

**MPUC Docket No. E-6472/GS-06-668**  
**OAH Docket No. 12-2500-17512-2**

---

BEFORE THE  
MINNESOTA OFFICE OF ADMINISTRATIVE HEARINGS  
100 Washington Square, Suite 1700  
Minneapolis, Minnesota 55401-2138

FOR THE  
MINNESOTA PUBLIC UTILITIES COMMISSION  
127 7th Place East, Suite 350  
St. Paul, Minnesota 55101-2147

---

In the Matter of a Joint LEPGP Site Permit,  
HVTL Route Permit and Pipeline (Partial Exemption)  
Route Permit Application for the Mesaba Energy Project

---

**PREPARED DIRECT TESTIMONY AND EXHIBITS OF**  
**EXCELSIOR ENERGY INC., MEP-I LLC, AND MEP-II LLC**

**KELLY A. HENRY**

**JANUARY 16, 2007**

---

1 **EXCELSIOR ENERGY, INC.**

2 **BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

3 **PREPARED DIRECT TESTIMONY OF**

4 **KELLY A. HENRY**

5 **Q Please state your name, current employment position and business address.**

6 A Kelly A. Henry. I am a Senior Environmental Scientist with Short Elliott  
7 Hendrickson Inc. (“SEH”), a consulting firm of engineers, architects, planners, and  
8 scientists with offices in 10 states throughout the Upper Midwest and Rocky Mountain  
9 regions. My business address is 3535 Vadnais Center Drive, St. Paul, Minnesota 55110.

10 **Q Would you please describe your educational and professional background.**

11 A I hold a Master of Science degree in Ecology from the University of Minnesota.  
12 My undergraduate degree was in Biology from the University of Wisconsin, River Falls.  
13 I am certified as a Professional Wetland Scientist by the Society of Wetland Scientists.  
14 My current position is as Director of the Natural Resources group at SEH. In addition  
15 to managing the Natural Resources Team, my primary role includes project management  
16 and environmental review and reporting for development and improvement projects. I  
17 am experienced in environmental reporting and documentation, including environmental  
18 impact statements. I am also experienced in wetland regulation and permitting,  
19 including wetland delineation, impact analysis, and mitigation. My resume is appended  
20 as Exhibit \_\_\_ (KAH-1).

21 **Q On whose behalf are you testifying?**

22 A I am testifying on behalf of MEP-I LLC, MEP-II LLC, and Excelsior Energy Inc.  
23 (collectively “Excelsior”), the developers of the Mesaba Energy Project (the “Project”).

1 Scope and Summary

2 **Q What is the scope of your testimony in this proceeding?**

3 A The purpose of my testimony is to sponsor several sections of Excelsior's Joint  
4 Application and Environmental Supplement. The subjects of my testimony include  
5 wetlands, water crossings, and mitigation

6 In particular, I am sponsoring and am available to answer questions regarding the  
7 following sections:

8 **Joint Application**

9 West Range

10 Section 7.6.6 (Water Crossings)

11 Section 7.7 (Wetlands)

12 East Range

13 Section 8.6.5 (Water Crossings)

14 Section 8.7 (Wetlands)

15 **Environmental Supplement**

16 Section 2.7 (Wetlands)

17 Section 3.6 (Wetlands)

18 Appendix 4 (West Range Wetland Delineation Report)

19 During the preparation of the Joint Application and the Environmental  
20 Supplement, I worked closely with Excelsior in preparing and reviewing these sections.

21 The sections incorporate field reports and analysis that I prepared or that SEH personnel  
22 under my supervision prepared.

1 Joint Application

2 **Q Please briefly describe the information contained in Section 7.6.6 of the Joint**  
3 **Application?**

4 A This section describes crossings of lakes and streams associated with the  
5 development of Mesaba One and Mesaba Two on the West Range Site. Crossings are  
6 limited to corridors associated with the HVTLs, gas pipeline, and one process water  
7 blowdown pipeline. There are no water crossings associated with the IGCC Power  
8 Station Footprint or on Buffer Land, the railroad alternatives, sewer and water lines, and  
9 roads. Licenses will be obtained from MDNR for these crossings as necessary.

10 **Q Please briefly describe the information contained in Section 7.7 of the Joint**  
11 **Application?**

12 A This section summarizes wetland impacts for the West Range Site and each  
13 alternate utility corridor associated with the West Range Site. As detailed in Table  
14 7.7-1, worst case total permanent impacts of Excelsior's preferred alternatives would be  
15 approximately 172 acres. However, Excelsior will attempt to avoid wetland impacts  
16 within the railroad center loop, reducing the worst case impact of Excelsior's preferred  
17 alternatives to approximately 158 acres. As discussed in this section, Excelsior has  
18 attempted to avoid and minimize wetlands impacts as much as possible.

