, the support member will extend to the first Tile joint beyond the minimum 2 foot distance.
 5. There will be a minimum clearance as required by 1.C.
 6. The grade of the Tile will not be changed.
- E.** Before completing permanent Tile repairs, Tiles will be examined by suitable means on both sides of the trench for their entire length within the work area to check for Tile that might have been damaged by construction equipment. If Tiles are found to be damaged, they will be repaired so they operate as well after construction as before construction began.
- F.** The Companies will make reasonable efforts to complete Permanent Tile repairs within 14 days after Final Clean-up, taking into account weather and soil conditions.
- G.** Following completion of the Final Clean-up, the Companies will also be responsible for correcting Tile repairs that fail due to Pipeline construction, provided those repairs were made by the Companies. The Companies will be responsible for correcting and repairing Tile breaks, or other damages to Tile systems that occur on the Rights-of-Way to the extent that such breaks are the result of Pipeline construction. The Companies will not be responsible for Tile repairs which the Companies have paid the Landowner or Tenant to perform.
- H.** Any necessary modifications to the configuration of existing tile systems must be consistent with NRCS and Minnesota Wetland Conservation Act restrictions on wetland drainage.

4. Agricultural Drainage Ditches

Where the Pipeline route crosses agricultural drainage ditches that are operated by the Landowner, care will be taken to install the Pipeline at a depth that is sufficient to allow for ongoing maintenance of the ditch. After the Pipeline is installed the ditch will be restored to its pre-construction configuration with erosion controls as needed. Crossings of ditches that are operated and maintained by a public entity will be in accordance with applicable permits.

5. Rock Removal

The following conditions with respect to rock removal will apply on Agricultural Land:

- A.** The Pipeline trench, or bore pits, or other excavations will not be backfilled with soil containing rocks of greater concentration or size than existed prior to the Pipeline's construction.
- B.** If trenching, blasting, or boring operations are required through rocky terrain, suitable precautions will be taken to minimize the potential for oversize rocks to become interspersed with the soil material that is placed back in the trench.
- C.** Soil removed from the Pipeline trench, bore pits, or other excavations containing unacceptable rock concentrations or sizes (see 5.A. above) will be hauled off the Landowner's premises or disposed of on the Landowner's premises at a location that is mutually acceptable to the Landowner or Tenant and the Companies, and at the Companies' expense. The Companies may elect to remove excess rock from the soil and use the soil as backfill material.
- D.** After completion of the compaction alleviation activities required in Section 7, below, the Companies will remove rocks which are greater than four (4) inches in diameter from the surface of disturbed soil on the entire construction area if the off Right-of-Way areas do not contain rocks larger than 4 inches in diameter. Where rock removal is required, the amount of rock on the surface of the Right-of-Way after construction will be similar to that on adjacent off-Right-of-Way areas. Rocks will be hauled off the Landowner's premises or disposed of on the Landowner's premises at a location that is mutually acceptable to the Landowner or Tenant and the Companies, and at the Companies' expense.

6. Removal of Construction Debris

Construction-related debris and material which is not an integral part of the Pipeline will be removed from the Landowner's property at the Companies' cost. (Note: Such material to be removed would include litter generated by the construction crews.)

7. Compaction, Rutting, Fertilization, Liming, and Soil Restoration

- A.** Prior to trenching operations and in order to minimize soil compaction, the Companies will, where practical, drive trucks used for transporting pipeline segments ("stringing trucks") along an alignment which corresponds closely to the Pipeline centerline.

- B.** Compaction will be alleviated as needed on Cropland traversed by construction equipment. Cropland that has been compacted will be plowed using appropriate deep-tillage and draft equipment. Alleviation of compaction of the Topsoil will be performed during suitable weather conditions, and must not be performed when weather conditions have caused the soil to become so wet that activity to alleviate compaction would damage the future production capacity of the land as determined by the Agricultural Monitor. The Companies will continue to work with MDA to evaluate the suitability of methods to alleviate soil compaction (e.g. incorporation of bedding manure).
- C.** In the case of a claim for damages related to soil compaction, upon written request, the Companies will retain a Professional Soil Scientist, who is also licensed by the State of Minnesota, or an appropriately qualified Minnesota licensed professional engineer, to perform a soil survey for soil compaction using appropriate field equipment such as a soil penetrometer to investigate such claim. In addition, where there are row crops, samples will be taken in the middle of the row, but not in rows where the drive wheels of farm equipment normally travel. Copies of the results of the above-described survey will be provided to the Landowners and/or Tenants making such claim at the Companies expense within 45 days of completion of the soil survey.
- D.** The Companies will restore rutted land to as near as practical to its pre-construction condition.
- E.** The Companies will compensate Landowners and/or Tenants, as appropriate, for damages caused by the Companies during Pipeline construction, including the cost of soil restoration on the Right-of-Way.
- F.** If there is a dispute between the Landowner and Tenant and the Companies as to what areas need to be ripped or chiseled, the depth at which compacted areas should be ripped or chiseled, or the necessity or rates of lime, fertilizer, and organic material application, the Agricultural Monitor's opinion will be considered by the Companies.

8. Land Leveling

Following the completion of the Pipeline construction, the Companies will restore the area disturbed by construction as best as practicable to its original pre-construction elevation and contour. If uneven settling occurs or surface drainage problems develop as a result of Pipeline construction, the Companies will provide additional land leveling services, or initiate negotiations for reasonable compensation in lieu of restoration, within 45 days of receiving a Landowner's or Tenant's written notice, weather permitting.

9. Prevention of Soil Erosion

The Companies will work with Landowners and Tenants to prevent excessive erosion on lands disturbed by construction. The Companies will implement reasonable methods as described in the Companies' Environmental Mitigation Plan.

10. Repair of Damaged Soil Conservation Practices

Soil conservation practices (such as terraces, grassed waterways, etc.) which are damaged by the Pipeline's construction will be restored as best as practicable to their pre-construction condition.

11. Interference with Irrigation Systems

- A. If the Pipeline and/or temporary work areas intersect an operational (or soon to be operational) spray irrigation system, the Companies will establish with the Landowner or the Tenant, an acceptable amount of time the irrigation system may be out of service.
- B. If, as a result of Pipeline construction activities, an irrigation system interruption results in crop damages, either on the Right-of-Way or off the Right-of-Way, compensation of Landowners and/or Tenants, as appropriate, will be determined as described in section 18 of this AMP.
- C. If it is feasible and mutually acceptable to the Companies and the Landowner or the Tenant, temporary measures will be implemented to allow an irrigation system to continue to operate across land on which the Pipeline is also being constructed.

12. Mitigation for Other Natural Resource Impacts

Unless otherwise required by a state or federal agency or other governmental body, the Companies will not mitigate for impacts to other natural resources (wetlands, woodlands, etc.) utilizing Agricultural Land as mitigation lands. If Agricultural Land is used for woodland/wetland impact mitigation, the Companies will attempt to negotiate a mitigation ratio not to exceed a 1:1 ratio.

13. Ingress and Egress

Prior to the Pipeline's installation, the Companies will identify the means of entering and leaving the Right-of-Way should access to the Right-of-Way not be practical or feasible from adjacent segments of the Right-of-Way or from public highway or railroad right-of-way consistent with the Companies' Easement rights. Temporary access ramps may be constructed using locally obtained Topsoil as needed to facilitate the movement of equipment between public highways and the Right-of-Way.

14. Temporary Roads

- A.** Temporary roads to be used for construction purposes will be located by the Companies to minimize impacts to the Landowner or the Tenant's current use of the Agricultural Land.
- B.** The temporary roads will be designed so as to not impede proper drainage and will be built to minimize soil erosion on or near the temporary roads.
- C.** Upon abandonment, temporary roads may be left intact through mutual agreement of the Landowner and Tenant and the Companies unless otherwise restricted by federal, state or local regulations.
- D.** If the temporary roads are to be removed, the Agricultural Land upon which the temporary roads are constructed will be returned as best as practicable to its previous use and restored to equivalent condition as existed prior to their construction. Restoration techniques for temporary roads will be similar to those employed in restoring the Pipeline Right of-Way, e.g. decompaction.

15. Weed Control

On land over which the Companies have above-ground facilities (i.e., valve sites, pump stations, etc.), the Companies will provide for weed control to avoid the spread of weeds onto adjacent Agricultural Land during operation of the Pipeline. Weed control spraying will be in accordance with State of Minnesota regulations.

16. Pumping of Water from Open Trenches

- A.** In the event it becomes necessary to pump water from open trenches, the Companies will pump the water in a manner that will minimize damaging adjacent Agricultural Land, crops, and/or pasture. Such damages include, but are not limited to: inundation of crops for more than 24 hours and deposition of sediment in ditches and other water courses.
- B.** If water-related damage during pumping of water from open trenches results in a loss of yield, compensation of Landowners and/or Tenants, will be determined as described in section 18 of this AMP.
- C.** Standards for pumping of water will apply to the extent that they do not conflict with federal, state, and local regulations.

17. Construction in Wet Conditions

- A.** Should the Agricultural Monitor determine that, due to wet conditions, continued construction activity would result in damage to the future production capacity of the land included in the construction area, the Agricultural Monitor may request the Companies' Agricultural Inspector

to temporarily halt the construction activity on that Landowner's property (not on the entire construction spread) until the Agricultural Monitor consults with supervisory personnel of the Companies.

- B.** If construction is continued over the Agricultural Monitor's objection and damage results, the Landowner or Tenant may seek a determination of damages. Compensation for Landowners and/or Tenants, as appropriate, will be determined as described in section 18 of this AMP.

18. Procedures for Determining Construction-Related Damages

- A.** The Companies will negotiate in good faith with Landowners or Tenants who assert claims for construction-related damages. The procedure for resolution of these claims will be in accordance with the terms of the Easements.
- B.** Negotiations between the Companies and any affected Landowner or Tenant will be voluntary in nature and no party is obligated to follow any particular procedure or method for computing the amount of loss for which compensation is sought or paid, except as otherwise specifically provided in the Easements. In the event a Landowner or a Tenant decides not to accept compensation offered by the Companies, the compensation offered is only an offer to settle, and the offer shall not be introduced in any proceeding brought by the Landowner or a Tenant to establish the amount of damages the Companies must pay. In the event that the Companies and a Landowner or Tenant are unable to reach an agreement on the amount of compensation, any such Landowner or Tenant may seek further recourse as provided in the Easement.

