

In the Matter of the Application of CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas for a Pipeline Routing Permit and Partial Exemption from Pipeline Route Selection Procedures Pursuant to Minnesota Rules Chapter 4415

**PROPOSED
FINDINGS OF FACT AND
CONCLUSIONS**

**PUC DOCKET NO.
G-008/GP-06-426**

The above-captioned matter came before the Minnesota Public Utilities Commission (PUC) at a regularly scheduled meeting pursuant to the Application of CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas (hereinafter “CenterPoint”) to construct, own, and operate a 16.3 mile natural gas pipeline that will begin at the Northern Natural Gas Company (Northern Natural) Town Border Station (TBS) located in the City of Andover (Anoka County) near the intersection of 148th Lane NW and Prairie Road. The TBS is currently intended to be located adjacent to an existing Northern Natural facility. The pipeline will terminate at the Xcel Energy Riverside Power Plant located in northeast Minneapolis (Hennepin County), near the intersection of Marshall Street NE and 30th Street. The proposed pipeline will traverse portions of Anoka and Hennepin Counties in Minnesota.

STATEMENT OF ISSUE

Construction of a pipeline designed to be operated at a pressure of more than 275 pounds per square inch and to carry natural gas requires a Pipeline Routing Permit from the Minnesota Public Utilities Commission. Minnesota Statutes § 116I.015 prescribes applicable requirements and assigns authority to designate a route to the PUC. The review procedures are contained in Minnesota Rules Chapter 4415. In this instance, review is taking place under the requirements set forth in Minnesota Rules part 4415.0035 [Partial Exemption from Pipeline Route Selection Procedures].

Based on information in the Application, the comments at the public information meetings, written comments received, and other documents compiled as part of this proceeding relating to pipeline construction impacts and mitigation procedures, Department of Commerce (DOC) Energy Facility Permitting (EFP) staff propose that the PUC make the following Findings of Fact and Conclusions.

FINDINGS OF FACT

Background and Procedure

1. In April 2006, CenterPoint filed an Application for a pipeline routing permit and partial exemption from pipeline route selection procedures for a proposed 16.3 mile long pipeline that will begin at the Northern Natural TBS in the city of Andover near the intersection of 148th Lane NW and Prairie Road, pass through the cities of Andover, Coon Rapids, and Fridley (Anoka County) and end at the Xcel Energy Riverside Generating facility on the east shore of the Mississippi River near downtown Minneapolis (Hennepin County). DOC EFP staff reviewed a preliminary application for compliance with the requirements of Minnesota Rules parts 4415.0115 through 4415.0165, and

requested supplemental information. CenterPoint revised their application and on April 6, 2006, resubmitted its application (**Exhibit 1**). EFP staff review concluded that the revised application contained all of the necessary information, as described in Staff Comments and Recommendations dated May 4, 2006 (**Exhibit 2**). On May 4, 2006, the PUC considered CenterPoint's Application for a pipeline routing permit and partial exemption from pipeline route selection procedures. In an Order dated May 10, 2005, the Commission accepted CenterPoint's application. (**Exhibit 3**).

2. After acceptance of the application by the Commission, CenterPoint published notice (**Exhibit 4**) of the application and notice of public information meetings in the following newspapers:

<u>County</u>	<u>Newspaper</u>	<u>Date of Publication</u>
Anoka County	Columbia Heights & Fridley Sun-Focus	May 11, 2006
Hennepin County	Star Tribune	May 12, 2006
Anoka County	Coon Rapids Herald	May 12, 2006
Hennepin County	Northeaster Newspaper	May 17, 2006
Hennepin County	Star Tribune (correction)	May 19, 2006
Anoka County	Coon Rapids Herald (correction)	May 19, 2006

Due to an error in the original notice that indicated an incorrect meeting location, CenterPoint published a correction to the original notice. This correction was also mailed to all persons on the mailing list on May 18, 2006 (**Exhibit 18**).