19 **Q Please briefly describe the information contained in Section 8.6.5 of the Joint**  
20 **Application?**

21 A This section describes crossings of lakes and streams associated with the  
22 development of Mesaba One and Mesaba Two on the East Range Site. There are several  
23 small streams and one lake that would be crossed for the various utility alternatives

1 associated with the East Range Site. Crossings are limited to corridors associated with  
2 the HVTL, gas pipelines, water process line, sewer and water pipelines, and the  
3 proposed railroad alignment. Licenses will be obtained from MDNR for these crossings  
4 as necessary.

5 There are no water crossings associated with the IGCC Power Station or roads to  
6 access the facility.

7 **Q Please briefly describe the information contained in Section 8.7 of the Joint**  
8 **Application?**

9 A This section summarizes wetland impacts for the West Range Site and each  
10 alternate utility corridor associated with the East Range Site. As detailed in Table 8.7-1,  
11 worst case total permanent impacts of Excelsior's preferred alternatives would be  
12 approximately 133 acres. Excelsior will seek to minimize impacts to wetlands within  
13 the rail loop, which could reduce this total. As discussed in this section, Excelsior has  
14 attempted to avoid and minimize wetlands impacts as much as possible.

15 Environmental Supplement

16 **Q Please briefly describe the information contained in Section 2.7 of the**  
17 **Environmental Supplement?**

18 A This section provides a detailed discussion of wetland resources within the West  
19 and East Range Sites and utility corridors. The wetland identification and mapping  
20 process that was utilized by SEH is described. This included field delineation of  
21 wetlands by SEH personnel on the West and East Range IGCC Power Station Footprint  
22 and Buffer Land in fall 2004 and summer 2005. The types and amounts of wetlands are  
23 extensively described.

1 **Q Please briefly describe the information contained in Section 3.6 of the**  
2 **Environmental Supplement?**

3 A This section provides a detailed analysis of wetland impacts, wetland regulatory  
4 agency implications and requirements, wetland permitting processes, and wetland  
5 mitigation for the West and East Range Sites. As summarized in the Joint Application  
6 and noted previously in my testimony, the worst case total permanent wetland impacts  
7 associated with development of Mesaba One and Two is approximately 172 acres on the  
8 West Range and approximately 133 acres on the East Range Site.

9 **Q What are some of the specific measures that have been taken to avoid and minimize**  
10 **wetland impacts?**

11 A For example, as detailed in Section 3.6.4.1 of the Environmental Supplement,  
12 minimization of wetland impacts associated with the West Range IGCC Power Station  
13 Footprint and Buffer Land has been implemented by adjusting the site layout to  
14 essentially straddle two large wetland complexes. Another measure implemented on  
15 both the West and the East Range Sites has been the routing of utility lines along  
16 existing and proposed roadways, railroads, and utility rights-of-way. Additional  
17 measures that have been taken to avoid and minimize wetlands are discussed throughout  
18 Section 3.6.4.

19 **Q How will mitigation of wetland impacts be accomplished?**

20 A As detailed in Section 3.6.5 of the Environmental Supplement, mitigation will be  
21 in the form of direct replacement or through purchase of credits through an approved  
22 wetland bank. This will be in accordance with requirements of the United States Army  
23 Corps of Engineers and the Minnesota Board of Water and Soil Resources and permits

1 and approvals issued under the federal and state programs. Proposed wetland  
2 replacement will be designed to replace wetlands types, functions, and values to the  
3 greatest extent feasible.

4 Supplements and Clarifications

5 **Q Are there any parts of the sections that you have sponsored and incorporated by**  
6 **reference that you would like to supplement or clarify at this time?**

7 A Not at this time.

8 Conclusion

9 **Q Does this conclude your testimony?**

10 A Yes.

# EXHIBITS

# **EXHIBIT \_\_\_\_ (KAH-1)**

## Kelly A. Henry, PWS

Associate/Senior Environmental Scientist

### General Background

Ms. Henry is the Director of the Natural Resources group at SEH. In addition to managing the Natural Resources team, her primary role includes project management and environmental review and reporting for development and improvement projects. She is experienced in environmental reporting and documentation including Environmental Impact Statements, Environmental Assessments and Environmental Assessment Worksheets. She also is experienced in wetland regulation and in obtaining permits from federal, state and local wetland regulatory agencies, including wetland delineation, impact analysis and mitigation.

### Experience

#### Environmental Documentation

**115kV Tower Transmission Line, Minnesota Power/Great River Energy Cooperative – St. Louis County, Minnesota.** Project Manager for environmental and public involvement support for a Certificate of Need (CON) declaration prepared in anticipation of a Route Permit Application, all under the new Alternative Process defined in Minnesota Rules, Part 4400.2000. Included support and attendance at project Open Houses and Public Hearings, interagency coordination, and documentation.