19. Advance Notice of Access to Private Property

- A.** The Companies will provide the Landowner and/or Tenant with a minimum of 24 hours prior notice before accessing his/her property for the purpose of constructing the Pipeline.
- B.** Prior notice will consist of a personal contact or a telephone contact, whereby the Landowner and the Tenant is informed of the Companies' intent to access the land. If the Landowner and/or Tenant cannot be reached in person or by telephone, the Companies will mail or hand-deliver to the Landowner and the Tenant's home a dated, written notice of the Companies' intent. The Landowner and Tenant need not acknowledge receipt of the written notice before the Companies can enter the Landowner's property.

20. Indemnification

Indemnification obligations relating to the Pipeline installation covered by this AMP shall be determined in accordance with the terms of the Easements.

21. Excavation after Pipeline Installation

If, after Pipeline installation the Landowner or Tenant must make repairs to a Tile that lies within the Right-of-Way, or is to install new Planned Tile, the Landowner or Tenant must obtain the Companies' approval of the proposed work plan prior to commencing any activities within the Right-of-Way. The Companies may impose such requirements and limitations on the work as are necessary to protect the safety and integrity of the Companies' facilities. In connection with any such work, the Companies will, at their own expense:

- A. If the Pipeline is below the Tile, the Companies will provide a person to be present when the excavation work is being performed but will not perform the excavation work.
- B. If the Pipeline is above the Tile, the Companies will be responsible for reasonable extra costs incurred by the Landowner or Tenant to excavate and expose the Pipeline in accordance with the Companies' requirements for protection of the Pipeline.
- C. The Landowner or Tenant will be responsible for contacting Gopher State One Call prior to any excavation near the Pipeline and complying with all necessary requirements imposed by the Companies to protect the safety and integrity of the Companies' facilities.

22. Role and Responsibilities of Agricultural Monitor

The Agricultural Monitor will be retained and funded by the Companies, but will report directly to MDA. The primary function of the Agricultural Monitor will be to audit the Companies' compliance with this AMP. The Agricultural Monitor will not have the authority to direct construction activities and will work through the Companies' Agricultural Inspector if compliance issues are identified. The Agricultural Monitor will have full access to Agricultural Land crossed by the Project and will have the option of attending meetings where construction on Agricultural Land is discussed. Specific duties of the Agricultural Monitor will include but are not limited to the following:

- 1. Participate in preconstruction training activities sponsored by the Companies.
- 2. Monitor construction and restoration activities on Agricultural Land for compliance with provisions of this AMP.
- 3. Report instances of noncompliance to the Companies' Agricultural Inspector.
- 4. Prepare regular compliance reports and submit to MDA.

5. Act as liaison between Landowners and Tenants and MDA. Serve as a resource to Landowners and Tenants to explain any proposed changes to this AMP during construction.
6. Maintain a written log of communications from Landowners and/or Tenants regarding compliance with this AMP. Report Landowner complaints to the Companies' Agricultural Inspector or right-of-way representative.

23. Qualifications and Selection of Agricultural Monitor

The Agricultural Monitor will have a bachelor's degree in agronomy, soil science or equivalent work experience. In addition, the Agricultural Monitor will have demonstrated practical experience with pipeline construction and restoration on Agricultural Land. The Companies will provide resumes of candidates that meet the qualifications listed above for review and final selection by MDA.

24. Role of the Agricultural Inspector

The Agricultural Inspector will:

1. Be a member of the Companies' environmental inspection team retained to perform the functions identified in items 2 through 8 below.
2. Be responsible for verifying the Companies' compliance with provisions of this AMP during construction.
3. Work collaboratively with other inspectors of the Companies, right-of-way agents, and the Agricultural Monitor in achieving compliance with this AMP.
4. Observe construction activities on Agricultural Land on a continual basis.
5. Have the authority to stop construction activities that are determined to be out of compliance with provisions of this AMP.
6. Document instances of noncompliance and work with construction personnel to identify and implement appropriate corrective actions as needed.
7. Provide construction personnel with training on provisions of this AMP before construction begins.
8. Provide construction personnel with field training on specific topics such as protocols for Topsoil stripping.

Appendix to Agricultural Mitigation Plan: Mitigative Actions for Organic Agricultural Land

Introduction

This appendix identifies mitigation measures that apply specifically to farms that are Organic Certified or farms that are in active transition to become Organic Certified, and is intended to address the unique management and certification requirements of these operations. All protections provided in the Agricultural Mitigation Plan must also be provided to Organic Agricultural Land in addition to the provisions of this appendix.

The provisions of this appendix will apply to Organic Agricultural Land for which the Landowner or Tenant has provided to the Companies a true, correct and current version of the Organic System Plan within 60 days after the signing of the Easement for such land or 60 days after the issuance of a Routing Permit to the Companies by the PUC, whichever is sooner, or, in the event the Easement is signed later than 60 days after the issuance of the Routing Permit, the provisions of this appendix are applicable when the Organic System Plan is provided to the Companies at the time of the signing of the Easement. In instances where the Companies are in possession of the Easement prior to submitting its PUC application, the Landowner or Tenant must provide the Organic System Plan to the Companies no later than 60 days after the issuance of the Routing Permit. The Companies recognize that Organic Agricultural Land is a unique feature of the landscape and will treat this land with the same level of care as other sensitive environmental features.

Definitions

Unless otherwise provided to the contrary in this Appendix, capitalized terms used in this Appendix shall have the meanings provided below and in the AMP. In the event of a conflict between this Appendix and the AMP with respect to definitions, the definition provided in this Appendix will prevail but only to the extent such conflicting terms are used in this Appendix. The definition provided for the defined words used herein shall apply to all forms of the words.

Apply	=	To intentionally or inadvertently spread or distribute any substance onto the exposed surface of the soil.
Certifying Agent	=	As defined by the National Organic Program Standards, Federal Regulations 7 CFR Part 205.2.
Decertified or Decertification	=	Loss of Organic Certification.
Organic Agricultural Land	=	Farms or portions thereof described in 7 CFR Parts 205.100, 205.202, and 205.101.

- Organic Buffer Zone = As defined by the National Organic Program Standards, Federal Regulations 7 CFR Part 205.2.
- Organic Certification or Organic Certified = As defined by the National Organic Program Standards, Federal Regulations 7 CFR Part 205.100 and 7CFR Part 205.101.
- Organic System Plan = As defined by the National Organic Program Standards, Federal Regulations 7 CFR Part 205.2.
- Prohibited Substance = As defined by the National Organic Program Standards, Federal Regulations 7 CFR Part 205. 600 through 7 CFR Part 205.605 using the criteria provided in 7 USC 6517 and 7 USC 6518.

Organic System Plan

The Companies recognize the importance of the individualized Organic System Plan (OSP) to the Organic Certification process. The Companies will work with the Landowner or Tenant, the Landowner or Tenant’s Certifying Agent, and/or a mutually acceptable third-party Organic consultant to identify site-specific construction practices that will minimize the potential for Decertification as a result of construction activities. Possible practices may include, but are not limited to: equipment cleaning, use of drop cloths during welding and coating activities; removal and storage of Topsoil; planting a deep-rooted cover crop in lieu of mechanical decompaction; applications of composted manure or rock phosphate; preventing the introduction of disease vectors from tobacco use; restoration and replacement of beneficial bird and insect habitat; maintenance of organic buffer zones; use of organic seeds for any cover crop; or similar measures. The Companies recognize that Organic System Plans are proprietary in nature and will respect the need for confidentiality.

Prohibited Substances

The Companies will avoid the Application of Prohibited Substances onto Organic Agricultural Land. No herbicides, pesticides, fertilizers or seed will be applied unless requested and approved by the Landowner. Likewise, no refueling, fuel or lubricant storage or routine equipment maintenance will be allowed on Organic Agricultural Land. Equipment will be checked prior to entry to make sure that fuel, hydraulic and lubrication systems are in good working order before working on Organic Agricultural Land. If Prohibited Substances are used on land adjacent to Organic Agricultural Land, these substances will be used in such a way as to prevent them from entering Organic Agricultural Land.

Soil Handling

Topsoil and subsoil layers that are removed during construction on Organic Agricultural Land will be stored separately and replaced in the proper sequence after the Pipeline is

installed. Unless otherwise specified in the site-specific plan described above, the Companies will not use this soil for other purposes, including creating access ramps at road crossings. No Topsoil or subsoil (other than incidental amounts) may be removed from Organic Agricultural Land. Likewise, Organic Agricultural Land will not be used for storage of soil from non-Organic Agricultural Land.

Erosion Control

On Organic Agricultural Land, the Companies will, to the extent feasible, implement erosion control methods consistent with the Landowner or Tenant's Organic System Plan. On land adjacent to Organic Agricultural Land, the Companies' erosion control procedures will be designed so that sediment from adjacent non-Organic Agricultural Land will not flow along the right-of-way and be deposited on Organic Agricultural Land. Treated lumber, non-organic hay bales, non-approved metal fence posts, etc. will not be used in erosion control on Organic Agricultural Land.

Water in Trenches

During construction, the Companies will leave an earthen plug in the trench at the boundary of Organic Agricultural Land to prevent trench water from adjacent land from flowing into the trench on Organic Agricultural Land. Likewise, the Companies will not allow trench water from adjacent land to be pumped onto Organic Agricultural Land.

Weed Control

On Organic Agricultural Land, the Companies will, to the extent feasible, implement weed control methods consistent with the Landowner or Tenant's Organic System Plan. Prohibited Substances will not be used in weed control on Organic Agricultural Land. In addition, the Companies will not use Prohibited Substances in weed control on land adjacent to Organic Agricultural Land in such a way as to allow these materials to drift onto Organic Agricultural Land.

