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July 12, 2006

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Mr. Larry Hartman
Minnesota Department of Commerce
Energy Facility Permitting
85 7th Place East
Suite 500
St. Paul, MN 55101-2198

Subject: CenterPoint Energy – Riverside Pipeline Project
PUC Docket No. G008/GP-06-426
Response to Comment Letters

Dear Mr. Hartman:

CenterPoint Energy submitted an application to the Minnesota Public Utilities Commission for a Natural Gas Pipeline Routing Permit and Partial Exemption from Pipeline Route Selection Procedures in accordance with Minnesota Rules Chapter 4415 on April 6, 2006.

This letter is in response to the comment letters received by the Public Utilities Commission during the public comment period which ended June 14, 2006, regarding the CenterPoint Energy Riverside Pipeline Project. The following information is organized by comment and origin of the comment, followed by the CenterPoint Energy response.

**Comment Letter from Woodridge Lodges Homeowners Association, dated June 6, 2006;
Comment letter from Peggy Trippel, Woodridge Lodges Townhomes, dated June 13, 2006.**

Both letters from Woodridge Lodges Townhome residents expressed concerns regarding locating the pipeline on the east side of the Burlington Northern Santa Fe Railroad, just south of Highway 10.

CenterPoint Energy Response

The location of the pipeline is currently proposed to be located on the west side of the Burlington Northern Santa Fe Railroad.

Comment letter from John VonDeLinde, Anoka County, Director of Parks and Recreation dated June 12, 2006.

Mr. VonDeLinde stated that the Anoka County Parks and Recreation Department has had several meetings with CenterPoint Energy and its consultant, ProSource Technologies, Inc. regarding the pipeline project, including preliminary scoping of the route as well as on-site review. Mr. VonDeLinde stated that proposed project will have minimal impact on existing or proposed county recreation facilities and the impact to natural resources and landscaped areas will be minor, also noting that mitigation efforts will be made to restore disturbed areas to pre-construction conditions. Mr. VonDeLinde also stated that the Anoka County Parks and Recreation Department has reviewed and is in concurrence with the proposed pipeline alignment.

CenterPoint Response

CenterPoint Energy appreciates the support from the Anoka County Parks and Recreation Department for the project, and looks forward to continuing to work with the park's staff on the acquisition of easements and permits.

Comment letter from Tom Petrich, potential landowner, dated June 12, 2006.

The letter from Tom Petrich stated that he objected to the routing of the gas line along 148th Avenue in Andover. He stated that there are already two gas easements through this residential development.

CenterPoint Energy Response

CenterPoint Energy analyzed route variations within the above referenced residential area located on the north end of the route in the City of Andover. This analysis included a field review of the area as well as discussions with City of Andover staff. Furthermore, CenterPoint Energy conducted an informational meeting at the request of the City of Andover to answer any questions regarding the proposed pipeline. (No affected landowners participated.) CenterPoint Energy determined that the proposed alignment is superior to potential alternative routes based on the criteria of following property lines and avoiding anticipated redevelopment projects. Moreover, the proposed alignment would require fewer permanent easements to be acquired.

Comment letter from Michael Rainville, Resident of St. Anthony West Neighborhood Organization, dated June 13, 2006.

Mr. Rainville is a member of the St. Anthony West Neighborhood Organization and lives several miles downriver from the Xcel Energy Riverside Power Plant. Mr. Rainville stated that the neighborhoods in NE Minneapolis have worked very hard to make the power plant's conversion happen (conversion from coal burning to natural gas). Mr. Rainville also stated that an important role in the conversion is the construction of the pipeline. Mr. Rainville stated that he encourages the Public Utilities Commission to send the project forward and to let the Department of Commerce know that all of his neighbors support the effort.

CenterPoint Energy Response

CenterPoint Energy appreciates the support from neighborhood groups and is proud to be a part of a project that will substantially reduce air emissions in the metro area.

Comment Letter from Metropolitan Council, dated June 14, 2006.