3. The PUC also published Notice of Application Acceptance and the PUC public information meeting schedule in the *EQB Monitor* on May 8, 2006. *Monitor*, Volume 30, Number 10. (**Exhibit 5**).
4. The notice as published also included: 1) a description of the proposed project; 2) a map of the proposed pipeline route; and 3) a description of the procedures that must be followed for commenting on the application (**Exhibit 6**). The notice contained the information required by Minnesota Rules part 4415.0035, Subp. 2. A.
5. Between May 8, 2006 and May 10, 2006, CenterPoint mailed a copy of the Application and a copy of the notice describing the procedures for submitting comments on the Application to affected landowners and governmental units in the areas that would be crossed by the pipeline along the CenterPoint preferred route in accordance with Minnesota Rules parts 4415.0035, subp. 2. B. and C (**Exhibit 6**). The mailing also advised the recipient of the DOC's public information meetings. In addition a follow-up letter with a corrected meeting address was also distributed to the recipients of the original mailing on May 18, 2006 in accordance with the above stated requirements.
6. The DOC EFP held public information meetings, as required by Minnesota Rules part 4415.0035 subp. 4. The DOC public information meetings were held on May 23, 2006, at 3:00 p.m. & 7:00 p.m. at River Village East, 2919 Randolph St. NE, in Minneapolis in

Hennepin County and at 3:00 p.m. & 7:00 p.m. at the Springbrook Nature Center, 6431 University Ave. NE, in Fridley in Anoka County.

Applicant

7. CenterPoint Energy is headquartered in Minneapolis, Minnesota, and is the project proposer. Therefore, any PUC permit issued for this project will identify CenterPoint Energy as the permittee for the proposed project.

Project Description

8. The proposed 16.3 mile natural gas pipeline will have an outside diameter of 20 inches and will begin at the Northern Natural Gas (Northern Natural) Town Border Station (TBS) at the intersection of 148th Lane NW and Prairie Road in Andover and pass through Coon Rapids, and Fridley (Anoka County) and end at the Xcel Energy Riverside Generating facility on the east shore of the Mississippi River near downtown Minneapolis (Hennepin County).
9. The estimated total cost of the pipeline is approximately \$25 million.

Facility Description

10. The facilities proposed by CenterPoint specify 20-inch (outside diameter) steel pipe and related materials that include valves, flanges, pipe fittings, coating and wrapping materials, casing, pipe supports, caution signs for crossings and other miscellaneous materials.
11. The 20-inch pipe will have a nominal pipe wall thickness of 0.250 inches. The type of pipe used will be American Petroleum Institute 5L. The maximum allowable operating pressure (MAOP) of the proposed pipeline is 650 pounds per square inch gauge.
12. The normal operating pressure of the pipeline and associated facilities will be approximately 550 pounds per square inch gauge. The proposed natural gas pipeline and associated facilities are designed to have a maximum throughput capacity of approximately 100.0 million cubic feet per day (Mcf/d). The minimum throughput design is 0.0 Mcfd per day. The minimum throughput is 0.0 Mcfd per day due to the fact that the plant will not always be operating and the pipeline is a dedicated facility serving only the Riverside Plant.
13. In addition to the steel pipe, CenterPoint will install a TBS header, mid-line valves, odorizer, cathodic protection and a gas delivery station. Above-ground appurtenances, called launchers and receivers, will be installed to facilitate the passage of in-line inspection tools, also know as “smart pigs”. The launcher will be installed at the north end of the route and the receiver will be installed at the south end of the route. Pipeline markers will also be installed at various locations in accordance with applicable federal and state regulations

14. Cathodic protection will be provided on the pipeline to stop galvanic corrosion and will comply with all requirements of the U.S. Department of Transportation Pipeline Safety Regulations, 49 CFR Part 192. Cathodic protection systems consist of above-ground rectifiers and anodes. The exact location of the above-ground facilities will be determined at the time of final design by a cathodic protection specialist.