Mitigation of Natural Resource Impacts

The Companies will not use Organic Agricultural Land for the purpose of required compensatory mitigation of impacts to natural resources such as wetlands or woodlands unless approved by the Landowner.

Monitoring

In addition to the responsibilities of the Agricultural Monitor described in the AMP, the following will apply:

- The Agricultural Monitor or a USDA-approved Organic Certifier retained by the Companies will monitor construction and restoration activities on Organic Agricultural Land for compliance with the provisions of this appendix and will document activities that could result in Decertification.

- Instances of non-compliance will be documented according to Independent Organic Inspectors Association protocol consistent with the Landowner's OSP, and will be made available to the MDA, the Landowner, the Tenant, the Landowner's or Tenant's Certifying Agent, and to the Companies.

If the Agricultural Monitor is responsible for monitoring activities on Organic Agricultural Land, he/she will be trained, at the Companies' expense, in organic inspection, by the Independent Organic Inspectors Association, unless the Agricultural Monitor received such training during the previous three years.

Compensation for Construction Damages

The settlement of damages will be based on crop yield and/or crop quality determination and the need for additional restoration measures and will proceed in accordance with the terms of the Easement. Unless the Landowner or Tenant of Organic Agricultural Land and Company agree otherwise, at the Company's expense, a mutually agreed upon professional agronomist will make crop yield determinations, and the Minnesota Department of Agriculture Fruit and Vegetable Inspection Unit will make crop quality determinations. If the crop yield and/or crop quality determinations indicate the need for soil testing, the testing will be conducted by a commercial laboratory that is properly certified to conduct the necessary tests and is mutually agreeable to the Companies and the Landowner or Tenant. Field work for soil testing will be conducted by a Professional Soil Scientist or Professional Engineer licensed by the State of Minnesota. The Companies will be responsible for the cost of sampling, testing and additional restoration activities, if needed. Landowners or Tenants may elect to settle damages with the Companies in advance of construction on a mutually acceptable basis or to settle after construction based on a mutually agreeable determination of actual damages.

Compensation for Damages Due to Decertification

Should any portion of Organic Agricultural Land be Decertified as a result of construction activities, the settlement of damages will be based on the difference between revenue generated from the land affected before Decertification and after Decertification so long as a good faith effort is made by the Landowner or Tenant to regain Certification.

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Complaint Report Procedures

**PUBLIC UTILITIES COMMISSION
COMPLAINT REPORT PROCEDURES FOR
PIPELINE ROUTE**

1. Purpose

To establish a uniform and timely method of reporting complaints received by the Permittee concerning the permit conditions for site preparation, construction, cleanup and restoration, special conditions, other requirements, and resolution of such complaints.

2. Scope

This reporting plan encompasses complaint report procedures and frequency.

3. Applicability

The procedures shall be used for all complaints received by the Permittee.

4. Definitions

Complaint – A statement presented by a person expressing dissatisfaction, resentment, or discontent as a direct result of activities on or operations of the West Range IGCC Power Station and/or for its associated facilities (HVTL and/or Pipeline). Complaints do not include requests, inquiries, questions or general comments.

Telephone Complaint – A person presenting a complaint by telephone shall indicate whether the complaint relates to (1) a substantive Permit matter, (2) a location matter, or (3) a compensation matter. All callers must provide the following information when presenting a complaint by telephone: (1) name; (2) date and time of call; (3) phone number; (4) email address (if available); (5) home address; (6) parcel number.

Substantial Complaint – Written complaints alleging a violation of a specific Site Permit condition that, if substantiated, could result in permit modification or suspension pursuant to the applicable regulations.

Person – An individual, partnership, joint venture, private or public corporation, association, firm, public service company, cooperative, political subdivision, municipal corporation, government agency, public utility district, or any other entity, public or private, however organized.

5. Responsibilities

Everyone involved with any phase of the Permit work is responsible to ensure expeditious and equitable resolution of all complaints. It is therefore necessary to establish a uniform method for documenting and handling complaints related to this large electric generating plant project. The following procedures will satisfy this requirement:

A. The Permittee shall document all complaints by maintaining a record of all applicable information concerning the complaint, including the following:

1. Name of the Permittee and project.
2. Name of complainant, address and phone number.
3. Precise property description or tract numbers (where applicable).
4. Nature of complaint.
5. Response given.
6. Name of person receiving complaint and date of receipt.
7. Name of person reporting complaint to the PUC and phone number.
8. Final disposition and date.

- B. The Permittee shall assign an individual to summarize complaints for transmittal to the Commission.

6. Requirements

The permittee shall report all complaints to the Commission according to the following schedule:

Immediate Reports – All substantial complaints shall be reported to the Commission by phone or by e-mail the same day received or on the following working day for complaints received after working hours. Such reports are to be directed to Site Permit compliance at the following: DOC.energypermitcompliance@state.mn.us or 1-800-657-3794. Voice messages are acceptable.

Monthly Reports – By the 15th of each month, a summary of all complaints, including substantial complaints received or resolved during the proceeding month. Such summaries shall be sent to Dr. Burl W. Haar, Executive Secretary, Minnesota Public Utilities Commission, Metro Square Building, 121 7th Place East, Suite 350, St. Paul, MN 55101-2147. A copy of each complaint shall be sent to Permit Compliance, Minnesota Department of Commerce, 85 7th Place East, Suite 500, St. Paul, MN 55101-2198.

Unresolved Complaints – The Permittee shall submit all unresolved complaints to the PUC for resolution by the Commission, where appropriate, no later than 45 days after the date of the submission.

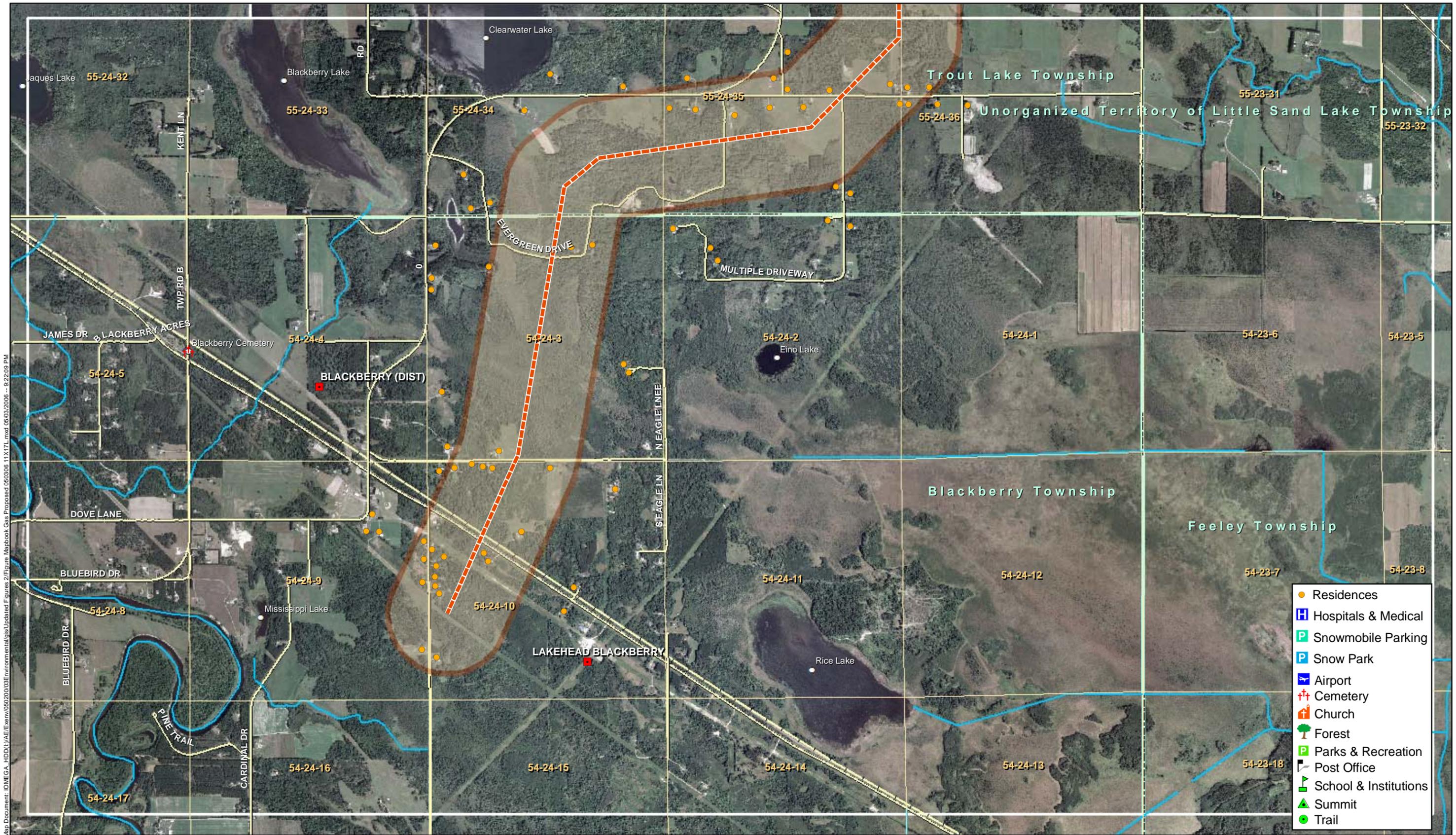
7. Complaints Received by the PUC

Copies of complaints received directly by the PUC from aggrieved persons regarding site preparation, construction, cleanup, restoration, operation and maintenance shall be promptly sent to the Permittee.

Initial Screening – Commission staff shall perform an initial evaluation of unresolved complaints submitted to the Commission. Complaints raising substantive Permit issues shall be processed and resolved by the Commission. Staff shall notify Permittee and the complainant if it determines that the complaint is a substantial complaint. With respect to such complaints, each party shall submit a written summary of its position to the Commission no later than ten days after receipt of the staff notification. Staff shall present briefing papers to the Commission, which shall resolve the complaint within twenty days of submission of the briefing papers.