**State Environmental Impact Statement – St. Louis County, Minnesota, 3 Bays on Lake Vermilion.** Technical project manager responsible for preparation of an EIS for a proposed residential development on 1,400 acres along three bays of Lake Vermilion. The project includes preparation of the EIS and facilitation of public information meetings. Project issues include impacts to wetlands and cumulative effects to Lake Vermilion from increased shoreline development and recreation.

**State Environmental Impact Statement – Minnesota Department of Natural Resources – Ispat Inland Mining East Reserve Expansion.** Project manager for the current preparation of an EIS for the proposed expansion of mining activities by Ispat Inland Mining. The project includes preparation of an EIS and assistance to the MNDNR for public meetings. Project issues include assessment of potential effects to the municipal water supplies of the cities of Biwabik and McKinley, Minnesota, impacts to streams from dewatering, both during mining activities and after mining and dewatering are discontinued, and treatment for mercury in accordance with the Great Lakes Initiative.

**Environmental Assessment Worksheet – Fermilab NOvA Off Axis Neutrino Detector.** Project manager and primary author of an Environmental Assessment Worksheet (EAW) for two potential project sites in St. Louis County, Minnesota. NOvA (NuMI Off-Axis Ve Appearance Experiment) proposes to utilize Fermilab's NuMI (Neutrinos at the Main Injector) in Batavia, Illinois by building a second-generation detector to study electron neutrino oscillations. The project includes a 30 kiloton

### Education

*Master of Science, Ecology  
University of Minnesota (1993)*  
*Bachelor of Science, Biology  
University of Wisconsin  
River Falls (1988)*

### Continuing Education

*Federal Wetland Regulation  
Policy Course (1990)*  
*Wetlands: Challenges for the  
90s Seminar (1991)*  
*Delineation of Problem and  
Disturbed Wetlands Field  
Course - Coon Creek Watershed  
District (1993)*  
*Jurisdictional Delineation of  
Wetlands in Minnesota Field  
Course (1993)*  
*Wetland Delineation Certificate  
(1994)*

### Professional Certifications

*Professional Wetland Scientist,  
Society of Wetland Scientists*

### Professional Associations

*Wetland Delineators  
Association, Board Member  
(1997-99)*  
*Society of Wetland Scientists  
(1991)*



physics detector to be used to conduct basic research into the mysteries of neutrinos, to understand the laws of nature, and to learn the structure and evolution of the universe. Project issues include site access for large trucks delivering materials for construction and assembly of the project, shallow depth to bedrock for site construction, dewatering for site construction and operation, wetland impacts, and cultural resources.

**State Environmental Impact Statement (EIS) – University of Minnesota Football Stadium.** Project manager for the preparation of an EIS for the proposed TCF Bank Football Stadium on the U of M Campus. The project includes project scoping to determine the appropriate scope of the EIS and public involvement, including special task forces and advisory groups. Project issues include site contamination, parking and transit, and changes in area roadways.

#### Wetland Delineation, Permitting and Regulation

**Runway Extension, Instrument Landing System and Approach Lighting System, Anoka County-Blaine Airport – Metropolitan Airports Commission.** Prepared a wetland permit application for the construction of a 1,000-foot runway extension and installation of an Instrument Landing System (ILS) and approach lighting system at the Anoka County – Blaine Airport. The project will result in impacts to over 25 acres of wetland in two watershed districts requiring coordination with the U.S. Army Corps of Engineers, MNDNR and local watershed districts. Wetland mitigation will be provided by a combination of wetland bank purchase and wetland restoration at an off-airport location.

**Instrument Landing System and Approach Lighting System, Falls International Airport – International Falls, Minnesota.** Prepared wetland permit application and mitigation plan for nearly 20 acres of wetland impact resulting from the installation of an Instrument Landing System (ILS) and approach lighting system at the Falls International Airport. The permitting required extensive coordination with the U.S. Army Corps of Engineers and the U.S. Fish and Wildlife Service and negotiation for the purchase of wetland bank credits for mitigation.

**New Primary Runway, Brainerd Lakes Area Regional Airport – Brainerd, Minnesota.** Prepared wetland permit application and mitigation plan for wetland impacts resulting from the construction of a new, 6,500-foot primary runway at the Brainerd Lakes Area Regional Airport. The wetland permitting required extensive coordination with the U.S. Army Corps of Engineers and negotiation for the purchase of wetland bank credits for mitigation.

**Viking Voyageur Pipeline – ENSR.** Managed five 3-person crews performing wetland delineation and natural community assessment across Minnesota and Wisconsin. Was responsible for daily communication and monitoring of crew progress as well as arrangements for lodging and field gear and supplies.



Kelly A. Henry, PWS | Associate/Senior Environmental Scientist | page 2