Land Requirements

15. The total right-of-way length is approximately 16.3 miles. The majority of the proposed route already includes existing railroad, electric transmission line, road, Metropolitan Council sewer facilities, and existing CenterPoint natural gas pipeline(s) rights-of-way. The permanent easement will be 50 feet wide, the permanent right-of way is expected to include the right-of-way of the existing natural gas pipelines. CenterPoint will make every effort to include the pipeline in its existing rights-of-way. In areas where the existing right of way is 50 feet wide no additional right of way will be required unless site specific conditions dictate otherwise. Estimated acreage within the permanent right-of-way is 99 acres, based on a 50 foot wide permanent right-of-way along the entire route corridor. Existing natural gas pipeline rights-of-way already encompasses approximately 45 acres of those 99 acres. It is expected that approximately 54 acres of new permanent right-of-way will be necessary.
16. Permission to use temporary workspace will be obtained from landowners adjacent to the permanent right-of-way. CenterPoint Energy plans to obtain a general right of access to the right-of-way, which would include temporary workspace. This area will vary as needed but will average approximately 10 feet. The estimated acreage of temporary workspace is 20 acres, assuming ten feet of temporary workspace. Temporary right-of-way or workspace will revert to landowners upon completion of construction. Additional temporary workspace adjacent to the construction right-of-way may be necessary during construction in areas such as steep slopes and staging areas for stream, wetland, and road crossings, for safety reasons, to provide an area for prefabrication of sections of pipeline, or storage of spoil materials. CenterPoint Energy will acquire additional workspace from the landowner where necessary; however in all cases, the size of extra workspace will be kept to the minimum required to safely conduct the work.
17. Site specific conditions will require additional temporary workspace at crossings of features such as highways, railroads, streams, ditches, wetlands and roads. CenterPoint Energy will request additional 40 foot wide by 200 foot long workspaces adjacent to the right-of-way at these crossing locations. This additional workspace is necessary for staging equipment, storage of temporary spoil and to ensure a safe work area. Permission to utilize additional temporary workspace will be obtained from landowners along the route as required by site specific conditions. CenterPoint Energy has identified approximately 60 crossing locations where staging areas may be required. Assuming sites averaging 40 feet wide by 200 feet long, approximately 11 acres of additional temporary workspace will be required.

Trench and Depth of Cover Requirements

18. Minnesota Statutes § 116I.06, subd. 1 requires pipelines to be buried with a minimum level cover of not less than 54 inches, in all areas where 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. As provided by Minnesota Statutes § 116I.06, subd. 2, the landowner may waive the depth of cover requirements. Any political subdivision authorized by law to approve the use of the right-of-way of any public drainage facility or any public street or highway for a pipeline may waive the minimum depth of cover requirement or adopt and enforce by resolution or ordinance rules or regulations establishing a greater depth than the minimum required and other measures for protection of public roads and drainage facilities under its jurisdiction.

Pursuant to 49 CFR Part 192.327, except as provided in paragraphs (c) and (e) of this section, the U.S. Department of Transportation (U.S. DOT) requires that each buried transmission line be installed with a minimum cover as follows so that the cover between the top of the pipe and the ground level, road bed and river bottom, as applicable, complies with the following:

<u>Location</u>	<u>Depth of Cover – Normal Soil Condition</u>
Class 1	30 inches
Class 2, 3, 4	36 inches
Drainage ditches of public roads and railroad crossings	36 inches

- (c) Where an underground structure prevents the installation of a transmission line or main with the minimum cover, the transmission line or main may be provided with additional protection to withstand anticipated external loads.
- (e) Except as provided in paragraph (c), all pipe installed in a navigable river, stream, or harbor must be installed with a minimum cover of 48 inches in soil or 24 inches in consolidated rock between the top of the pipe and the underwater natural bottom (as determined by recognized and generally accepted practices).

Class locations are designated by the number of buildings intended for human occupancy within 220 yards (660 feet) of either side of the pipeline centerline.

Class 1: 0-10 buildings

Class 2: 10-45 buildings

Class 3: 46 or more buildings or an area where the pipeline lies within 100 yards (300 feet) of either a building or a small, well-defined outside area (such as a playground, recreation area, outdoor theater, or other place of public assembly) that is occupied by 20 or more persons on at least 5 days a week for 10 weeks in any 12-month period. (The days and weeks need not be consecutive.)

Class 4: Any class location unit where building with four or more stories above ground are prevalent.

19. The depth of the pipe will vary with surface conditions, but will primarily be three feet (36 inches) from the surface. The depth of pipe will be 54 inches where the pipe is in 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. The depth of the portion of the pipeline that will be directionally drilled will vary depending on site specific conditions. In areas where personnel will be required to work/inspect inside the trench, OSHA regulations regarding trenching and excavating dimensions will be followed.
20. The trench in which the pipe is placed will have a minimum depth of 56 inches to allow for a minimum of 36 inches of ground cover to the top of the pipe. The trench will have a minimum width of 36 inches for the 20-inch pipe. The top and bottom widths are determined by soil conditions. In sandy soils, a wider trench will be necessary for sidewall stability. The trench required for the proposed pipeline will result in a minimum excavation volume of 39,700 cubic yards of soil, which assumes that two miles of directional boring will be performed.