Condemnation/Compensation Issues – If the Commission's staff initial screening determines that a complaint raises issues concerning the just compensation to be paid to landowners on account of Permittee acquisition of easements, staff shall recommend to the Executive Secretary that the matter be resolved under the provisions of Minnesota Statutes, Chapter 117. If the Executive Secretary concurs, he shall so report to the Commission and the matter shall be dealt with in the condemnation proceedings as an issue of just compensation.

Pipeline Route & Anticipated Alignment



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Excelsior Energy Inc.

Mesaba Energy Project
 Energy, Innovation, and Economic Development for Minnesota

11100 Wayzata Boulevard Suite 305 Minnetonka, MN 55305
 Phone 952.847.2360 Fax 952.847.2373

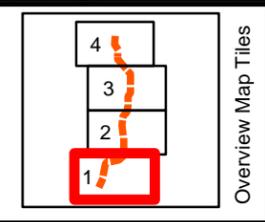
West Range

Jan 2010

Legend

Natural Gas Route	Plant Layout	Streams
Natural Gas Route Centerline	Footprint and Buffer Land	Existing Roads
	Existing Railroads	

Source: USDA 2003 DOQQs, EQB, ESRI, MNDNR, Mn/DOT, USGS, Fluor, Excelsior Energy, and SEH.
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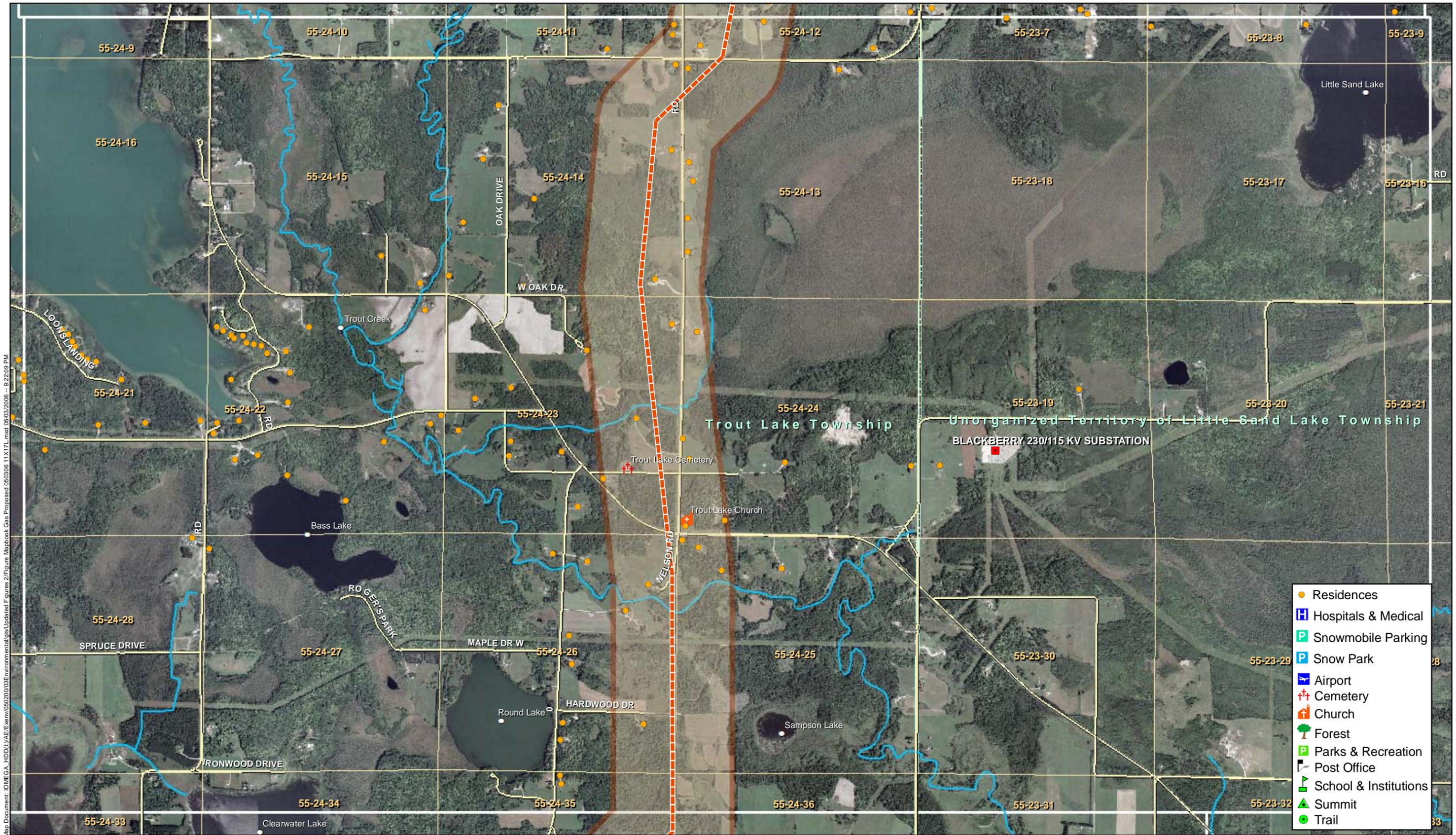
Overview Map Tiles

Natural Gas Pipeline Route and Centerline
 Map 1 of 4

Itasca County - South Coordinate System

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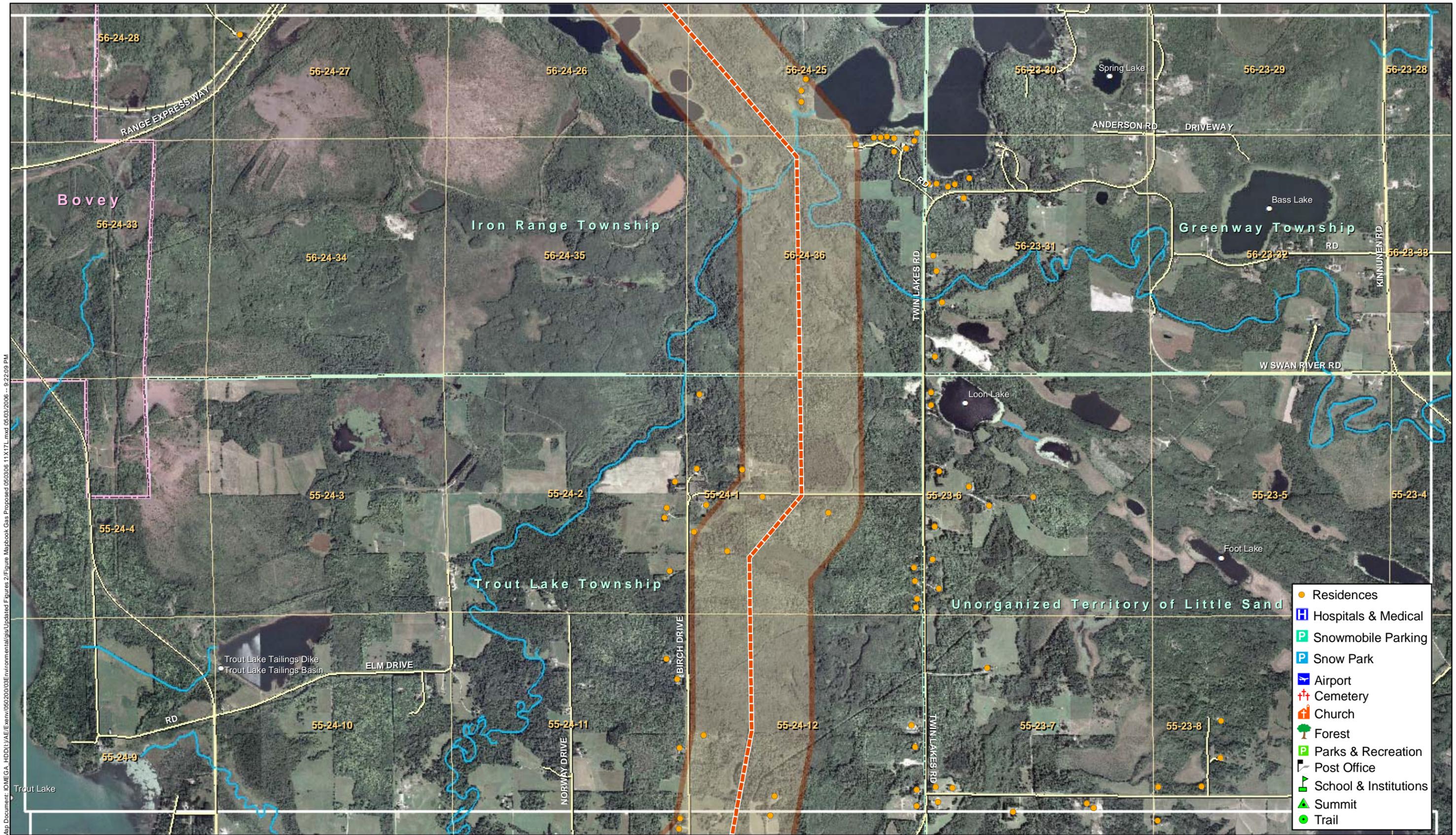
Overview Map Tiles

Natural Gas Pipeline Route and Centerline
 Map 2 of 4

Itasca County - South Coordinate System

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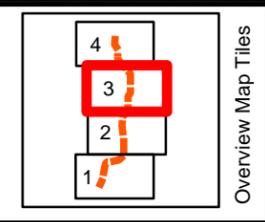
West Range

Jan 2010

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Natural Gas Route	Plant Layout	Streams
Natural Gas Route Centerline	Footprint and Buffer Land	Existing Roads
		Existing Railroads

