

PIPELINE ROUTING PERMIT

For A

NATURAL GAS PIPELINE

IN

ITASCA COUNTY

ISSUED TO

NASHWAUK PUBLIC UTILITIES COMMISSION

PUC DOCKET No. PL E280/GP-06-1481

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

NASHWAUK PUBLIC UTILITIES COMMISSION

Nashwauk Public Utilities Commission (NPUC) is authorized by this permit to construct and operate approximately 23.0 miles of new 24-inch (maximum outside diameter) natural gas pipeline and associated facilities in Itasca County along the route identified in this Routing Permit and in compliance with the conditions contained in this Permit.

Dated: _____

BY THE ORDER OF THE COMMISSION

BURL A. HAAR
Executive Secretary

(SEAL)

I. PIPELINE ROUTING PERMIT

The Public Utilities Commission (Commission) hereby issues this Pipeline Routing Permit to the Nashwauk Public Utilities Commission (hereinafter "the Permittee") pursuant to Minnesota Statutes section 216G.02 and Minnesota Rules Chapter 7852 to construct and operate a natural gas pipeline and associated facilities approximately 23.0 miles long that will begin at the Great Lakes Gas (GLG) line in Blackberry Township and terminates approximately 2 miles beyond the Minnesota Steel Plant in Nashwauk (**Figures 11-1 through 11-7**).

II. PROJECT DESCRIPTION

The proposed pipeline will be a 24-inch outside diameter, welded steel, and fusion bond epoxy-coated pipe. The pipeline will provide the natural gas fuel required to operate the proposed Minnesota Steel Nashwauk Taconite Reduction Plant (MSI) and other potential industrial customers near the city of Nashwauk. The proposed pipeline will provide natural gas service to Minnesota Steel's proposed plant for use in the processing of taconite and other plant operations. The pipeline is designed to deliver natural gas at a maximum rate of 206 million cubic feet per day and is planned to operate at a pressure of 599 pounds per square inch gauge (psig). The Maximum Allowable Operating Pressure of the pipe will be 1016 psig.

III. DESIGNATED ROUTE

The pipeline route designated by the Commission by this Permit is described as follows:

The pipeline route originates in Blackberry Township. It runs almost straight north for 13 miles to an area near Taconite. There, the route turns east northeast for approximately 10.5 miles until it reaches Nashwauk. The proposed pipeline originates in the northwest $\frac{1}{4}$ of the southwest $\frac{1}{4}$ of Section 10, Township 54 North, Range 24 West, Itasca County. The proposed natural gas pipeline will terminate in the northeast $\frac{1}{4}$ of the northeast $\frac{1}{4}$ of Section 36 in Township 57 North Range 23 West, Itasca County, approximately 2 miles east of the MSI plant.

The maximum width of the approved route in which the final alignment (i.e., ROW) may be placed will be limited to the highlighted 1,320 feet depicted in **Figures 11-1 through 11-7**. This width will give NPUC the flexibility to adjust the specific alignment to accommodate requests by individual landowners to avoid certain areas, allow enough adaptability to deal with unknown conditions, and minimize the impacts of construction of the pipeline on those criteria contained in Minn. Rule 7852.1900, Subpart 3.

NPUC has selected and the Commission staff has evaluated an alignment within NPUC's proposed route that minimizes the potential impacts to the criteria identified in Minn. Rule 7852.1900, and as such this permit anticipates that the actual ROW will generally conform to this proposed alignment unless changes are requested by individual landowners or unforeseen

conditions are encountered. Any alignment modifications shall be located to have the same or less impacts relative to these criteria.

IV. RIGHT-OF-WAY SELECTION

Estimates of land use requirements are provided as follows:

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

The total right-of-way length is approximately 23.0 miles. Estimated acreage within the permanent right-of-way is 188 acres.

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

Permission to use temporary workspace will be obtained from landowners adjacent to the permanent easement rights-of-way. NPUC plans to obtain a general right of access to the easement right-of-way, which would include temporary workspace. This area will vary as needed but will average an additional 30 to 100 feet. The estimated acreage of temporary workspace is 83 acres.

Site specific conditions may require additional temporary workspace at crossings of features such as highways, railroads, stream, ditches, wetlands and roads. NPUC will request a 40 foot wide by 200 foot long workspace adjacent to the ROW at these locations; estimated at 30 such crossings for an additional 5 acres of temporary workspace.

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

- a. Estimated trench bottom width – 36 inches
- b. Estimated trench depth - 84 inches
- c. Estimated trench top width - 42 inches
- d. Estimated excavation – 88,500 cubic yards

- D. Minimum depth of cover for state and federal requirements: 54 inches

- E. Right-of-way sharing opportunities:

The alignment will parallel existing HVTL ROW, existing gas line ROW and state and county road ROW to the maximum extent possible.

V. REVIEW OF PLAN AND PROFILE AND RIGHT-OF-WAY SPECIFICATIONS

At least 14 days before right-of-way preparation begins on any segment of the pipeline, 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 segment for which construction is scheduled. The Permittee may not commence construction until the 14 days has expired or until the Commission has advised the Permittee that it has completed its review of the plan and profile and specifications and drawings. If the Permittee intends to make any significant changes in its plan and profile or the specifications and drawings for right-of-way preparation, construction, cleanup, and restoration after review by the Commission, the Permittee shall notify the Commission at least five days before implementing the changes. The Permittee shall also provide the Minnesota Office of Pipeline Safety with the information it gives the Commission. The Permittees plan and profile and specifications and drawings, shall become a condition of the Permit and shall be complied with by the Permittee.