Pipeline Safety

21. Pipeline safety is a matter of paramount concern to all interested parties. CenterPoint, as noted in its Application and in these findings, is subject to the U.S. Department of Transportation, Pipeline Safety Regulations (Title 49, C.F.R., Part 192).
22. The Minnesota Office of Pipeline Safety is responsible for enforcement of the pipeline safety regulations. The Office of Pipeline Safety intends to monitor construction of the proposed pipeline for compliance with the regulations. The Office of Pipeline Safety also has an ongoing responsibility for monitoring CenterPoint pipeline facilities for compliance with the safety regulations.

DOC Public Information Meetings

23. The DOC held four public information meetings to receive public comment on the CenterPoint application as noted in Finding 6. Five (5) persons attended the PUC public information meetings in Hennepin County and twenty-one (21) persons attended the DOC public information meetings in Anoka County. EFP staff provided an overview of the requirements for a pipeline routing permit and for a partial exemption from pipeline route selection procedures. CenterPoint provided an overview of the project.
24. DOC EFP staff and CenterPoint representatives were available for questions. Several landowners living along 148th Lane NW near the town border station in Andover had concerns about the impact of pipeline construction on their property. The pipeline will run within the road right of way along 148th Lane NW. Landowners were concerned about the potential impacts to landscaping and property values. Several homeowners from the Woodridge Lodges Townhomes expressed concern about the possibility that a

natural visual and sound barrier to the railroad would be removed if the pipeline was routed along the east side of the tracks in this area. One business representative was concerned about the business impact that the proposed route would have on his company. Other attendees expressed concern about the conversion of the Riverside Power Plant from coal to natural gas and the economic consequences that might have. CenterPoint representatives were able to address the concerns that were raised during the meeting.

Comment Letters

25. The DOC EFP staff announced at the public meetings that public comments regarding the proposed project and the Application for a partial exemption and routing permit would be accepted until June 14, 2006. Eight (8) comment letters were received on the CenterPoint proposed pipeline. The comment letters came from Michael Rainville (a resident of St. Anthony West in NE Minneapolis), Sue Sigurdson (representing the organization Concerned Citizens of Marshall Terrace), Charles Pratt (a resident of Coon Rapids), Tom Petrich (a resident on 148th St. in Andover), the Woodridge Lodge Homeowners Association, Peggy Trippel (a resident of Woodridge Lodges Townhomes), the Metropolitan Council, and the Anoka County Parks Department. (**Exhibits 7 through 14**).
26. Several issues were raised or identified in the comment letters. CenterPoint's written response to the comment letters addresses the issues and concerns raised in the comment letters (**Exhibit 15**).

Alternatives to the Proposed Pipeline Route

27. CenterPoint also looked at the alternative of no action and two other routing alternatives. CenterPoint concluded that all of the alternative routes would have more impacts than it's now preferred route alignment.

Standard for Partial Exemption From Pipeline Route Selection Procedures [Minnesota Rules, Part 4415.0040]

28. In determining whether to grant or deny a partial exemption from pipeline route selection procedures, the PUC must apply the requirements of Minnesota Rules part 4415.0040 [Criteria for Partial Exemption from Pipeline Route Selection Procedures]. This part contains the standard and criteria that the Commission must apply in determining whether to grant or deny the partial exemption
29. Minnesota Rules part 4415.0040, subp. 2, [Standard], requires the PUC to determine that the proposed pipeline will not have a significant impact on humans or the environment in order to grant the partial exemption. In conducting this evaluation, the PUC must consider a number of criteria set forth in subpart 3 of the rule.
30. In designating a route, subpart 3 requires the PUC to take into account the criteria set forth in part 4415.0040, subp. 3 for determining the appropriateness of a partial exemption from pipeline route selection procedures.

Consideration of Pipeline Routing Criteria

31. In determining whether to grant a partial exemption request and designate a route, the PUC considers the criteria set forth in the rules. The following findings discuss the specific impacts on humans and the environment of the CenterPoint pipeline as now proposed.