Source: USDA 2003 DOQQs, EQB, ESRI, MNDNR, Mn/DOT, USGS, Fluor, Excelsior Energy, and SEH.
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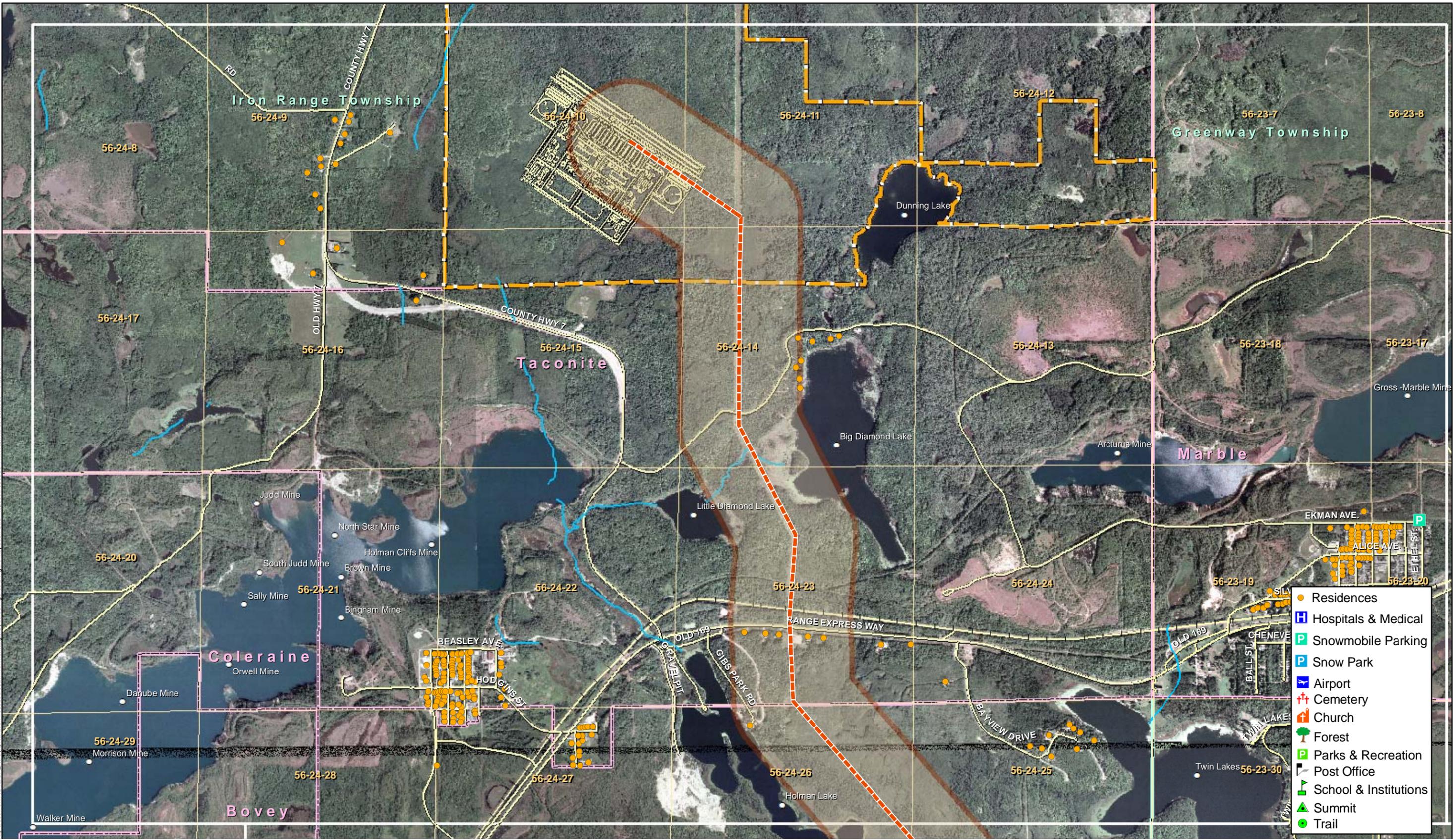
Natural Gas Pipeline Route and Centerline
 Map 3 of 4

Itasca County - South Coordinate System

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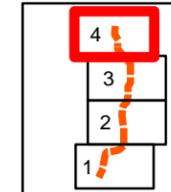
West Range

Jan 2010

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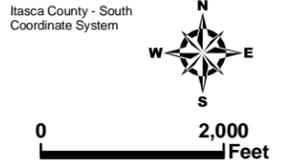
- Natural Gas Route
- Natural Gas Route Centerline
- Plant Layout
- Footprint and Buffer Land
- Streams
- Existing Roads
- Existing Railroads

Source: USDA 2003 DOQQs, EQB, ESRI, MNDNR, Mn/DOT, USGS, Fluor, Excelsior Energy, and SEH.
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Overview Map Tiles

Natural Gas Pipeline Route and Centerline Map 4 of 4



Itasca County - South Coordinate System

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STATE OF MINNESOTA PUBLIC UTILITIES COMMISSION

**ROUTE PERMIT FOR CONSTRUCTION OF A HIGH
VOLTAGE TRANSMISSION LINE
IN**

ITASCA COUNTY, MINNESOTA

**ISSUED TO
MEP-I LLC and MEP-II LLC**

PUC DOCKET NO. E6472/GS-06-668

In accordance with the requirements of Minnesota Statutes Chapter 216E and Minnesota Rules Chapter 7850, this Route Permit is hereby issued to:

MEP-I LLC and MEP-II LLC

MEP-I LLC and MEP-II LLC, is authorized by this Permit to construct a 345 kilovolt (kV) high voltage transmission line (HVTL) approximately ten miles in length, between the Mesaba One and Mesaba Two, a nominal 1,200 MWe large electric power generating plant to be constructed in two phases in and around the city limits of Taconite, Minnesota (hereafter, the West Range IGCC Power Station), and the Blackberry substation. The West Range IGCC Power Station and the Blackberry Substation are both located in Itasca County, Minnesota.

The 345-kV HVTL shall be built within the route identified in this Permit and as portrayed on the attached official route map, and in compliance with the conditions specified in this Permit.

Approved and adopted this _____ day of March 2010

BY ORDER OF THE COMMISSION

Burl W. Haar,
Executive Secretary

This document can be made available in alternative formats (i.e. large print or audio tape) by calling (651) 201-2202 (voice). Persons with hearing or speech disabilities may call us through Minnesota Relay at (800) 627-3529 or by dialing 711.

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I. ROUTE PERMIT

The Minnesota Public Utilities Commission (Commission) hereby issues this Route Permit to MEP-I LLC and MEP-II LLC (together, the Permittee) pursuant to Minnesota Statutes Chapter 216E and Minnesota Rules Chapter 7850. This Permit authorizes the Permittee to construct approximately 10 miles of 345 kV high voltage transmission line (HVTL) and associated facilities between Mesaba One and Mesaba Two, a nominal 1,200 MWe large electric power generating plant (LEPGP) to be constructed in and around the city of Taconite, Minnesota (hereafter, the West Range IGCC Power Station) and the Blackberry Substation, both of which are located in Itasca County, Minnesota.

II. PROJECT DESCRIPTION

The HVTL project consists of an approximately 9.6-mile route (approximately 8.9 miles outside of the Buffer Land, as defined in the Joint Application, and approximately 0.7 mile inside the Buffer Land), one-half mile in width, containing a permanent right-of-way 100 feet wide and a temporary right-of-way 150 feet wide during construction, connecting the West Range IGCC Power Station to the Blackberry Substation, located in Section 19, Township 55, Range 23; in addition to this section, the HVTL passes through Sections 1, 12, 13, and 24, Township 55, Range 24; and Sections 11, 14, 23, 25, 26, and 36, Township 56, Range 24, Itasca County.

The 345 kV HVTL will be supported by direct-embedded galvanized steel poles with davit arms for the majority of the route. The tangent structures in the HVTL are expected to range in height from approximately 130 to approximately 170 feet, and range between 4 and 10 feet in diameter. The foundations on which the poles will be placed will range between 7 and 12 feet in diameter and will be spaced up to 1,000 feet apart.

III. DESIGNATED ROUTE

The route designated by the Commission in this Permit comprises the approximately 9.6-mile HVTL located in Itasca County, Minnesota, as described in detail below, and shown on the official route map attached to this Permit.

The HVTL Route is depicted in Figures 1 through 3.

Point of Interconnection(POI)

The POI for the West Range IGCC Power Station is the existing, 230/115-kV Blackberry Substation owned and operated by Minnesota Power and located approximately 8.5 miles south-southeast of the West Range IGCC Power Station. The substation is located at the intersection of CR 10 and CR 434 about equidistant between the unincorporated community of Blackberry and the community of Marble. The Blackberry Substation is the major HVTL hub in the area.

HVTL Configuration and Operation

The project will utilize two 345-kV HVTLs on a single steel pole structure (single right-of-way, or ROW) from the West Range IGCC Power Station to the Blackberry Substation. This double-circuit 345-kV plan will accommodate the full nominal 1,200-MWe output of Mesaba One and Mesaba Two while meeting the single failure criterion. Each 345-kV HVTL will have sufficient transfer capacity to carry the entire station electrical output, and both lines will be installed during construction of Mesaba One. For operation of Mesaba One, each of the two 345-kV HVTLs will be configured to operate at 230 kV, and either line would be capable of supporting the entire output of the plant in the event of a contingency forcing one line out of service. Before Mesaba Two commences operation, each of the 345-kV HVTLs configured to operate at 230-kV will be upgraded to its rated 345-kV capacity and thereafter be capable of conveying the entire output capacity of the West Range IGCC Power Station to the substation.

The necessary upgrades to the generator outlet facilities preceding operation of Mesaba Two will apply only to electrical substation equipment and involve no modification to the HVTL structures or conductors installed to accommodate Mesaba One.

HVTL Route

The 345-kV double circuit HVTL route will follow the anticipated alignment shown on the attached figures, including the following five segments:

- (1) Approximately 0.7 mile of new ROW within the Buffer Land from the West Range IGCC Power Station footprint east-southeast to the boundary of the Buffer Land.
- (2) Approximately 1.6 miles of existing ROW shared with the deenergized MP 45 Line (45L) and 28L from the southern boundary of the Buffer Land south to the retired Greenway Substation located just south of US 169.
- (3) Approximately 1.7 miles of new ROW from the retired Greenway Substation south and southeast to a point near Twin Lakes.
- (4) Approximately 4.6 miles of new ROW from the point near Twin Lakes south to the point of intersection with MP's 83L (230-kV) and 20L (115-kV) HVTL ROW.
- (5) Approximately 1 mile of existing ROW shared with MP's 83L and 20 Line 20L ROW east to the interconnection with the Blackberry Substation.