The Metropolitan Council (Met Council) submitted a comment letter that identified several items including regional wastewater infrastructure, regional transportation systems, regional parks, and erosion control measures. CenterPoint Energy has provided the following information to address each issue.

Regional Wastewater Infrastructure – Kyle Colvin, Principal Staff Engineer, Met Council

The application indicates that the proposed 20-inch gas pipeline could be located in the easement for a large Council-owned sanitary sewer interceptor, which would be detrimental to the maintenance, and potential future expansion, of the regional wastewater system. The Council will not give up these essential property rights. The Metropolitan Council Environmental Services (MCES) owns and operates a sanitary sewer interceptor facility which parallels much of the proposed alignment of the high pressure gas transmission pipeline. The size of the interceptor varies throughout the length of the proposed alignment: beginning with a 48-inch interceptor near Coon Rapids Boulevard, to a 96-inch interceptor near the project terminus at the Riverside Power Plant in Minneapolis.

After reviewing maps obtained from the Minnesota Public Utilities Commission web site, it appears that the additional easements sought to cover the proposed 20-inch gas transmission pipeline will, in some areas, overlap existing MCES sanitary sewer easements. The MCES easements were acquired at the time the wastewater facility was planned and constructed to facilitate continued operation and maintenance of the regional wastewater conveyance system. No encumbrance of these easements can be allowed which would hinder the continued operation and maintenance of the facility or the regional sanitary wastewater service it provides. MCES also is concerned about the potential for damage to the interceptor facility and its appurtenances from construction-related activities.

The Council needs additional information to determine the extent to which the proposed pipeline will affect the regional wastewater disposal system. Once preliminary plans are complete, one set should be submitted to MCES for review. These plans should delineate the extent of any planned additional easement acquisitions. Once available, the information requested above can be forwarded to Kyle Colvin, Principal Staff Engineer, MCES, Technical Services Section.

CenterPoint Energy Response

CenterPoint Energy contacted Met Council staff in February 2006 to coordinate a meeting to discuss the proposed project. Met Council staff requested that the meeting be postponed until CenterPoint Energy completed more specific engineering plans for the proposed route. Preliminary design plans are scheduled for completion by the end of 2006. CenterPoint Energy has identified the Met Council sewer easement locations and will be surveying the location of their facilities. CenterPoint Energy is confident that the proposed location of the new pipeline will have minimal impact to the existing sewer lines. In those areas that a conflict may occur (notably at Rice Creek and some points south), CenterPoint Energy fully intends to coordinate activities with Met Council staff.

ProSource Technologies, Inc. (ProSource) contacted Mr. Kyle Colvin, Met Council, on July 6, 2006 to address the comments outlined in the Met Council letter. ProSource discussed the specific easement requirements for the proposed pipeline in the areas located near the Met Council sewer lines. Mr. Colvin did not have any additional concerns and requested that CenterPoint Energy meet with Met Council after more detailed engineering plans for the pipeline are available.

Regional Transportation, Connie Kozlak, Met Council

The proposed pipeline may impact the Northstar Corridor Commuter Rail project and it will be important for CenterPoint Energy to coordinate with the NorthStar Project office. Metro Transit has reviewed the proposed Riverside Pipeline project materials and determined that there appears to be no significant impact to existing facilities. However, there may be an impact to the proposed NorthStar Commuter Rail project. The pipeline is proposed to follow the Burlington Northern Santa Fe railroad

R/W through Andover, Coon Rapids, and Fridley in Anoka County. The portion of the rail R/W south of Coon Rapids Boulevard will also be used for the NorthStar Corridor Commuter Rail Project. CenterPoint Energy should coordinate with the NorthStar Project office to assure that the specific alignment within the rail R/W does not interfere with location of facilities, such as stations, that will be constructed for the commuter rail line. This coordination could lead to efficiencies in construction for both projects, or at a minimum, minimize disruption of one project while the other is being built.