Criterion A. Impact on human settlement, existence and density of populated areas, existing and planned future land use, and management plans.

32. The pipeline will be constructed adjacent to an existing railroad right-of-way for approximately 11 miles and adjacent to existing roads for approximately 5.3 miles in suburban areas in Anoka County and Hennepin County. Cities crossed by the preferred route include Andover, Coon Rapids, and Fridley in Anoka County and approximately one mile in Minneapolis in Hennepin County. Existing natural gas pipelines are located along approximately 15.3 of the 16.3 miles of the proposed right-of-way. Various land uses adjacent to the route include commercial, residential, industrial and public lands. Approximately 35% of the route is commercial, 28% is comprised of public lands (county and city parks), 27% is residential, and 10 % is industrial. In general the lands adjacent to the north end of the route are predominately residential and park land, while the lands adjacent to the south end of the route are predominately commercial/industrial lands. In general the preferred route is comprised of several other linear facilities, i.e. railroads, roads, natural gas pipelines, sewer lines, and high voltage electric transmission facilities.
33. The proposed pipeline crosses 29 roads and 4 State Highways including Highway 242, Highway 47/10, and Highway 610 in Coon Rapids, as well as Interstate Highway 694 in Fridley. The existing Burlington Northern Santa Fe railroad passes underneath Highway 610 and over Interstate Highway 694. CenterPoint will work closely with MN/DOT staff to determine the specific highway crossing plans and procedures.
34. A portion of the proposed pipeline route that parallels the railroad is also the proposed route for the NorthStar Commuter Rail Project. CenterPoint Energy intends to maintain close coordination with the NorthStar Project team to ensure that both projects may proceed in a timely and effective manner.
35. Future development along the pipeline right-of-way is regulated by setback ordinance established pursuant to the requirements of Minnesota Statutes § 299J.05 [Pipeline Setback Ordinance]. This ordinance requires that no development occur within the permanent right-of-way. The proposed pipeline alignment is not in conflict with any existing or planned residential, commercial or industrial development in the area.
36. The CenterPoint right-of-way alignment will not significantly affect human settlement areas, planned future land uses, or any local management plans.

Criterion B. Impact on the natural environment, public and designated lands, including but not limited to natural areas, wildlife habitat, water, and recreational lands.

37. The proposed pipeline route crosses or runs adjacent to 13 parks, including two regional parks in Anoka County: Bunker Hills Regional Park and Riverfront Regional Park. The pipeline also crosses or runs adjacent to several regional trails. These are: the Coon Creek and Mississippi River Regional Trails in Anoka County, and the St. Anthony Parkway Regional Trail in Hennepin County. The proposed pipeline will cross the St. Anthony Parkway Regional Trail in Minneapolis. The Minneapolis Park and Recreation Board will rebuild the St. Anthony Parkway Trail and associated facilities in 2007. Regardless of right-of-way or centerline location, certain mitigation procedures and construction practices will be followed pursuant to pipeline routing permit conditions to minimize impacts on all lands crossed.
38. The proposed pipeline project crosses three perennial streams including Coon Creek (two crossings), Sand Creek and Rice Creek, as well as nine intermittent ditches and tributaries. Coon Creek and Sand Creek are not designated as a Minnesota DNR Protected Waters at the crossing locations, and Rice Creek is designated as a Minnesota DNR Protected Water. CenterPoint intends to use directional drilling construction techniques to cross Coon Creek and likely Sand Creek. CenterPoint intends to cross Rice Creek either by the directional drill method, or by trenching the pipeline under the trail that runs above the creek culvert. CenterPoint will develop site-specific crossing plans for each of the directional drill crossings.
39. There are 19 wetlands that will most likely be crossed by the project for a total of approximately 6,800 feet. Crossing lengths vary from approximately 100 feet to 700 feet. Wetlands will not be drained or permanently filled during construction/restoration of the proposed project. CenterPoint intends to cross wetlands by utilizing open-cut trenching construction techniques. CenterPoint Energy will restore the impacted wetlands to pre-construction conditions to the extent possible.
40. Erosion control measures, including silt fencing and/or straw bales, will be utilized as necessary to minimize disturbed sediment from trenching activities to impact waterbodies.
41. The proposed project may result in short-term environmental impacts during pipeline construction activities. Impacts to existing roads within the project area will be short-term and minimal. CenterPoint Energy will typically construct the pipeline across paved roads and railroads using boring or directional drill methods in order to avoid impacts to road surfaces or railroads and minimize traffic interruptions. Unpaved roads may be crossed by boring or open cut construction methods. In the event that an unpaved road is open-cut, CenterPoint Energy will minimize traffic disruptions by maintaining one open lane of traffic except when the pipeline is being trenched or backfilled. CenterPoint Energy will obtain all necessary permits for right-of-way crossings. Transportation of equipment and materials to the right-of-way could also result in short-term impacts to the traffic area, but are expected to be minimal.
42. No compression facilities are to be installed on the proposed pipeline so there will not be any exhaust or other noise from these facilities. The pipeline does not generate any noise under normal operations. During construction, noise impacts from equipment will be