The new ROW segments are granted a permanent ROW with a width of 100-foot (150-foot ROW where the natural gas pipeline and HVTL would share routes); this results in a total permanent ROW of approximately 96 acres.

Existing HVTL ROWs would not require widening.

The HVTL and associated facilities will be designed to meet or exceed all relevant state and local codes and requirements of the National Electric Safety Code (NESC), which is the utility safety standard that applies to all transmission line facilities. The HVTL and associated facilities will also meet the North American Electric Reliability Corporation's (NERC) reliability standards. In addition, all new the substation station facilities will be enclosed by fences, kept free of vegetation, maintained for adequate drainage, and access will be limited to authorized personnel in accordance with the above requirements and standards.

IV. PERMIT CONDITIONS

The Permittee shall comply with the following conditions during construction of the transmission line and associated facilities and the life of this Permit.

A. Plan and Profile. At least 14 calendar days before right-of-way preparation for construction begins, the Permittee shall provide the Commission with a plan and profile of the right-of-way and the specifications and drawings for right-of-way preparation, construction, cleanup, and restoration for the transmission line. The Permittee may not commence construction until the 14 days has expired or until the Commission has advised the Permittee in writing that it has completed its review of the documents and determined that the planned construction is consistent with this Permit.

If the Permittee intends to make any significant changes in its plan and profile or the specifications and drawings after submission to the Commission, the permittee shall notify the Commission at least five days before implementing the changes. No changes shall be made that would be in violation of any of the terms of this permit.

B. Construction Practices.

1. **Application.** The Permittee shall follow those specific construction practices and material specifications described in the MEP-I LLC and MEP-II LLC, Joint Application to the Public Utilities Commission for a Route Permit, dated June 16, 2006, and as described in the Mesaba Energy Project Environmental Impact Statement dated November 2009 and the Findings of Fact, Conclusions and Recommendation unless this Permit establishes a different requirement, in which case this Permit shall prevail.

2. **Field Representative.** At least 10 days prior to commencing construction, the Permittee shall advise the Commission in writing of the person or persons designated to be the field representative for the Permittee with the responsibility to oversee compliance with the conditions of this Permit during construction. The field representative's address, phone number, emergency phone number, and email address shall be provided to the Commission and shall be made available to affected landowners, residents, public officials and other interested persons. The Permittee may change its field representative at any time upon written notice to the Commission.

3. **Local Governments.** The Permittee will work closely with Itasca County Department of Transportation and the city of Taconite to ensure minimal disruption to area traffic and will obtain licenses required for county and township road right-of-way sharing. Oversize and overweight truck permits will be coordinated with the Minnesota Department of Transportation (MnDOT) and the Itasca County Department of Transportation
4. **Cleanup.** All waste and scrap that is the product of construction shall be removed from the area and properly disposed of upon completion of each task. Personal litter, including bottles, cans, and paper from construction activities shall be removed on a daily basis.
5. **Vegetation Removal in the Right-of-Way.** The Permittee shall minimize the number of trees to be removed in selecting the right-of-way. As part of construction, low growing brush or tree species are allowable within and at the outer limits of the easement area. Taller tree species that endanger the safe and reliable operation of the transmission facility need to be removed. To the extent practical, low growing vegetation that will not pose a threat to the transmission facility or impede construction should remain in the easement area. Should removal of vegetation require herbicide application, the Permittee will coordinate with the Minnesota Department of Natural Resources (DNR) to avoid the potential of directly or indirectly affecting native prairie and rare plant species.
6. **Erosion Control.** The Permittee shall implement reasonable measures to minimize runoff during construction and shall promptly plant or seed, erect silt fences, and/or use erosion control blankets in non-agricultural areas that were disturbed where structures are installed. All areas disturbed during construction of the facilities will be returned to their pre-construction condition.
7. **Temporary Work Space.** The Permittee shall limit temporary easements to special construction access needs and additional staging or lay-down areas required outside of the authorized right-of-way.
8. **Restoration.** The Permittee shall restore the right-of-way, temporary work spaces, access roads, abandoned right-of-way, and other private lands affected by construction of the transmission line. Restoration within the right-of-way must be compatible with the safe operation, maintenance, and inspection of the transmission line. Within 60 days after completion of all restoration activities, the Permittee shall advise the Commission in writing of the completion of such activities. The Permittee shall fairly reimburse landowners for any damage including, but not limited to, yard/landscape damages, structure/fence damage, crop damage, soil compaction, or drain tile damage sustained during construction or maintenance activities.
9. **Notice of Permit.** The Permittee shall inform all employees, contractors, and other persons involved in the transmission line construction of the terms and conditions of this Permit.

C. Periodic Status Reports. Upon request, the Permittee shall report to the Commission on progress regarding finalization of the route, design of structures, and construction of the transmission line. The Permittee need not report more frequently than quarterly.

D. Complaint Procedure. Prior to the start of construction, the Permittee shall submit to the Commission, the procedures that will be used to receive and respond to complaints. The procedures shall be in accordance with the requirements set forth in the complaint procedures attached to this Permit.

E. Notification to Landowners. The Permittee shall provide all affected landowners with a copy of this permit at the time of the first contact with the landowners after issuance of this permit. The Permittee shall contact landowners prior to entering the property or conducting maintenance along the route and avoid maintenance practices, particularly the use of fertilizer, herbicides, or pesticides, inconsistent with the landowner's or tenant's use of the land. The Permittee shall work with landowners to locate the high voltage transmission lines to minimize the loss of agricultural land, forest, and wetlands, and to avoid homes and farmsteads, tree clearing, and other aesthetic concerns.

F. Completion of Construction.

1. **Notification to Commission.** At least three days before the line is to be placed into service, the Permittee shall notify the Commission of the date on which the line will be placed into service and the date on which construction was complete.

2. **As-Builts.** Upon request of the Commission, the Permittee shall submit copies of all the final as-built plans and specifications developed during the project.

3. **GPS Data.** Within 60 days after completion of construction, the Permittee shall submit to the Commission, in the format requested by the Commission, geo-spatial information (GIS compatible maps, GPS coordinates, etc.) for all above ground structures associated with the transmission lines, each switch, and each substation connected.

G. Electrical Performance Standards.

1. **Grounding.** The Permittee shall design, construct, and operate the transmission line in a manner that the maximum induced steady-state short-circuit current shall be limited to five milliamperes, root mean square (rms) alternating current between the ground and any non-stationary object within the right-of-way, including but not limited to large motor vehicles and agricultural equipment. All fixed metallic objects on or off the right-of-way, except electric fences that parallel or cross the right-of-way, shall be grounded to the extent necessary to limit the induced short circuit current between ground and the object so as not to exceed one milliamperere rms under steady state conditions of the transmission line and to comply with the ground fault conditions specified in the NESC.

2. **Electric Field.** The transmission line shall be designed, constructed, and operated in such a manner that the electric field measured one meter above ground level immediately below the transmission line shall not exceed 8.0 kV/m.

3. **Interference with Communication Devices.** If interference with radio or television, satellite or other communication devices is caused by the presence or operation of the transmission line, the Permittee shall take whatever action is prudently feasible to restore or provide reception equivalent to reception levels in the immediate area just prior to the construction of the line.

H. Special Conditions

1. **Archaeological and Historic Resources.** The Permittee shall make every effort to avoid impacts to identified archaeological and historic resources when installing the high voltage transmission line on the approved route. Prior to construction a Phase IA archaeological survey of the proposed project area will be conducted by the Permittee.

The results of the cultural resource assessment and the Phase IA survey will be provided to the Commission and State Historic Preservation Office (SHPO) for their review and response.

The SHPO will be consulted by the Permittee regarding the potential for visual impacts to the 36 National Register of Historic Places properties and one eligible architectural history property within the city of Jackson, one mile from the project area. An appropriate management plan or standing structures survey will be completed with assistance from the SHPO to address potential impacts on the architectural resources.

2. **Wetlands/Water Resources.** The Permittee will minimize potential impacts to wetland areas by locating structures outside of wetlands and adjacent to these resource areas when feasible and spanning all surface flows. Unavoidable wetland impacts as a result of the placement of poles shall be limited to the immediate area around the poles. The Permittee will use construction mats or perform construction during frozen conditions to minimize disturbance and compaction of wetlands and riparian areas during construction. Soil excavated from the wetlands and riparian areas will be contained and not placed back into the wetland or riparian area. Silt fencing or other erosion control measures will be used to prevent sedimentation when working near wetlands and watercourses. Areas disturbed by construction activities will be restored to pre-construction conditions (soil horizons, contours, vegetation, etc.). Where waterways must be crossed to pull in the new conductors and shield wires, workers may walk across, use boats, or drive equipment across ice in the winter.

Prior to construction activities, the District Engineer for the U.S. Army Corps of Engineers (Corps) will be notified with a preconstruction notification authorized under the Corps St. Paul District Regional General Permit for structural discharges. An application will be filed with the Itasca County Soil and Water Conservation District (SWCD) to determine if the proposed 345-kV HVTL project would impact any wetlands or public waters under local jurisdiction of the SWCD. Conditions provided in the

Minnesota Pollution Control Agency (MPCA) National Pollution Discharge Elimination System (NPDES) permit, and the DNR license to cross public lands and waters will also be followed.

If construction activities will result in the disturbance of one acre or more of soils, a NPDES stormwater permit from the MPCA will be required. Standard erosion control measures outlined in MPCA guidance and best management practices regarding sediment control practice during construction. These practices include, but are not limited to, protecting storm drain inlets, use of silt fences, protecting exposed soil, immediately stabilizing restored soil, controlling temporary soil stockpiles, and controlling vehicle tracking.