VI. PERMIT DISTRIBUTION

The Permittee shall, within 10 days of receipt of this pipeline routing 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, office of the auditor of each county, and clerk of each city and township crossed by the designated route. At least five days before commencing construction of the pipeline on a landowner's property, the Permittee shall provide a copy of this pipeline routing permit to the landowner. (Minnesota Rules part 7852.3200).

VII. PERMIT CONDITIONS

The following conditions apply to pipeline right-of-way preparation, construction, cleanup, and restoration.

A. CONSTRUCTION PRACTICES

1. The Permittee shall comply with those practices set forth in its application for right-of-way preparation, construction, cleanup and restoration for the new pipeline. NPUC must employ a field inspector to monitor the compliance of the conditions of this permit.
2. Following completion of construction, the Permittee shall clean up the right-of-way and all premises on which pipeline construction activities were conducted. This shall include, but not be limited to 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 permit conditions or agency permits.

3. The Permittee shall restore the work area as quickly as possible after installation of the pipe.
4. The Permittee shall comply with applicable state rules and regulations.
5. The Permittee shall clear the right-of-way only to the extent necessary to assure suitable access for construction, safe operation, and maintenance of the pipeline.
6. The Permittee shall stabilize stream banks disturbed by pipeline construction with vegetation using native plant species indigenous to the area or by other methods required by applicable state or federal permits or laws.
7. Precautions shall be taken by the Permittee to protect and segregate topsoil in agricultural lands unless otherwise negotiated with the affected landowner.
8. Compaction of agricultural lands by the Permittee must be kept to a minimum and confined to as small an area as practicable.
9. Precautions to protect livestock and crops must be taken by the Permittee unless otherwise negotiated with the affected landowner.
10. All appropriate precautions to protect against pollution of the environment must be taken by the Permittee.
11. All waste and scrap that is the product of the pipeline construction process must be removed or properly disposed of before construction ends.
12. Cleanup of personal litter, bottles, and paper deposited by right-of-way preparation and construction crews must be done on a daily basis.
13. 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.
14. 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.
15. 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.

16. 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.
17. The Permittee shall, to the extent possible, restore the area affected by the pipeline to the natural conditions that existed immediately before construction of the pipeline. Restoration must be compatible with the safe operation, maintenance, and inspection of the pipeline.
18. 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 AIMP is incorporated (**Appendix A**) as a condition of this permit and shall be complied with by the Permittee.

B. COMPLIANCE WITH STATE AGENCIES

The Permittee shall comply with all terms and conditions of permits or licenses issued by any State Agency as identified in the Route Permit Application. NPUC's easement documents must comply with Minnesota Statutes §301B.03.

C. COMPLIANCE WITH COUNTY, CITY OR MUNICIPAL PERMITS

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

D. 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.

E. ARCHAEOLOGICAL SURVEY

The Permittee shall work with the Minnesota Historical Society prior to commencing construction to determine whether an archaeological survey will be necessary for any length of the proposed pipeline. The Permittee shall mark and preserve any archaeological sites that are found during construction and shall promptly notify the Minnesota Historical Society (MHS) and

the Commission of such discovery. The Permittee shall not excavate at such locations until so authorized by the Minnesota Historical Society.

F. ACCESS TO PROPERTY FOR CONSTRUCTION

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

G. COMPLAINTS

1. The Permittee shall establish a complaint reporting procedure in accordance with the requirements of Minnesota Rule 7852.3700 and as described illustrated in **Appendix B** 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 advise the Commission in writing of any substantial complaints received by the Permittee during the course of construction that are not resolved within 30 days of the complaint.

I. PERMIT AMENDMENT

The Permittee may apply to the Commission for an amendment of the route designation or to any of the permit conditions in accordance with the requirements and procedures of Minn. Rules 7849.3400.

J. PERMIT MODIFICATION OR SUSPENSION

This permit may be modified or suspended in accordance with the requirements of Minnesota Rules part 7849.3800 at any time a modification or suspension is warranted.

K. SPECIAL CONIDITIONS

The Applicant's preferred alignment across the Karna property and tie-in to the GLG line should be modified to accommodate the landowner's request to the extent practicable (**Figure 11-8**)

VIII. TERMINATION OF PUC JURISDICTION OVER THE PIPELINE

Upon determination by the Permittee that it has completed construction of the pipeline and restored the land in accordance with all permit conditions and agreements with landowners, the

Permittee shall file with the Commission a written certification that the permitted pipeline construction 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 costs or reimbursements due. If the Commission rejects the certification, it shall inform the Permittee in writing of which deficiencies, if corrected, will allow the certification to be accepted. When corrections of 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 Permittees pipeline routing permit shall be terminated. (Minnesota Rules 7852.3900).

FIGURES
PIPELINE ROUTE MAPS

Pipeline Route Permit
NPUC Nashwauk – Blackberry Natural Gas Pipeline
PUC Docket No. PL E280/GP-06-1481

APPENDIX A

APPENDIX A
AGRICULTURAL MITIGATION PLAN

APPENDIX B
COMMISSION COMPLIANT PROCEDURES