short-term as construction progresses along the right-of-way. The noise is typical of the machinery that is used in road construction operations. Equipment noise impact would be short-term as the construction process moves continuously along the right-of-way.

43. The pipeline will be pressure tested with water, also referred to as hydrostatic testing, after backfilling is complete to ensure that the system is capable of withstanding the designed operating pressure. Hydrostatic testing procedures will be implemented in accordance with federal regulations 49 CFR Part 192. CenterPoint Energy currently has water discharge permits which will be used as needed. Water appropriation approval will be obtained as required.

Criterion C. Impact on lands of historical, archaeological and cultural significance.

44. The Minnesota Historical Society/State Historic Preservation Office (SHPO) was contacted to review the route pursuant to the Minnesota Historical Sites Act and the Field Archaeology Act. While no impacts on such resources are anticipated, the pipeline routing permit addresses preservation of archeological sites should any be discovered during construction.

Criterion D. Impact on economies within the route, including agricultural, commercial or industrial, forestry, recreational and mining operations.

45. Construction activities will temporarily disrupt land uses within the construction work areas. After construction is completed, activities will be allowed to resume in the pipeline right-of-way. Landowners will be compensated for losses and other damages caused by construction activities.
46. Under some wet weather conditions, construction will have to be temporarily delayed until weather permits.
47. Pipeline routing permit conditions and construction specifications specifically address soil compaction, erosion control and right-of-way restoration. In addition, CenterPoint will work with state, regional, county and local units of government to discuss any particular concerns they may have.
48. During construction of the pipeline, workers from pipeline contractors, local laborers, equipment contractors, suppliers and regional testing firms will be involved with the project. In addition, construction inspectors as well as county inspectors will be employed during the project. During the period of right-of-way preparation, construction, testing and restoration, these workers will contribute to the local economy.

Criterion E. Impact on pipeline cost and accessibility.

49. CenterPoint Energy has estimated that the pipeline will cost approximately \$25 million to construct in the proposed route.
50. The location of the proposed pipeline will not limit accessibility during the construction phase.

Criterion F. Impact on use of existing rights-of-way and right-of-way sharing or paralleling.

51. As most of the route is adjacent to existing linear facilities, CenterPoint will coordinate all construction activities with the owners of the existing linear facilities.
52. The proposed pipeline corridor maximizes the ability to share existing rights-of-way with existing linear facilities.
53. Construction of the pipeline will generally require a 10-foot-wide temporary workspace along the route adjacent to the permanent right-of-way. This temporary workspace is needed to facilitate safe working conditions during the construction and restoration phases of the project. The permanent right-of-way and temporary workspace will provide construction crews with 60 feet of working space along the pipeline right-of-way. The estimated acreage of temporary workspace will be approximately 20 acres, assuming ten feet of temporary workspace. During construction, CenterPoint will acquire nearby temporary storage areas for pipe, materials, construction staging, equipment storage, and parking. At this time those areas have not been identified. Use of temporary storage areas outside the right-of-way is not regulated by this permit.
54. Site specific conditions will require additional temporary workspace at crossings of features such as highways, railroads, streams, ditches, wetlands, and roads. CenterPoint Energy will require additional 40 foot wide by 200 foot long workspaces adjacent to the right-of-way at these crossing locations. This additional workspace is necessary for staging equipment, storage of temporary spoil and to ensure a safe work area. Permission to utilize additional temporary workspace will be obtained from landowners along the route as required by site specific conditions. CenterPoint Energy has identified approximately 60 crossing locations where staging areas may be required. Assuming sites averaging 40 feet wide by 200 feet long, approximately 11 acres of additional temporary workspace will be required. Temporary right-of-way will revert to landowners upon completion of construction.
55. Typically, public roads will be used to gain access to the construction right-of-way. In areas where public roads are limited, and to minimize repeated travel on portions of the right-of-way, existing privately owned roads might 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 obtaining landowner permission prior to use. No private or new access roads have been identified at this time.
56. Traffic flows will temporarily increase during the construction period due to materials, equipment and laborer movements where roadways are crossed. CenterPoint will implement measures to minimize disruption to traffic and to protect the public. Access to the right-of-way will be properly coordinated with county and city officials and affected property owners.
57. Damage to surfaced roadways resulting from the crossing of construction equipment will be minimized by the use of protective planking or other appropriate material. Any road