CenterPoint Energy Response

CenterPoint Energy and NorthStar Commuter Rail project staff have taken part in multiple meetings to discuss routing issues, construction details and timing of activities for both projects. CenterPoint Energy is currently in the process of reviewing NorthStar preliminary plans and will design the pipeline to avoid conflicts with the proposed alignment. Further, 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.

Regional Parks, Greg Pates, Met Council

In addition to the pipeline's effect on parks, the document should address potential effects on local and regional trails, both existing and proposed, as well as mitigation measures/procedures. The application indicates that 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. Existing natural gas lines are located within or adjacent to these parks. The document does not show, however, that 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 St. Anthony Parkway Regional Trail, in Hennepin County. The proposed pipeline crosses the St. Anthony Parkway Regional Trail in Minneapolis. The Minneapolis Park and Recreation Board (MPRB) will rebuild the St. Anthony Parkway Regional Trail and associated facilities in 2007. MPRB Engineer Tim Brown should be contacted regarding the pipeline location and alignment. Mitigating impacts to parkland is discussed in Section 4415.0145 Environmental Impact of Preferred Route.

Ongoing coordination with Anoka County and the Minneapolis Park and Recreation Board is important to minimize construction and operations impacts to regional parks and trails, and to develop appropriate mitigation measures for potential impacts. The document states that construction and operation of the proposed pipeline are not expected to have significant impact to recreational areas or public land, and that CenterPoint will work closely with cities and counties regarding specific construction requirements associated with park land. CenterPoint Energy should continue to work closely with Anoka County Parks (John VonDeLinde, Parks Director) and the MPRB (Tim Brown, Engineer) to minimize negative effects on regional parks and trails.

CenterPoint Energy Response

CenterPoint Energy and the Anoka County Parks Department staff have had multiple meetings to discuss the alignment of the proposed pipeline through the county parks. Potential impacts to trails have also been discussed during these meetings. Anoka County Parks submitted a letter to the PUC dated June 12, 2006, which stated that the Anoka County Parks and Recreation Committee has reviewed and is in concurrence with the proposed pipeline project as it relates to the affected regional parks and trails. CenterPoint will continue to work closely with the park's staff regarding impacts and mitigation measures. CenterPoint will also work with Mr. Tim Brown to discuss site-specific issues

related to the St. Anthony Parkway Regional Trail. Lastly, CenterPoint Energy will also continue to work with the cities to minimize impacts to city parks and recreation areas.

Regional Storm Water System, James Larsen, Met Council

This application document and further project specifications should be modified to reflect NPDES Permit requirements on sediment control practices. The diagram on page 66/88 of the electronic Appendices file depicts the construction steps as beginning with clearing and grading of the construction corridor before installation of the temporary erosion control measures. However, the Minnesota Pollution Control Agency's National Pollutant Discharge Elimination System (NPDES) Construction Permit program requires that site sediment control practices be installed on all down-gradient perimeters before any up-gradient land disturbing activities begin. This application and any further project specifications need to be modified to reflect the NPDES Permit requirement.

CenterPoint Energy Response

As part of the permitting process of this pipeline project, CenterPoint Energy will apply for a Minnesota Pollution Control Agency (MPCA) NPDES Construction Storm Water Permit, as mentioned above. CenterPoint Energy will comply with all permit conditions set forth by the MPCA, including requirements associated with erosion control. CenterPoint Energy will also employ an environmental inspector during the construction and restoration stages of the project. The environmental inspector will be responsible for ensuring compliance with all environmental permit requirements and maintaining written and photographic records of construction practices.

If there are any questions regarding these responses, please contact Mr. John Heer, CenterPoint Energy Project Manager, at 612-321-4345 or Mr. David Hennen, ProSource Technologies, Inc., at 763-786-1445.

We look forward to continuing to work with the Department of Commerce and Public Utilities Commission on this project and appreciate the opportunity to provide responses to items addressed in the comment letters submitted as part of the public comment period.

Sincerely,



John Heer
Riverside Pipeline Project Manager
CenterPoint Energy

cc: Jeff Haase, Minnesota Department of Commerce