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February 19, 2010

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

RE: **REVISION** to Comments and Recommendations (Final Decision Options) Office of Energy Security
Mesaba Energy Project Proposal by MEP-I LLC and MEP-II LLC
Joint Permit 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:

On February 9, 2010, OES-EFP staff submitted its Comments and Recommendations to you on the final decision for the MEP-I and MEP-II Joint Permit Application; staff has since made some minor revisions to the proposed LEPGP, HVTL, and Pipeline permits contained in our recommendations.

The revisions are attached herein and described below:

Proposed Large Electric Power Generating Plant Site Permit
Changes were made to page 2 (deletions) and page 4 (deletions and additions) of the proposed LEPGP Site Permit for clarification concerning compliance of the Permittee relative to "down-stream" permits and approvals.

Proposed Pipeline Route Permit
A change was made to page 2 (addition) of the proposed Pipeline Route Permit to correct an error in the estimated cubic yards of soils to be excavated.

Proposed High Voltage Transmission Line Route Permit
Several changes were made on page 6 (deletions and additions) of the proposed HVTL Route Permit to correct errors and for clarification.

The OES EFP staff continues to recommend 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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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.
    - 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.
    - 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.
    - 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.
    - 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.

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 and comply with all required permits and approvals ~~for the project and comply with the conditions of these permits.~~required for the construction and operation of the West Range IGCC Power Station and associated infrastructure (i.e., process water supply pipelines, access road, railroad spur, potable water pipeline, and domestic wastewater pipeline) through the appropriate state and local entities.

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

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 133,000 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 Permitee 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

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.

A. 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 I~~A~~ archaeological survey of the proposed project area will be conducted by the Permittee to identify archaeological resources in areas with surface visibility greater than 25 percent and to determine the need for additional subsurface testing along the project route.

The results of the cultural resource assessment and the Phase I~~A~~ 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 properties listed or eligible for listing on 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