damages will be repaired to the satisfaction of the landowner or appropriate permitting authority.

Criterion G. Impact on natural resources and features.

58. CenterPoint has met with the Anoka County Department of Parks and Recreation to address concerns of the potential impacts the pipeline may have on several components of the Anoka Regional Park system, including: Bunker Hills Regional Parks, Anoka County Riverfront Regional Parks, Mississippi River Regional Trail, and Coon Creek Regional Park. In their letter dated June 12, 2006, the Anoka County Parks and Recreation Committee (a sub-committee of the County Board) has reviewed and is in concurrence with the proposed pipeline project as it relates to the affected regional parks and trails (**Exhibit 10**).
59. Ongoing coordination with Anoka County and the Minneapolis Park and Recreation Board (MPRB) is important to minimize construction and operations impacts to regional parks and trails, and to develop appropriate mitigation measures for potential impacts. CenterPoint will continue to work closely with Anoka County and MPRB staff regarding specific park impacts and mitigation measures. CenterPoint will also continue to work with the cities to minimize impacts to city parks and recreation areas.
60. The impacts of the pipeline on water crossings will be minimized as the water crossings will be either bored or constructed in compliance with MDNR requirements for crossing public lands and waters. The CenterPoint restoration plan and other permit requirements will minimize impacts.
61. After construction of the pipeline is completed the work areas will be restored to the pre-construction conditions to the extent possible. This restoration may include revegetation with seed mixtures specified by permit conditions, land managing agencies or landowners.
62. Wildlife species will be temporarily disrupted and may relocate to adjacent areas and reroute their travel in the area during construction of the pipeline.
63. Immediately following construction, disturbed areas will be restored to original contours and reseeded. Once vegetation is reestablished, there should be no further disturbance.
64. Where clearing is required on the right-of-way, soil from tree or shrub roots will be retained on the right-of-way. Rock, roots and stumps that are uprooted will be properly disposed of.
65. Exposed soils are also subject to wind and water erosion. However, the potential for erosion is not excessive due to the low relief of the area crossed and the fact that the trench will be open only for a relatively short time. CenterPoint will specify the special placement of berms or other specific erosion control measures and practices in areas where the potential for erosion exists.

Criterion H. The extent to which human or environmental effects are subject to mitigation by regulatory control and by application of the permit conditions contained in part 4415.0185 for pipeline right-of-way preparation, construction, cleanup and restoration practices.

66. Human and environmental impacts will occur as a result of pipeline construction. Many of the impacts associated with pipeline construction will cause only a temporary disturbance or disruption. Many of the impacts will be mitigated through compliance with regulatory control, strict adherence to the construction specifications, compliance with the pipeline routing permit conditions. Permits from other federal and state agencies and units of government are also designed to reduce or mitigate the impact of pipeline construction.
67. Following completion of construction, the right-of-way and all premises on which construction activities were conducted will be cleaned up. This will include removal of debris, fence repair, removal of temporary road and ditch crossings, additional grading to correct for soil settling and seeding of the right-of-way as required by PUC. The permittee will comply with all other federal, state and local permit conditions.

Criterion I. Impact on cumulative potential effects of related or anticipated future pipeline construction.