3. **Avian Collision.** The Permittee will evaluate mitigative measures in areas of the project where the chance of avian collision or electrocution is higher. The Permittee will identify locations where bird flight diverters can be incorporated into the transmission line design to prevent large avian collisions attributed to visibility issues. This information will be included in the Plan and Profile information.

Standard transmission design will incorporate adequate spacing of conductor(s) and grounding devices. This is intended to eliminate the risk of electrocution to raptors with larger wingspans that may simultaneously come in contact with a conductor and grounding devices.

4. **Rare and Unique Resources.** The Permittee will employ best management practices to avoid the potential spread of invasive species within and adjacent to the right-of-way during construction and maintenance of the transmission line.

5. **Accommodation of Existing and Planned Infrastructure.** The Permittee is required to work with the landowners, townships, cities, and counties along the route to accommodate their concerns regarding tree clearing, distance from existing structures, drain tiles, pole depth and placement in relationship to existing roads and road expansion plans.

I. Other Requirements.

1. **Applicable Codes.** The Permittee shall comply with applicable requirements of the NESC including clearances to ground, clearance to crossing utilities, clearance to buildings, right-of-way widths, erecting power poles, and stringing of transmission line conductors.

2. **Other Permits.** The Permittee shall comply with all applicable state rules and statutes. The Permittee shall obtain all required local, state and federal permits for the project and comply with the conditions of these permits. A list of the required permits is included in the route permit application and the environmental assessment. The Permittee shall submit a copy of such permits to the Commission upon request.

3. **Pre-emption.** Pursuant to Minnesota Statutes 216E.10, subdivisions 1 and 2, this Route Permit shall be the sole route approval required to be obtained by the permittee and this permit shall supersede and preempt all zoning, building, or land use rules, regulations, or ordinances promulgated by regional, county, local and special purpose government.

J. Delay in Construction. If the Permittee has not commenced construction or improvement of the route within four years after the date of issuance of this Permit, the Commission shall consider suspension of the permit in accordance with Minnesota Rule 7850.4700.

V. PERMIT AMENDMENT

The permit conditions in Section IV may be amended at any time by the Commission. Any person may request an amendment of the conditions of this permit by submitting a request to the Commission in writing describing the amendment sought and the reasons for the amendment. The Commission will mail notice of receipt of the request to the Permittee. The Commission may amend the conditions after affording the Permittee and interested persons such process as is required.

VI. TRANSFER OF PERMIT

The Permittee may request at any time that the Commission transfer this Permit to another person or entity. The Permittee shall provide the name and description of the person or entity to whom the Permit is requested to be transferred, the reasons for the transfer, a description of the facilities affected, and the proposed effective date of the transfer. The person to whom the permit is to be transferred shall provide the Commission with such information as the Commission shall require to determine whether the new Permittee can comply with the conditions of the permit. The Commission may authorize transfer of the permit after affording the Permittee, the new Permittee, and interested persons such process as is required.

VII. REVOCATION OR SUSPENSION OF THE PERMIT

The Commission may initiate action to revoke or suspend this Permit at any time. The Commission shall act in accordance with the requirements of Minnesota Rules part 7850.5100 to revoke or suspend the Permit.

Complaint Report Procedures

**MINNESOTA PUBLIC UTILITIES COMMISSION
COMPLAINT REPORT PROCEDURES FOR
HIGH VOLTAGE TRANSMISSION LINES**

1. Purpose

To establish a uniform and timely method of reporting complaints received by the Permittee concerning the permit conditions for site preparation, construction, cleanup and restoration, special conditions, other requirements, and resolution of such complaints.

2. Scope

This reporting plan encompasses complaint report procedures and frequency.

3. Applicability

The procedures shall be used for all complaints received by the Permittee.

4. Definitions

Complaint – A statement presented by a person expressing dissatisfaction, resentment, or discontent as a direct result of the high voltage transmission line and associated facilities. Complaints do not include requests, inquiries, questions or general comments.

Telephone Complaint – A person presenting a complaint by telephone shall indicate whether the complaint relates to (1) a substantive routing permit matter, (2) a high voltage transmission line location matter, or (3) a compensation matter. All callers must provide the following information when presenting a complaint by telephone: (1) name; (2) date and time of call; (3) phone number; (4) email address (if available); (5) home address; (6) parcel number.

Substantial Complaint – Written complaints alleging a violation of a specific route permit condition that, if substantiated, could result in permit modification or suspension pursuant to the applicable regulations.

Person – An individual, partnership, joint venture, private or public corporation, association, firm, public service company, cooperative, political subdivision, municipal corporation, government agency, public utility district, or any other entity, public or private, however organized.

5. Responsibilities

Everyone involved with any phase of the high voltage transmission line is responsible to ensure expeditious and equitable resolution of all complaints. It is

therefore necessary to establish a uniform method for documenting and handling complaints related to this high voltage transmission line project. The following procedures will satisfy this requirement:

- A. The Permittee shall document all complaints by maintaining a record of all applicable information concerning the complaint, including the following:
 - 1. Name of the Permittee and project.
 - 2. Name of complainant, address and phone number.
 - 3. Precise property description or tract numbers (where applicable).
 - 4. Nature of complaint.
 - 5. Response given.
 - 6. Name of person receiving complaint and date of receipt.
 - 7. Name of person reporting complaint to the Public Utilities Commission (Commission) and phone number.
 - 8. Final disposition and date.

- B. The Permittee shall assign an individual to summarize complaints for transmittal to the Commission.

6. Requirements

The Permittee shall report all complaints to the Commission according to the following schedule:

Immediate Reports – All substantial complaints shall be reported to the Commission by phone or by e-mail the same day received or on the following working day for complaints received after working hours. Such reports are to be directed to high voltage transmission line permit compliance at the following: DOC.energypermitcompliance@state.mn.us or 1-800-657-3794. Voice messages are acceptable.

Monthly Reports – By the 15th of each month, a summary of all complaints, including substantial complaints received or resolved during the preceding month shall be sent to Dr. Burl W. Haar, Executive Secretary, Minnesota Public Utilities Commission, Metro Square Building, 121 7th Place East, Suite 350, St. Paul, MN 55101-2147. A copy of each complaint shall be sent to Permit Compliance, Minnesota Department of Commerce, 85 7th Place East, Suite 500, St. Paul, MN 55101-2198.

Unresolved Complaints – The Permittee shall submit all unresolved complaints to the Commission for resolution by the Commission, where appropriate, no later than 45 days after the date of the submission.

7. **Complaints Received by the Commission**

Copies of complaints received directly by the Commission from aggrieved persons regarding site preparation, construction, cleanup, restoration, operation and maintenance shall be promptly sent to the Permittee.

Initial Screening – Commission staff shall perform an initial evaluation of unresolved complaints submitted to the Commission. Complaints raising substantive routing permit issues shall be processed and resolved by the Commission. Staff shall notify Permittee and the complainant if it determines that the complaint is a substantial complaint. With respect to such complaints, each party shall submit a written summary of its position to the Commission no later than ten days after receipt of the staff notification. Staff shall present briefing papers to the Commission, which shall resolve the complaint within 20 days of submission of the briefing papers.

Condemnation/Compensation Issues – If the Commission’s staff initial screening determines that a complaint raises issues concerning the just compensation to be paid to landowners on account of Permittee acquisition of high voltage transmission line easements, staff shall recommend to the Executive Secretary that the matter be resolved under the provisions of Minnesota Statutes, Chapter 117. If the Executive Secretary concurs, he shall so report to the Commission and the matter shall be dealt with in the high voltage transmission line condemnation proceedings as an issue of just compensation.

Compliance Filing Procedures

**MINNESOTA PUBLIC UTILITIES COMMISSION
COMPLIANCE FILING PROCEDURE
FOR PERMITTED ENERGY FACILITIES**

1. Purpose

To establish a uniform and timely method of submitting information required by Minnesota Public Utilities Commission (Commission) Energy Facility Permits.

2. Scope and Applicability

This procedure encompasses all compliance filings required by permit.

3. Definitions

Compliance Filing – A sending (filing) of information to the Commission, where the information is required by a Commission site or route permit.

4. Responsibilities

A) The Permittee shall eFile all compliance filings with Dr. Burl Haar, Executive Secretary, Minnesota Public Utilities Commission, through the Department of Commerce (DOC) eDocket system. The system is located on the DOC website: <https://www.edockets.state.mn.us/EFiling/home.jsp>

General instructions are provided on the website. Permittee must register on the website to eFile documents.

B) All filings must have a cover sheet that includes:

- 1) Date
- 2) Name of submitter/Permittee
- 3) Type of Permit (Site or Route)
- 4) Project Location
- 5) Project Docket Number
- 6) Permit Section Under Which the Filing is Made
- 7) Short Description of the Filing

C) Filings that are graphics intensive (e.g., maps or plan and profile) must, in addition to being eFiled, be submitted as paper copies and on CD. Copies and CDs should be sent to: 1) Dr. Burl W. Haar, Executive Secretary, Minnesota Public Utilities Commission, 121 7th Place East, Suite 350, St. Paul, MN, 55101-2147, and 2) Office of Energy Security, Energy Facility Permitting, 85 7th Place East, Suite 500, St. Paul, MN, 55101-2198. Additionally, the PUC may request a paper copy of any eFiled document.