68. There is no evidence in the record to indicate that cumulative adverse effects will occur that cannot be mitigated by compliance with appropriate permitting requirements and conditions. Compliance with applicable permits, regulations and agreements and strict adherence to the construction specifications will reduce the adverse effects of the project.
69. The capacity of the proposed pipeline is believed to be adequate to serve the foreseeable future needs of the Xcel Energy Riverside Power Plant in Minneapolis, Minnesota. Any future project expansion will require review pursuant to the applicable statutes and rules.

Criterion J. Impact on relevant policies, rules, and regulations of the state and federal agencies and local government land use laws including ordinances adopted under Minnesota Statutes, section 299J.05, relating to the location, design, construction, or operation of the proposed pipeline and associated facilities.

70. There is no evidence in the record indicating that the proposed pipeline would be inconsistent with any relevant policies, rules and regulations of any known state or federal agencies or local land use laws.
71. CenterPoint provided in the Application a list of the known permits that must be obtained.
72. All appropriate permits will be acquired prior to undertaking the activity for which a permit is required. CenterPoint Energy must comply with the terms and conditions of all necessary permits.

73. Minnesota Rules part 4415.0200 and the pipeline routing permit provide a procedure to report complaints concerning violation of the pipeline routing rule requirements and pipeline routing permit conditions.
74. Minnesota Rules part 4415.0205 provides procedures for permit modification or suspension for violation of the terms and conditions of a pipeline routing permit or of Minnesota Rules parts 4415.0010 to 4415.0215.

Based on the foregoing Findings of Fact, the DOC EFP Staff proposes that the Commission makes the following:

CONCLUSIONS

1. The Public Utilities Commission has fulfilled all relevant procedural requirements of law or rule applicable to the consideration of an application for a partial exemption from pipeline route selection procedures, and has the authority to grant a partial exemption from pipeline route selection procedures and to issue a pipeline routing permit.
2. CenterPoint Energy has complied with the procedural requirements for a partial exemption from pipeline route selection procedures as set forth in Minnesota Rules part 4415.0035, including publication of notice in a newspaper in the counties where the pipeline will be located.
3. The PUC has established in Minnesota Rules part 4415.0040 a standard and criteria for a partial exemption from pipeline route selection procedures. The Commission has considered the potential impacts of the proposed natural gas pipeline in each of the areas specified in the rule, including the natural environment and human settlement. The Commission concludes that with implementation of proper construction practices and mitigation measures, and compliance with appropriate permit conditions, and negotiation of specific accommodations with individual landowners, the proposed CenterPoint pipeline will not have a significant impact on humans or the environment and that a partial exemption from pipeline route selection procedures can be granted.
4. The land uses adjacent to the proposed route are comprised of park and recreation land, commercial/industrial, and residential.
5. Based on its consideration of the criteria for granting a partial exemption from pipeline route selection procedures, the Commission concludes that construction of CenterPoint's proposed 16.3 mile natural gas pipeline in its preferred route as described below will not have a significant impact on humans and the environment:

The pipeline will originate at the existing Northern Natural Gas facility located on Prairie Road in Andover. The pipeline will traverse north approximately 200 feet to 148th Lane NW. The pipeline will then go west along the 148th Lane NW right-of-way for approximately 2,500 feet. The pipeline will continue west for approximately 600 feet until reaching the Burlington Northern Santa Fe Railroad right-of-way. The pipeline will then traverse south generally be located in CenterPoint's existing right-of-way adjacent to the railroad and other existing

rights-of-way for approximately 11.4 miles. Next, the pipeline will go west approximately 600 feet to the intersection of Island Park Drive NE and East River Road. The pipeline will continue south along the west side of East River Road for approximately 4.1 miles until reaching the Xcel Riverside Power Plant in Minneapolis.

6. The Commission concludes that it is reasonable to limit the maximum width of the route to no more than 500 feet, or 250 feet on either side of the proposed centerline, with the exception of those areas identified in Exhibits 16 & 17. The route as defined will allow CenterPoint Energy the flexibility to adjust the right-of-way alignment within the route to avoid sensitive areas, minimize the impact of construction as well as accommodate unforeseen circumstances encountered during the engineering and design stage.
7. A routing permit for the new pipeline should be conditioned in a number of respects, including imposition of those conditions specified in Minn. Rules part 4415.0195 and other conditions agreed to by the applicant.
8. Any Finding of Fact more properly considered a Conclusion, or any Conclusion more properly considered a Finding of Fact, is hereby expressly adopted as such.