PERMIT COMPLIANCE FILINGS¹

PERMITTEE: MEP-I LLC and MEP-II LLC
PERMIT TYPE: High Voltage Transmission Route Permit
PROJECT LOCATION: Itasca County
PUC DOCKET NUMBER: E6472/GS-06-668

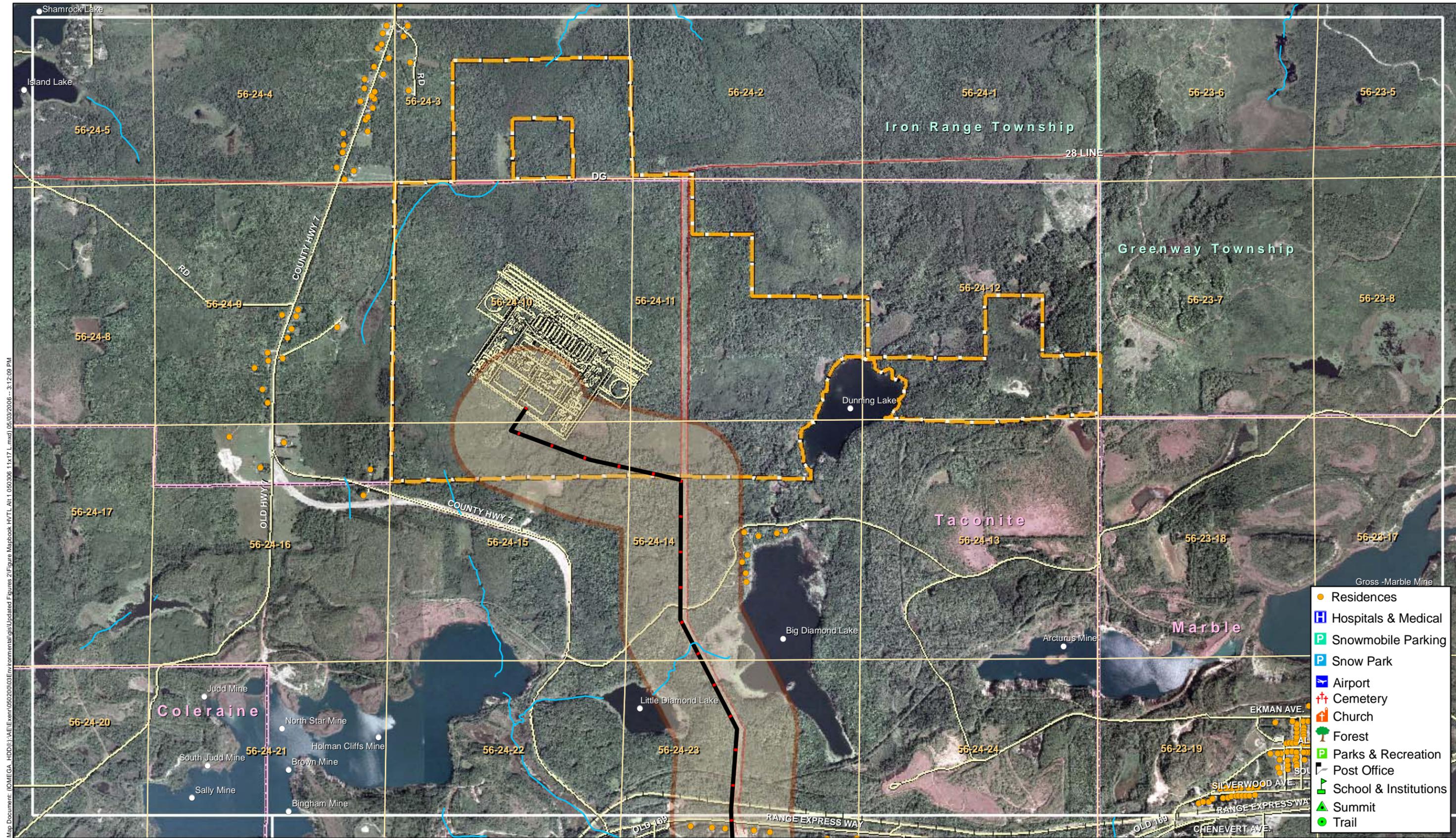
Filing Number	Permit Section	Description	Due Date
1	IV.A.	Submit Plan and Profile of the right-of way and design specifications.	At least 14 days prior to right-of-way clearing
2	IV.A.	Any significant changes made in Plan and Profile or Specifications after initial submission.	Notify Commission at least 5 days prior to implementing changes.
3	IV.B.2.	Name Field Representative to oversee compliance with permit conditions.	At least 10 days prior to commencing construction
4	IV.C.	Periodic Status Reports (finalization of route, design of structures, and construction progress/milestones)	Quarterly, the first Status Report being due at the end of the month following the first complete calendar quarter after approval of this Route Permit
5	IV.D	Submit Complaint Procedure to be used to receive and respond to complaints.	Prior to the start of construction
6	IV.F.1.	Provide Notification to Commission of construction completeness and in-service date.	At least 3 days before the line is placed into service
7	IV.F.3.	Submit GPS Data of structures, lines and substations.	Within 60 days after completion of construction
8	IV.H.1.	Submit Phase 1A Archaeological Survey ²	Prior to the start of construction

¹ This compilation of permit compliance filings is provided for the convenience of the permittee and the Commission. However, it is not a substitute for the permit; the language of the permit controls.

² Also to be submitted to the State Historical Preservation Office for review.

HVTL Route & Anticipated Alignment

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Excelsior Energy Inc.

Mesaba Energy Project
Energy, Innovation, and Economic Development for Minnesota

11100 Wayzata Boulevard Suite 305 Minnetonka, MN 55305
Phone 952.847.2360 Fax 952.847.2373

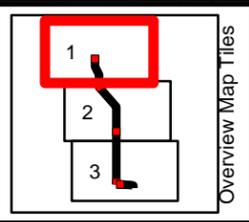
West Range

Jan 2010

Legend

HVTL Route Centerline	Plant Layout	Existing HVTL	Streams
HVTL Route	Optioned Property	HVTL Substations	Existing Roads
			Existing Railroads

Source: USDA 2003 DOQQs, EQB, ESRI, MNDNR, Mn/DOT, USGS, Fluor, Excelsior Energy, and SEH.
© 2006 SEH



HVTL Route and Centerline
Map 1 of 3

Itasca County - South Coordinate System

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West Range

Jan 2010

Legend

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HVTL Route	Optioned Property	HVTL Substations	Existing Roads
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Source: USDA 2003 DOQQs, EQB, ESRI, MNDNR, Mn/DOT, USGS, Fluor, Excelsior Energy, and SEH.
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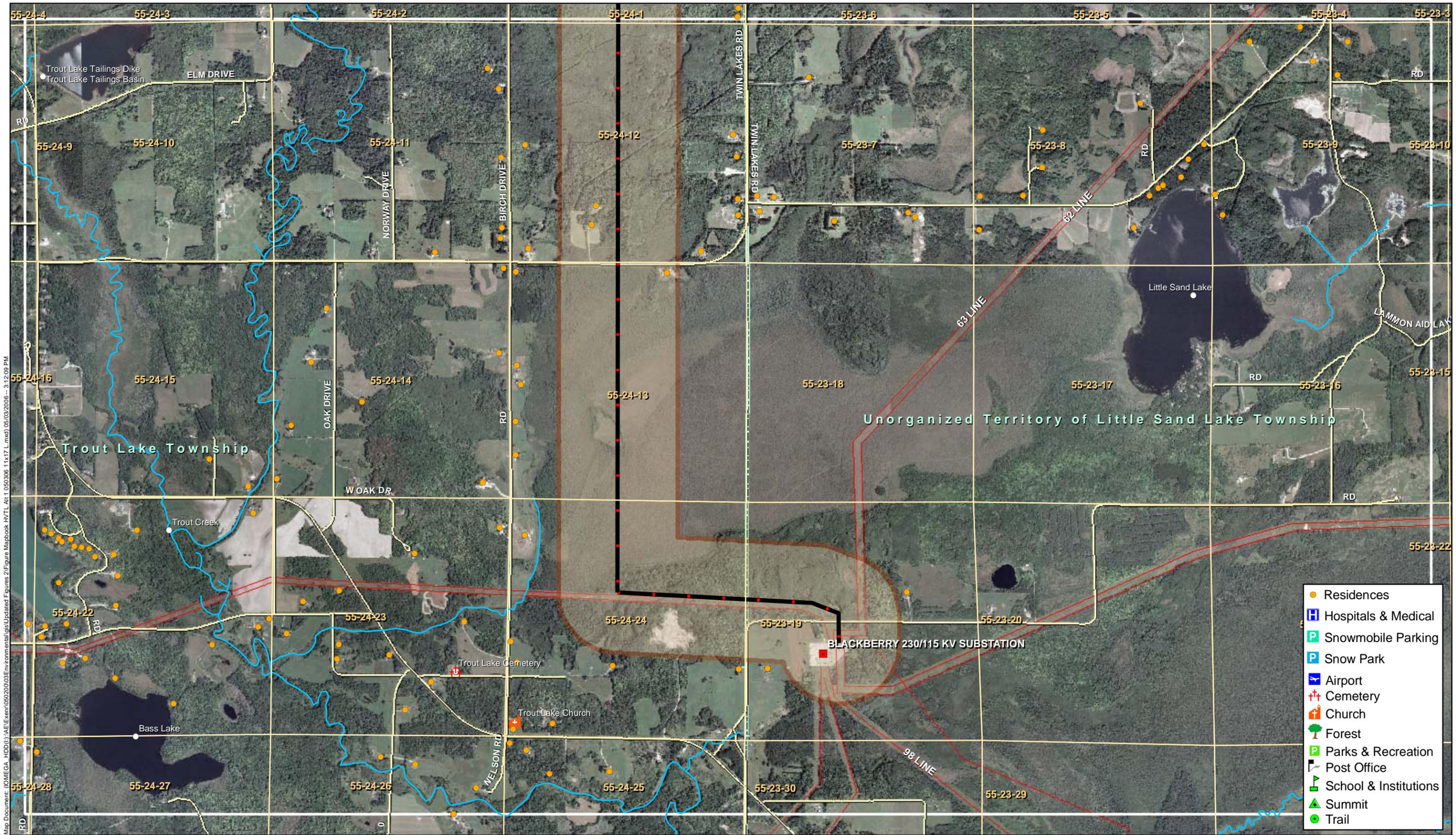
HVTL Route and Centerline
Map 2 of 3

Overview Map Tiles

Itasca County - South Coordinate System

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West Range

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HVTL Route	Optioned Property	HVTL Substations	Existing Roads
		Existing Railroads	

Source: USDA 2003 DOQQs, EQB, ESRI, MNDNR, Mn/DOT, USGS, Fluor, Excelsior Energy, and SEH.
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HVTL Route and Centerline
Map 3 of 3

Itasca County - South Coordinate System

0 2,000 Feet

